Pike Place Market Preservation and Development Authority (PDA)

OPERATIONS & COMMUNICATIONS COMMITTEE
Meeting Notice and Agenda

Thursday, January 13th, 2011
4:00 p.m. to 6:00 p.m.
PDA Conference Room

Council Members Present: Patrick Kerr, Gloria Skouge, David Ghoddousi, Gerry Kumata, Bruce Lorig, John Finke, Ann Magnano

PDA Staff Present: Ben Franz-Knight, Kelly Forbes Marshall, James Haydu, Ryan Hostetler, Teri Wheeler, Scott Davies, John Turnbull, Jennifer Maietta, Brittney Farrow, Matthew Holland

Others Present: Doug & Marcia (Jewel Hospitality), Liza Couchman

Meeting was called to order at 4:00 p.m. by John Finke, Chair.

I. Administrative
   A. Approval of Agenda
      John proposed moving the Farm Program presentation to the Full Council meeting on January 27th, 2011.

      Agenda was approved, as amended, by acclamation.

   B. Approval of December 9th, 2010 Minutes
      Patrick Kerr moved, John Finke seconded.

      For: John Finke, Ann Magnano, Gerry Kumata, David Ghoddousi, Gloria Skouge, Bruce Lorig, Patrick Kerr
      Against:
      Abstained:

      The minutes were approved unanimously.

   C. Announcements and Community Comments
      None.

II. Marketing
   A. Proposed Resolution 11-05: Authorization for Renewal of Non-Exclusive Trademark Licensing Agreement with Jewel Hospitality
      James Haydu presented the trademark renewal agreement, referring to discussions that began in
      August 2010. According to James's report, the lease as originally constructed includes an optional
      three-year extension to the original two-year agreement, provided that both parties desire to pursue
      the amendment. No additional changes are proposed. James stated that the arrangement secures
      $25,000 per year in revenue for the Pike Place Market, a guaranteed total of $75,000 over three
      years. James addressed concerns over the fact that Microsoft is a closed campus, which has been
      considered a possible threat to the identity of the Market.
Doug expressed his desire to renew the trademark license agreement, stating that Jewel Hospitality has attempted to thoughtfully represent the Market. He went on to list some of the Pike Place Market tenants which are represented in the café’s offering, including Chukar Cherries, MarketSpice, Tea, and Beecher’s. He described the café as a “food service operation,” found in a central building on the Microsoft campus, with approximately 60,000 Microsoft employees on the campus.

Ann Magnano moved, Gerry Kumata seconded.

Patrick voiced concern over extending the trademark agreement to a business that is no longer based in the Market. Doug responded that while Top of the Market/Jewel Hospitality is no longer operating in the Pike Place Market, he and Marcia are still interested in future opportunities for partnering with Market businesses for catering and events.

John asked James Haydu to comment on the PDA’s policy about the use of PPM trademarks by businesses not operating as part of the Market community. Patrick reiterated his concern, and David responded that exceptions have been made for businesses with which the PPM has a longstanding relationship.

James concluded by stating that the staff recommendation is to proceed with the agreement. He said that Jewel Hospitality is a known entity, and their relationship to the Market is well established.

Ben added that the most common issues that arise from licensing agreements (controlling the known use, duration of use, territory of use, location of use) are known and controlled by the agreement.

For: John Finke, Ann Magnano, Gerry Kumata, David Ghoddousi, Gloria Skouge, Bruce Lorig
Against: 
Abstained: Patrick Kerr

Proposed Resolution 11-05 passed with one abstention.

B. Staff Reports

James Haydu reported on the efforts of the Marketing department to install signage throughout the Market, an attempt to mitigate the effects of Phase II renovation work. He noted that the intention was to install plentiful, consistent, durable signage. James said that the effort represents intense cooperation across several departments, and is consistent with the primary goal of reminding potential visitors that the Market is open.

Ann suggested an incentive program for the tenants who have been relocated to trailers, encouraging them to attractively arrange their merchandise with a contest arranged around the theme of “Best-Looking Trailer.” James noted her suggestion and said he would discuss it with the Marketing department.

C. Marketing & Outreach Plan 2011 – Copacino & Fujikato

Ryan Hostetler reported on Marketing’s collaboration with Playmason, LLC, to create an interactive scavenger hunt-style game for Market visitors. He said that the game will consist of 60 clues (each leading to a different Pike Place Market location) and will take place over six months, with scavenger hunts being conducted on the final Sunday of each month. According to Ryan, 10 clues will be issued per event, with the first month’s clues highlighting businesses which were displaced or highly affected by the renovation work. The list includes Quality Cheese, Black Creek Botanicals, Oriental Mart, Lionheart Books, Three Girls Bakery, El Mercado Latino, La Buona Tavola, Metsker Maps, Golden Age Collectibles, and Matt’s in the Market. The dates of the scavenger hunts will be January 30th, February 26th, March 26th, April 30th, May 28th, and June 25th.

James added that the events were originally planned for Saturdays, but feedback from tenants indicated that there is a greater need to draw visitors on Sundays than on traditionally-busy Saturdays, so the dates were shifted to reflect the tenants’ preference.
Ryan continued his report, describing the collaboration with Copacino & Fujikato (the marketing firm responsible for Seattle Aquarium's highly successful "Leonard" campaign) to promote the scavenger hunt events. James added that Copacino & Fujikato has been charged with creating an aggressive campaign to elicit increased visitation from Seattle natives.

Chris Copacino outlined the main points of the advertising campaign now under way, targeted at generating local "calls to action" in support of the Market: media outlets for the campaign will include outdoor (street teams, transit advertising), internet, and social media (i.e., Facebook). He went on to explain that the campaign will be executed in three stages: renovation, farm season, and holiday season. Promotional offers will incorporate $5 coupons similar to those used in past Market promotions.

Cost structure for advertising with social media outlets like Facebook is on a "per-click" basis (roughly $0.01 per click). Transit advertising will be used during farm season, for which 23 signs were purchased; the transit vendor has offered a bonus of 23 additional signs, for a total of 46 signs, to be displayed on central bus routes in the month of July.

David Ghoddousi inquired about the cost of theater commercial spots. Chris said that he could make some estimates and relay them to James.

Bruce Lorig asked for a presentation of the cost-benefit estimates for each of the advertising outlets. James said he would prepare one for the next Full Council meeting.

Gerry Kumata asked about the benefit of free media. James responded that he not only receives 50-100 calls per year for articles related to the Market (free advertising), but nor does our media plan include tourist outreach, because the Market is famous enough in its own right to draw out-of-town visitors.

John Finke and Ann Magnano asked about the possibility of incorporating public radio in our media plan, such as KUOW and KPLU. James replied that the core relationship with KUOW is in place, and Chris said he would take the suggestion under advisement.

James concluded by stating that the Daystall Rules Review process begins in earnest this month.

III. Property Management

A. Residential Property Management Report

John Turnbull reported, highlighting that Sanitary occupancy is at 96%, and that three units held for bedbug treatment purposes and three for accommodating Stewart House displacements are included in that figure. He said that approximately 12 units will be needed for displaced tenants as work progresses into the Stewart House building, and hotel accommodations will become more scarce and costly as summer approaches.

John T. reported on the mass-move out from the 1st & Pine Building on January 11th. 55 residents (several of whom are severely handicapped) were relocated to nearby hotels, and they were provided with $25 debit card to use for transportation and meals, a model borrowed from SHA. The move was a success, and residents had positive feedback about the experience.

Many vacancies are intentional, having reached the maximum threshold for storage in the Market.

Ann inquired about the immense cost of bedbug treatment in the Market. John replied that the average cost of treatment, per unit, is approximately $800. Last year, an additional $25,000 was added to the pest control budget to cover bedbug treatment.

John concluded by stating that, as leases are approaching their conclusion, rent levels below the average will be raised slightly, to bring all residents closer to the mean for rent prices.
B. Closed Session (RCW 42.30.110 [c])
   i. Review of Lease Proposals
      a. Animal Gifts & Collectibles
      b. The Can Can
   ii. Review of Delinquency Report
   iii. Vacancy Report
   iv. Current Lease Negotiations

C. Open Session: Approval of Lease Proposals
   Resolution 11-07 passed unanimously.

D. Staff Reports
   None.

IV. Items for the Consent Agenda
   Resolutions 11-05 and 11-07 were moved to the Consent Agenda.

V. Public Comment
   Liza Couchman thanked staff for the Town Hall outreach meeting. The one attended by Couchman had sparse attendance but meaningful discussion. She welcomes staff efforts to mitigate renovation- and recession-related challenges, and expressed an interest in targeting the youth and family demographics.

   In response to a concern that was voiced about the number of spaces that appear to be occupied by Pure Food Fish, John Turnbull responded that the additional refrigeration space on Western will be for storage of fresh fish and Pure Food’s restaurant-distribution clientele.

VI. Concerns of Committee Members
   None.

VII. Adjournment
   Meeting was adjourned at 5:41 p.m. by John Finke, Chair.

Meeting minutes submitted by:
Kelly Marshall, Office Coordinator