



Pike Place Market Preservation and Development Authority (PDA)

**SPECIAL FULL COUNCIL
Meeting Minutes**

**Thursday, February 19th, 2009
8:00 a.m. to 9:00 a.m.
PDA Conference Room**

Council Members Present: Matt Hanna, Jim Savitt, Gerry Kumata, Jackson Schmidt, John Finke, Patrick Kerr, Bruce Lorig, Gloria Skouge, Ann Magnano, Theresa Alexander, David Ghouddousi

Staff Present: Carol Binder, Anita Neill, John Turnbull, James Haydu, Ellen von Wandruszka, Scott Davies, Marlys Erickson, Tamra Nisly, Sabina Proto

Others Present: Paul Dunn, Martha Lester, Haley Land, Ernie Sherman, Tom Nelson, Mark Kantor, Sarah Perez, Stacey Crawshaw-Lewis

The meeting was called to order at 8:02 a.m. by Jackson Schmidt, Chair.

I. Administration

- A. Approval of Agenda.
The agenda was approved by acclamation.

Jackson noted that the purpose of today's meeting was to review, discuss and vote on proposed resolutions 09-16, 09-17, 09-18 and 09-19 as they pertain to the New Markets Tax Credit structure.

Action Item: Proposed Resolution **09-16:** Approving a Federal New Markets Tax Credit Financing in Connection with Phase I of the Market Infrastructure Program and the Execution of Certain Documents Related Thereto.

John Finke noted that he withdrew himself from voting on 09-16, 09-17 and 09-18 due to his firm's business association with Kitsap County.

Jackson moved and Gerry seconded.

Jim had the following questions; was it permissible to disclose the intention to end the lease sooner than 40 years, can it be disclosed that a board member of the QALICB was also a member of the PDA Council, was it true, as stated in the indemnification agreement, that the QALICB must exist otherwise the structure would not exist and was there a scenario that Tom could think of where this would not occur. Tom Nelson of Kantor Taylor Nelson and Boyd (KTNB) addressed each question.

Jackson polled Council as to their position on the NMTC structure. The majority of the Council agreed that their intention was to vote in favor of the NMTC structure. Matt felt that there had been a full discussion and was satisfied and confident enough to move forward.

Jim noted the following, he felt uneasy about the lease and its encumbrances and transactions, although the risk was low there was still some risk involved with the transaction, the funds was not necessarily needed since the levy passed and there was no clear direction on the use of the funds, he had concerns with the ethics of the deal and did not want another Urban Group situation, he was uncomfortable with the risks associated with the deal regarding the structure and the peculiarities of it, due to Toms capable counsel and support he was ready to vote in favor of the NMTC financing.

Gerry noted that even though he did not fully understand all details of the transaction he relied on staff and legal counsel to fully assess the associated risks and bring them forward to Council. He felt it was a good deal and would be voting yes.

Jackson noted that the funds were a necessity for unforeseen renovation expenses. He felt it was unfortunate that the processes had been rushed but was ready to vote in favor of the NMTC and this was mostly due in part to Tom's capable counsel and support.

Patrick noted that he was still confused with the process and disappointed in the poor process that was followed and probably would not be voting in favor of the NMTC.

John abstained.

Bruce L. noted the following; there was a need for the funds and there was a direction as to where the funds would be used, the benefit outweighed the low risk, the short time frame in the process was unfortunate but the funds were needed and would be voting yes.

David felt that it was a low risk deal, the funds were needed and he would be voting in favor.

Gloria was not comfortable with not fully understanding the transaction but was voting in favor of the NMTC.

Ann was in full support of the opportunity and the benefits the Market would receive from it outweighed the risk.

Theresa noted that she did not fully understand the deal and was not comfortable enough to vote in favor and would be voting no.

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

Proposed resolution 09-16 passed.

Action Item: Proposed Resolution **09-17:** Approving PPMFDA as the Sole Member of the Pike Place Market QALICB, Requiring PPMFDA Council Approval for Election or Removal of Board Members of the Pike Place Market QALICB and Approving Its Initial Board.

Jackson moved and Gerry seconded.

Patrick noted that he was uncomfortable with Carol on the QALICB board and members of the general public were. Jackson responded that Carol was no longer a board member and Marlys and Ernie were asked to be on the board because of their background in these types of dealing.

It was discussed and decided that the following line would be struck from the resolution... "Any act consistent with this approval and prior to the effective date of this resolution is hereby ratified and affirmed."

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

Against: Patrick Kerr, Theresa Alexander, David Ghoddousi

Abstain: John Finke

Proposed resolution 09-17, as amended, passed.

Action Item: Proposed Resolution **09-18:** Approving a Bridge Loan in Connection with Phase I of the Market Infrastructure Program and the Execution of Certain Documents Related Thereto.

Jackson moved and Gerry seconded.

Stacey Crawshaw Lewis from K&L Gates summarized the proposed resolution. Council members noted that they wanted to review the letter of agreement with the lender and the promissory note before voting on this resolution. This resolution was skipped until copies could be made and reviewed by the council.

A short break was taken at 9:10 a.m. to make the mentioned copies.
The meeting resumed at 9:20 a.m.

Action Item: Proposed Resolution **09-19:** Approving Phase I of the Market Infrastructure Program.

Jackson moved and Gerry seconded.

The resolution was reviewed and discussed by Council. It was decided and decided that Council should be included with the PMPDA Capital Renovation Committee as an overseer of the project and funds should only be expended to projects within the scope of the levy.

The resolution was amended to read as follows; ...Market Infrastructure Program as, which includes the expenditure of funds within the scope of the November 2008 levy approved by the voters of Seattle, overseen by the PMPDA Capital Renovation Committee and the PDA Council.

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

Against:

Abstain:

Proposed resolution 09-19 passed unanimously.

Action Item: Proposed Resolution **09-18:** Approving a Bridge Loan in Connection with Phase I of the Market Infrastructure Program and the Execution of Certain Documents Related Thereto.

Copies of the letter of agreement with the lender and the promissory note had been distributed and reviewed by Council.

Matt questioned what funds would be used to pay for the loan. Carol responded that the loan would be repaid with the levy funds.

Gerry Kumata inquired as to two provisions in the letter agreement regarding set off of existing bank account for payment of this loan. Stacey replied that the accounts the PDA had with US Bank were our PCI bond accounts and they could not be set off. Thus we added the language in the next paragraph excluding all accounts that were otherwise restricted.

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

Proposed resolution 09-18 passed.

Bruce Lorig left at 9:34 a.m.

II. Public Comment

Haley noted that he felt in the dark and didn't fully understand the structure and process. He additionally noted that he felt that the public was not properly served with outreach regarding the meetings. Jackson responded that the public outreach process would be reviewed and addressed by Council.

III. Concerns of Council Members

Theresa noted that she felt the Council was at fault for the poor notification process due to the lack of guidance and clear direction from them to their employee.

Jim commented on an article he read in the paper regarding the Mayor accelerating the Pike Place Market renovation project. Carol responded that this was in reference to their bonding the levy funds so that we could have available the funds needed to begin our construction as planned.

IV. Adjournment

The meeting was adjourned at 9:47 a.m. by Jackson Schmidt, Chair

Meeting minutes submitted by:
Anita Neill Executive Assistant