



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES- JUNE 2009

**Thursday, June 25th, 2009
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, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig

Staff Present: Bill Stalder, Anita Neill, John Turnbull, Sabina Proto

Others Present: Sharon Mukai

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

I. Administration

A. Adoption of Agenda

A second 'Concerns of Council Members' was added as II. H to the agenda to accommodate Council member Patrick Kerr who had to leave early.

Changes to the agenda included changing the date from June 28th to June 25th and the year on action item 09-43 from 2007 to 2008.

The agenda was approved as amended.

B. Review and Approval of Minutes of May 28th, 2009

The Minutes were approved by acclamation.

II. Comments of the Market Community

A. Pike Place Market Merchants Association

B. Constituency

C. Daystall Tenants Association

Sharon Mukai noted that cake was served at the May 1st role call in celebration of the 10 year renewal of the Hilt Licata agreement. The 2009 constituency elections were coming up in July including the PDA Council position.

D. United Farmers Coalition

E. Market Area Merchants Association

F. Pike Market Performers Guild

G. Other Public Comment

H. **Concerns of Council Members**

Patrick noted the following, he was concerned that people, especially children, may fall and injure themselves while sitting on Rachel the pig. He was concerned about the liability to the PDA and suggested that a warning sign be posted. There were some issues with diesel fumes in the Downunder earlier in the week. Even though the problem had not been completely resolved he was happy with the PDA's response in addressing the issue. Filling in the vacant spaces in the third level Downunder has helped lift the atmosphere and would like to see the same done for other vacancies in the Market.

III. **Consent Agenda**

On the consent agenda was proposed resolution 09-38. Jackson Schmidt moved and Ann Magnano seconded.

The consent agenda passed unanimously.

IV. **Staff and Committee Reports**

John Turnbull gave the staff report as Carol was on vacation and James had a conflict with satellite market.

Gerry Kumata joined at 4:08 p.m.

There was some talk about the success of the City Hall Plaza market and hopes that the Cascade market in South Lake Union was just as successful.

John reported that construction had been difficult with bad weather and strong diesel engine fumes were getting into the Downunder tenant spaces. Some tenants had been complaining that they were getting sick from the fumes and John was working diligently to resolve the problem. There were no other major issues to report and construction was moving along well.

V. **Objective Discussion – Discussion of the budget revisions.**

Sabina handed out a summary of the revisions to the 2009 budget. She reviewed and explained the general rationale for the budget revisions including the failing economy, construction disruption, the New Market Tax Credits and the QALICB, refinancing of the 1996 PDA bonds, the purchase of the Livingston Baker building and various other related factors. She continued to explain the changes to the revenue, operating expense and the net operating result before and after debt service and designated reserves. After budget revisions and reduction in Capital Projects the original contribution to the CRRF, Capital Repair and Replacement Fund was short and funds from the MOR, Minimum Operating Reserve, would be used to compensate for this shortcoming.

Some of the major points included, in revenues, a reduction in collection of percent rent by 15%, an increase in residential revenue from the Livingston Baker purchase and the increase of rental reimbursement from SHS, a reduction in the garage revenues, a decrease in miscellaneous revenue mostly due in part to the significant decrease in interest income, Sabina noted that other investment alternatives may need to be investigated. In operating expenses, the wage freeze implemented earlier in the year was a significant contributing factor to the decrease in expenses, a decrease in Livingston Baker expenses after the purchase, a reduction in service contracts, supplies and overall careful spending by the department managers.

Sabina asked Council to review and suggest any changes they would like to see made to the budget and adopt the revised budget in July.

Theresa questioned how it was decided to cut certain Capital Projects and wanted to know why something as important as emergency lighting was cut while other less important items remained on the list. Sabina noted that Steve Nelson, Director of Operations was in charge of that decision and would follow up with him.

Jim noted that the budget revisions would go through the Finance committee one more time then brought forward, with the committee recommendations, to the July full Council meeting where it would

be voted on for adoption. There was some discussion regarding the Livingston Baker and how it was losing money before the sale and would be creating significant revenue after the sale. Jim requested a separate report, before and after the sale of the LB only, for the July Finance meeting. Jim additionally requested a follow up with managers on whether or on the cuts made to their budget were feasible or not.

Jim questioned what the impact was on morale after the wage freeze was put into effect. Sabina responded that in general staff accepted the decision and were happy to be employed. Jim noted that if the revised budget was showing an excess of revenue that it might be possible to lift the wage freeze by August 1st, he asked that Sabina crunch the numbers, at a flat 4% raise, and give a report at the next Finance meeting. Jackson noted that the earlier the wage freeze was lifter the better. Patrick and Theresa noted opposition to this.

VI. Review of Action Items

- A. **Action Item:** Proposed Resolution **09-41:** Authorization for Contract Authority – First and Pine Building Hot Water Boiler / Hot Water Heater and Piping Replacement.
Patrick noted he was given a tour of the boiler / heater system and the water damaged and now agreed that the repair / replacement was in desperate need.

Bruce Lorig moved and Patrick Kerr seconded.

Theresa questioned how many bids were received for this project. John noted that he did not have a specific number but part of Turners process was to ensure several bids are received for a project.

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

Against:

Abstain:

Proposed resolution **09-41** passed unanimously.

- B. **Action Item:** Proposed Resolution **09-42:** PDA Committee Member Nomination.
Jackson Schmitt moved and David Ghoddousi seconded.

Patrick and Theresa expressed their opposition to the lack of an even distribution of members to the chair and vice chair positions. Ann noted that next year the proper selection process should be followed. There was some discussion about the selection process for this year.

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

Against: Patrick Kerr, Theresa Alexander

Abstain:

Proposed resolution **09-42** passed.

Patrick Kerr left at 5:08 p.m.

- C. **Action Item:** Proposed Resolution **09-43:** Approval of 2008 Audited Financial Statements.
Jim noted that the auditors of Francis and Company did a presentation of the final audit report at the Finance committee. They reported that it was a clean audit and no changes were recommended.

Jim Savitt moved and Gerry Kumata seconded.

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

Against:

Abstain: Theresa Alexander

Proposed resolution **09-43** passed.

VII. Public Comment
None

VIII. Concerns of Council Members

Theresa noted concern that free speech was not allowed in the Market and asked staff if this was a new policy. John briefly explained what the general policy was for selling, petitioning etc in the Market and he would follow up with Theresa on exactly what the policy was.

Bruce L. noted that according to the handout in the packet it appeared that a lot of revenue in the garage was being lost in the early bird and wondered what could be done to resolve this. Matt noted that at the last Finance meeting Suzanne gave a presentation explaining this loss and what the plan of action was to decrease the revenue losses.

IX. Chair Summary
None

X. Adjournment

The meeting was adjourned at 5:22 p.m. by Jackson Schmidt, chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant