



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – MAY 2010

**Thursday May 27th, 2010
4:00 p.m. to 6:00 p.m.
PDA Conference Room**

Council Members: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Staff Present: Carol Binder, Anita Neill, Ryan Hostetler, James Haydu, Joe Paar, Brittney Farrow

Others Present: Ernie Sherman, Jonathan Butcher, Marlys Erickson, Ellen Greene, Amy Watson, Tom Weed, Shaun Gill

The meeting was called to order at 4:02 p.m. by James Savitt, Chair.

I. Administration

A. Adoption of Agenda

Carol added to the agenda proposed resolutions 10-27, 10-34, 10-35 which amended 10-15 and 10-30 was reworded and available as a handout. Jim added the resolutions to after IIC of the agenda. The agenda was approved, as amended, by acclamation.

B. Review and Approval of Minutes of April 29th, 2010

Jim requested that future minutes reflected when a motion was made then who moved and seconded the motion. The Minutes were passed with that correction by acclamation.

II. Public Comment Including the Market Community

Ernie Sherman noted his concern for the PDA spending money on Market Research. He felt that it was a waste of money and not necessary to spend funds on information that was already known from past research or trying to fix what was out of the PDA's control. He suggested that researching and asking questions of small merchants in the downtown area would be more beneficial to the Market merchants.

III. Reports and Information Items

A. Council Chair Report

Jim gave an update on the Executive Director hiring process; Carol has agreed to help with the transition and stay on board until September 30th, the hire date for the new ED was October 1st. Patrick Kerr has made the decision to apply for the ED position and has removed himself from all closed sessions and any discussions regarding the hiring of the new ED. Jim clarified for the record that while Patrick did sit on the Executive Director Hiring Committee he did not vote on the job description and has not attended any meetings past the first couple. Whether or not Patrick would be allowed to vote on the final hire would be dependent upon if he was still in the running for the position. Jim noted that he would get legal consult to answer that question. Theresa has been appointed to take Patrick's position on the EDHC. Jim continued to review and outline the hiring process. Resumes are being collected until June 15th. EDHC would meet on June 21st and July 27th to

review and narrow down the candidate field. Final candidates would be announced at the July 29th full Council meeting. Jensen and Cooper then would conduct a background check and Birkman profile examination. Mid August each Council member would interview each finalist, meet with PDA staff and have a public meet and greet. A special PDA Council meeting would be held on August 24th to discuss and select the new Executive Director with the final vote at the August 26th full Council meeting.

Matt requested the dates and a short description be distributed to Council. Jim agreed to distribute by email.

B. Nominating Committee Report

Bruce B reported that the nominating committee met and discussed the possibility of adding a Farm committee and Restructuring the Executive committee. Several positives and negatives were discussed on resurrecting the farm committee and it was decided not to because of the overlap with the OPSCOM committee and Council was already stretched thin with 5 already existing committees. In addition, any new committee needed to have a more specific direction and restructuring the committees should take more thought and review. The committee also considered restructuring the Executive committee to consist of chairs of committees to keep the work of all committees coordinated and create all the committee agendas. Several concerns were raised against this idea and it was decided to not recommend any changes at this time.

Bruce L noted that he felt that there should be changes to the Executive committee and with the introduction of a new Executive Director it would be a good opportunity to discuss any possible changes in governance. He also suggested discussing the issue further at the fall retreat. Matt noted that without a farm committee there should be a resolution to the obvious disconnect between the farmers and the PDA. John supported the committees' discussion and recommendations but felt that there could be a forum for a broader role in committees to cover this gap. There was further discussion on how the farm issues could be dealt with. Carol suggested the possibility of the PDA becoming involved in conservation programs that already existed, perhaps form a farmland trust.

C. Executive Director Report / Questions from Councilmembers

i. NMTC Update

Carol introduced Shaun Gill who had taken over as the PDA's tax credit specialist because Tom had been asked by the City to assist them with their NMTC. She distributed a handout and gave a PowerPoint presentation. She reviewed the NMTC flow of funds at closing, the four CDE's, NMTC investment summary and how the rents would be capitalized. Carol further noted that the Public disclosure as required by the Charter had already been started on May 10th, 45 day prior to any decision(s) made by Council. She explained the purpose of the noticing which included a public hearing that would be held on June 15th at 4:00 p.m. in conjunction with the Finance meeting.

Action Item: Proposed Resolution **10-35** amending **10-15**: Approving Developing a Federal New Market Tax Credit Financing in Connection with Phase II of the Market Infrastructure Program and the Payment of Commitment Fees Related Thereto.

Carol reviewed proposed resolution 10-35 which amended resolution 10-15 approving authorization to move forward with the NMTC financing. The main difference was the increase in commitment fees to the CDE's. Jim noted that the resolution was to authorize the Executive Director and counsel to proceed with certain actions necessary for the Transaction to continue and the final vote of approval would be at the June full Council meeting. There was some discussion about how the gap in funds would be met, what limitations, if any, were on what tenants could do with their spaces, possible projects the funds would be used on and if they had to be committed before the closing of the transaction. Carol noted that the structure had a similar process as a contract and that there was more concern that the money was spent and that there was some flexibility as to the projects, scope defined and some undefined as long as it was a capital project. Jim noted concern about the possibility of defaulting on the loan if for some reason all the funds were not used up and what risk of encumbrance would that bring to the

buildings. Jim Savitt noted that the risk and use issues raised at the meeting need to be further addressed before the final vote at next months full Council.

John Finke noted for the record, because of his position at the National Development Council and their involvement with Kitsap's NMTC financing, he recues himself on all votes concerning the NMTC transaction.

Bruce Lorig moved and Bruce Burger seconded.

For: James Savitt, Ann Magnano, Gloria Skouge, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstained:

Proposed resolution **10-35** passed.

- ii. Other Matters
None

- D. Other Committee Reports
None

IV. Resolutions and Other Action Items (Old and New Business)

- A. Consent Agenda
Gerry moved and Bruce Burger seconded.

The consent agenda was approved by acclamation.

- B. Action Items

- i. STRAP – Report and Discussion regarding Market Research
Action Item: Proposed Resolution **10-34:** Authorization for Contract Authority with EMC Research to conduct Market research for the Pike Place Market PDA.
Bruce B noted that it was decided in a Council retreat that there was a need for market research. He reviewed what the goals of the research would be. The process would include hiring a consultant to conduct the research. If it was decided to continue with the research the first step would be to conduct a telephone survey of City of Seattle residents, then an intercept, tenant and focus group surveys. The initial phone survey would cost approximately 30k completion of all stages of the research would be around 100k. The resolution being voted on was for the telephone portion of the research only. Bruce B continued to review the proposed contract.

Bruce B moved and Bruce Lorig seconded.

There was some discussion on whether or not the research was useful or necessary. Some felt that the research would provide useful insight and information into the Market while others felt it was a duplication of efforts from past research and a waste of time and money.

For: John Finke, Bruce Burger, Matt Hanna, Gerry Kumata, Bruce Lorig

Against: Gloria Skouge, David Ghoddousi, Ann Magnano

Abstained:

Proposed resolution **10-34** passed 5 to 3.

- ii CR
Action Item: Proposed Resolution **10-27:** Authorization for Authority – GC/CM Construction Contract with Turner Construction for the work in the Pike Place Market as part of Phase II of the Levy Project.

Carol reviewed the bidding contract process. She noted that the General Contractor / Construction Manager (GC/CM) method of public works contracting had been very successful in Phase I and would like to continue with Turner in this type of contract for Phase II. Carol spoke about the bidding process for Phase II and what was included in the contract. A lot had been learned by Phase II and as a result the scope of work for Phase II was very detailed. There was a good turnout of bids with the low bid going to reputable contractors. Carol reviewed the resolution noting that it was necessary that each component of the phases of the levy renovations were bid on separately and approved by the PDA Council. Most of the contingency in Phase I had been used up for added scope or unforeseen expenses instead of being used as carry over.

Bruce Lorig moved and Gloria Skouge seconded.

For: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstained:

Proposed resolution **10-27** passed unanimously.

- C. Other New Business
None

V. Further Public Comment

Amy Watson from the Preschool noted that they had an expert come out and conduct EMF readings on the new playground. It was found that the measurements were higher than expected, in some spots by six times. She noted concern that the readings may get higher as capacity to the vault was increased. Currently it was only functioning at 20%. Amy further noted that they were working with Seattle City Light for possible solutions to lower the EMF's. The preschool board had not made a decision whether or not to occupy the space. Bruce L asked if the playground was a critical component of being able to run the preschool. Amy responded that it was.

Tom graham asked if the NMTC would require a change to the Charter. Jim responded that it would not.

Ernie Sherman suggested getting and using information that the PDA already had from prior market research studies and using the money saved for other things.

James encouraged Council to review the draft Market survey that was dispersed via email.

VI. Concerns of Council Members

Matt noted that he had heard about Tom Douglas's plans to have a Salmon bake in Steinbrueck Park and wanted to know if the PDA had any ownership over this. Carol responded that they did not but a she and James did meet with a representative of Tom's as an act of good faith and support as members in the community.

VII. Adjournment

The meeting was adjourned at 6:24 p.m. by James Savitt, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant