



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES- OCTOBER 2008

Thursday, October 30th, 2008
4:00 p.m. to 6:00 p.m.
PDA Conference Room

Council Members: Jackson Schmidt, Jim Savitt, Ann Magnano, Gloria Skouge, Patrick Kerr, Theresa Alexander, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Staff Present: Carol Binder, Anita Neill, Matt Holland, Brittney Farrow, Cecilia Hall, Tamra Nisly, Sabina Proto, Marlys Erickson

Others Present: Joe Canavan, Dale Wittner, Lee Lauckhart

The meeting was called to order at 4:00 p.m. by Jackson Schmidt, Chair.

I. Administration

Jackson brought the meeting to order. He noted that at last weeks Council retreat it was decided that PDAC meetings would be spent taking more time talking about the future and big issues and less time on the details. Most items would be dealt with by using the consent agenda then two to three major issues would be up for discussion. This meeting would be to discuss the PDA reserves and the Livingston Baker re-financing options.

- A. Adoption of Agenda
The agenda was approved by acclamation.
- B. Review and Approval of Minutes of September 25th, 2008
The Minutes were approved by acclamation.

II. Comments of the Market Community

- A. Pike Place Market Merchants Association
- B. Constituency
- C. Daystall Tenants Association
- D. United Farmers Coalition
- E. Market Area Merchants Association
- F. Pike Market Performers Guild
- G. Other Public Comment
Dale questioned if new business and critical comments would still be accommodated with the new agenda outline. Jackson noted that Market community and public comments would remain on the agenda and the new format would essentially be removing the review of committee minutes.

Jim Savitt joined at 4:03 p.m.

Matt Hanna was introduced as the new PDA Council member appointed by the Mayor.

Theresa noted concern of the elimination of the committee reports. Jackson noted that they are available online and would remain in the meeting packets. Carol added that paper copies are available at the office.

III. Consent Agenda

The consent agenda consisted of proposed resolution 08-56, the OPSCOM lease proposals and 8-54, the authorization for contract authority for remodeling of the Steward House SRO bathroom.

Jackson moved the consent agenda and David seconded.

Patrick questioned if the amount to be spent was on bathroom tiles only, how many bathrooms there were and the square footage. Carol responded that the amount was for tiles only, there were six bathrooms and did not know the answer to his other question. Carol replied that if Patrick wanted to call her or e-mail she would find out the size of the bathrooms.

Jim noted to the chair that discussion defeated the purpose of the consent agenda and Patrick would have to request to move the proposed resolution off the consent agenda for further discussion.

Patrick noted that he wished to move proposed resolution 08-54 off the consent agenda.

Proposed resolution 08-56 was voted on,

For: Jackson Schmidt, Jim Savitt, Ann Magnano, Gloria Skouge, Patrick Kerr, Theresa Alexander, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstain:

Proposed resolution **08-56** passed unanimously.

Proposed resolution 08-54 Jackson moved and Ann seconded.

For: Jackson Schmidt, Jim Savitt, Ann Magnano, Gloria Skouge, Theresa Alexander, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstain: Patrick Kerr

Proposed resolution **08-54** passed.

It was discussed and decided that there was a thorough discussion of proposed resolution 08-54 at the Finance committee meeting.

Jackson noted to Council that the purpose of the consent agenda was to pass the items with no discussion as this was already done at individual committee meetings. Additionally if a Council member wished to remove an item from the consent agenda it must be done so by contacting the Chair of that committee prior to the full Council meeting.

IV. Executive Committee Report

A. **Action Item:** Proposed Resolution **08-57:** Constituency Laptop Reimbursement.

Carol reported that the resolution was to reimburse Tom Graham for the purchase of a lap top for the Constituency. The purchase was in the budget but the resolution was necessary due to the fact that the purchase fell out of PDA policy and procedures. As a public entity the PDA is required to comply with its procurement policies on disbursements. The purpose of the resolution was to provide solid documentation for state auditors of proper authorization since the purchase was outside the Council adopted policies.

Jackson moved and David seconded.

For: Jackson Schmidt, Jim Savitt, Ann Magnano, Gloria Skouge, Patrick Kerr, Theresa Alexander, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstain:
Proposed resolution **08-57** passed unanimously.

V. Staff Presentation and Council Discussion of PDA Reserves and Related Policies

Carol reported on the different PDA Reserves and their related policies. She noted that consideration should be taken on how the PDA was positioned for the economic decline and does any action with the budget and / or policies need to be adjusted relative to that. She noted that Council should be familiar with these reserves, how they were started and what levels they were at.

Carol passed out a reserves activity list and reported on the PDA reserves noting what they were, how they were managed, how they have accumulated and why the PDA had them.

Carol noted that The Capital Replacement Reserves followed a policy that was adopted by Council through a resolution. Bruce B questioned if this reserve was intended for ongoing capital renovations or was it intended for the next renovation in 30 years from now. Carol responded that that was a discussion the Council needed to have and decide on. She also noted that she would like to see better asset management for the future so the PDA was not in the same position 30 years from now, and noted the PDA is in a better position going forward than it was 30 years ago.

Carol noted that the Minimum Operating Reserve followed a policy that was adopted by Council through a resolution. She reviewed the resolution and noted that the fund was started so services would not have to be cut or eliminated in times of economic decline. Funds have never been drawn from this reserve and there was some question if the 5% contribution amount should be reviewed and adjusted.

The Low Income Housing Reserve Restricted and Unrestricted was originally adopted in the mid 90's when the renewal of the section 8 contracts from HUD was questionable. These funds could be used if that these contracts were lost and would allow the buildings to operate until an alternate solution was found. The restricted portion refers to a reserve negotiated with the city in lieu of paying back a UDGA loan. The unrestricted refers to the additional amount the PDA contributes to the reserve.

The PC-I Capital Reserve was intended for capital upgrades and improvements for the garage. Only one draw has been made to the account, other minor projects were absorbed by the operating budget. There was a discussion on what types of projects would require such a large reserve and how much should be contributed. Jim noted that this reserve should be used for all garage projects and there was a consensus by the Council.

Theresa moved that funds for repairs to the garage be taken from the PC-I Capital Reserves fund. Jackson seconded the motion.

It was decided that there would be a policy notebook created. This notebook would hold all current policies held by the PDA and any policy directs from committee meetings. Anita would write up these policy directs and put them in the book.

The motion that funds for repairs to the garage be taken from the PC-I Capital Reserves fund was voted on.

For: Jackson Schmidt, Jim Savitt, Ann Magnano, Gloria Skouge, Patrick Kerr, Theresa Alexander, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Against:

Abstain:

The motion was passed unanimously.

VI. Discussion of Livingston Baker Financing Option

Carol reported that the mortgage was about to expire for the Livingston Baker and would lose its HUD subsidy. As part of the strategic plan, various re-financing options have been brought forward by Dan Landes of Common Ground and presented to Council members. These options included evaluation of offering workforce housing, low income housing and a resolution to the negative cash flow of the building. The main issue was that the Mortgage was higher than market interest rate and the HUD contract subsidy was not sufficient to cover the building expenses.

If the PDA opted out of its current HUD contract, HUD would give current residents a section 8 voucher and higher subsidy to the PDA. There was general consensus that opting out of the current HUD by purchasing the building with capital reserves or with a bank loan, and moving current residents to a section 8 voucher was the best option.

Theresa questioned what types of renovations would be needed for the building. Carol noted that an appropriation has been submitted to the state for refurbishing the doors and common area flooring. The PDA would expend funds for upgrades that would entice more of a market rate tenant. There was a discussion of cash flows for these upgrades if the building was purchased.

Carol reviewed the decision process and noted that the next step was to ask the Finance committee members in November to make a motion to give direction to pursue, draft a purchase and sales agreement, then bring forward to full Council in a resolution.

There was a discussion if there were any restrictions on the building before proceeding to the next step. Carol noted that she would look up the agreement with the PDA and Market Housing.

VII. Public Comment

Dale noted that he felt the campaign ads were bad and wanted to know who was responsible for them. Carol responded the group Citizens for Pike Place Market was responsible for all campaigning for the levy.

Dale noted his objections to the Pike Place Palate magazine. Jackson responded that tenants became upset if the PDA did not actively market the Market.

VIII. Concerns of Council Members

Jim noted concern that certain foreseen expenses were not accounted for on the proposed budget for 2009.

Carol announced that a representative from the Viaduct would be giving a presentation at the November 17th. for the Market community. Theresa noted that it was important during all the renovation changes that everyone was kept well informed.

Carol noted that there would be an election party on Tuesday November 4th, 7:30 p.m. at Kells.

IX. Adjournment

The meeting was adjourned at 5:48 p.m. by Jackson Schmidt, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant