# PDA Council Meeting Agenda

**Date:** Thursday, January 31, 2019  
**Time:** 4:00 p.m. – 6:00 p.m.  
**Location:** Economy Building Classroom, 1433 First Avenue (3rd Floor)  
**Committee Members:** Rico Quirindongo (Chair), Betty Halfon (Vice-Chair), Matt Hanna, David Ghoddousi, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb, Mark Brady, Ali Mowry, and JJ McKay

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<th>Time</th>
<th>I. Administrative:</th>
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<tr>
<td>4:00pm</td>
<td>A. Approval of Agenda</td>
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<td>B. Approval of the PDA Council Meeting Minutes for November 29th, 2018</td>
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<th>Time</th>
<th>III. Key Issues Presentation and Discussion Items</th>
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<td>4:10pm</td>
<td>A. Pike Place Market Child Care Preschool</td>
<td>Ilene Stark</td>
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<td>B. Viaduct Demolition Plan and Timeline</td>
<td>WSDOT &amp; Kiewit Representatives</td>
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<th>Time</th>
<th>IV. Programs and Information Items</th>
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<tr>
<td>5:10pm</td>
<td>A. Council Chair Report</td>
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<td>B. Director Report</td>
<td>Mary Bacarella</td>
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<td>C. Committee Chair Reports</td>
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<td>D. Other Reports</td>
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<td>i. Market Foundation Update</td>
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<th>V. Action Items</th>
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<td>5:40pm</td>
<td>A. Consent Agenda</td>
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<td>i. Proposed Resolution 19-01: Authorization to Contract with City of Seattle on Pike Box to Go Program</td>
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<td>iii. Proposed Resolution 19-03: Replacement of Heritage House Domestic Water Boilers</td>
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<td>iv. Proposed Resolution 19-04: Parking Pay Station Software Upgrade and Pay on Foot Machine Replacement</td>
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<td>B. New Business</td>
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Thursday, November 29, 2018  
4:00 p.m. to 6:00 p.m.  
Economy Building Classroom, 1433 First Avenue  

Committee Members Present: Rico Quirindongo, Betty Halfon, David Ghoddousi, Paul Neal, Ray Ishii, Mark Brady, Patrice Barrentine, Ali Mowry, Colleen Bowman, Ray Ishii, JJ McKay  

Staff/Consultants Present: Gerry Johnson, Ted Sive, Mary Bacarella, Brady Morrison, Karin Moughamer, John Turnbull, Sabina Proto, Amy Wallsmith  

Others Present: Bob Messina, Joan Paulson, Joe Read, Lillian Sherman, Clint Bennett, Howard Aller, Jerry Baroh  

The meeting was called to order at 4:05 p.m. by Betty Halfon, Vice Chair  

I. Administrative  
   A. Approval of the Agenda  
   The agenda was approved by acclamation.  

   Rico Quirindongo entered the meeting at 4:08 pm  

   B. Approval of the October 25, 2018 PDA Council Meeting Minutes  
   The October 25, 2018 PDA Council Meeting Minutes were approved by acclamation.  

II. Public Comment Including the Market Community  

Joan Paulson commented on the 2019 PDA Operating Budget and noted that what she sees missing is how to define and measure the soul of the Market. All she sees is dollar and cents in the budget and does not see the market defined as a community and that’s how it’s different than other retail outlets in the city. Joan hopes that in 2020 the budget will consider how to incorporate how to measure the feelings the community has about the Market. Second, Joan noted in the strategic plan the terms Market and market were not clearly defined and it was confusing and those two terms are very different. She was also concerned with the emphasis of the Historical District and there should be strategy on how to support the public market as a community. In the Governance and Mission section, the Historical District is not emphasized and in the potential focuses she feels that the Market is going to try to de-emphasize historical regulations and that is going in the wrong direction. The market needs to celebrate its history and be more protective of what we have. Joan feels that item three under assertiveness, that role is defined under the Constituency, not the PDA. There should be a clarification on that and better understanding of each organizations roles. She does not feel the current staff and councilmembers do not have a good sense of the history of the market.  

Howard Aller commented there is nothing the Market does that is not public in their planning and budgeting process and they are completely focused on the market community.
III. Programs and Information Items

A. Council Chair Report
Rico Quirindongo noted that MarketFront repairs are ongoing, negotiations with the Office of the Waterfront are ongoing and will pick up in the New Year. He anticipates hearing from Mary on the viaduct demolition and Rico noted the great event for the tree lighting at Magic in the Market.

B. Executive Director Report
Mary Bacarella began her report by noting the Pike Street Hillclimb skybridge is set to be demolished on December 8 and 9th. Mary continued with the following updates:

- There is a new timeline being presented today regarding the viaduct demolition.
- The Hahn building development is rescheduling to the January Market Connections Committee meeting and they have not provided a one-sheet to review regarding a partnership.
- The budget for December parking has been hit and currently revenue is $192,000 with the budget being $189,000. More tickets are being pulled. Regarding the surface lots that will be closed with the viaduct demolition, staff have been reaching out to tenants in those lots and a couple will move to the market parking garage.
- Hildt-Licata is still on hold and waiting to hear when it will be presented before City Council.
- The Overlook Walk is on hold until January 2019.
- No updates on the Showbox or Streetcar.
- Mary thanked the PDA team for their great work on Magic in the Market. The event was well received and more community members and tenants participated this year. The Downunder activation was well received.
- Holiday marketing campaign is taking over four Sound Transit Link Light Rail trains and the Holiday Gift Guide has launched.

C. Committee Chair Report
Betty Halfon commented on the holiday campaign and noted that the December Market Programs Committee meeting is canceled.

Devin McComb noted the budget was presented and that will be discussed tonight. In addition, a proposed resolution regarding extension of the Term Architect budget is on the Consent Agenda.

Colleen Bowman noted that Mary already touched on the topics covered in the meeting and the December Market Connections Committee meeting is canceled.

D. Other Reports

i. Market Foundation Update
Mark Brady noted the meeting started with a tour of the clinic and next month there will be a tour of Heritage House. Giving Tuesday raised over $23,000 and from Thanksgiving to the end of the year is the busiest time for giving. The Foundation is looking to grow the endowment to $5 million and they are $1.5 million away from that
goal. Friday, December 7th is the Great Figgy Pudding contest and they are working to sell more charms and hoof prints.

Patrice Barrentine added she is impressed with the Foundations’ board structure and board limits and that many Foundation board members serve for many years. Lillian Sherman noted there is a matrix to help identify when a Foundation board member can serve as a committee chair, etc.

IV. Key Issues Presentations and Discussion Items

A. Open Public Meetings Act Overview

Gerry Johnson, general counsel for Pike Place Market PDA, began with an overview of what laws apply to the PPMPDA. The PDA is chartered by the City of Seattle and is among the oldest PDA’s in the city. The PDA is subject to:

- The Open Public Meetings Act
- The Public Records Act
- State PDA statute
- City PDA ordinance
- PDA Charter and Rules and Regulations

The Open Public Meetings Act ("OPMA"), ch. 42.30 RCW, applies to all public commissions, boards, councils, committees, subcommittees, departments, divisions, offices, and all other public agencies of the state and its subdivisions. RCW 42.30.010. Every member of a governing body must complete training on OPMA requirements and Gerry noted that this presentation fulfills that requirement. That training must be renewed at least every four years.

Gerry Johnson reviewed the OPMA basics, which include that all meetings must be open to the public, except authorized executive sessions (RCW 42.30.030; 42.30.110.) Requirements include notice of meetings, agendas and published meeting materials and minutes. Meetings where business is received, discussed, and/or acted upon must include a quorum of members. Agendas must be posted 24 hours before the meeting (RCW 42.30.077) and at a regular meeting, any Member may move to amend the proposed agenda by adding an item or by proposed any other change. However, at a special meeting, only action that appears on the posted agenda may be taken (RCW 42.30.080(3)).

Gerry Johnson discussed meetings of councilmembers and he cautioned not to have a majority, or even a quorum of a committee, having a discussion that could be considered an action. That needs to occur in a public or executive session. Councilmembers need to be careful not to have a meeting through having email communications with the whole council. Gerry mentioned the Head Tax repel case involving City Council.

Gerry Johnson next reviewed some of the reasons for holding an Executive (closed) Session, which includes:

- To select or consider acquisition/lease of real estate and to consider the minimum price at which real estate will be offered for sale/lease.
- To review negotiations on the performance of publicly bid contracts.
To receive and evaluate complaints or charges brought against a public officer or employee (but the officer or employee can request that the hearing be public).

To evaluate qualifications of an applicant for public employment or to review the performance of a public employee (but discussion of salary, conditions of employment, and final hiring discipline decisions must be public.)

To evaluate the qualifications of a candidate for appointment to elective office (but final appointment decision must be public.)

To discuss with legal counsel representing the agency matters relating to enforcement actions, pending litigation, and potential litigation.

And for other specific statutory purposes as set forth in RCW 42.30.110(1); and

As of 2017, executive sessions also can be convened to discuss any data security breaches.

Before convening an executive session, the presiding officer must publicly announce the purpose for excluding the public and the time the session will be concluded.

Betty Halfon asked to clarify what can be discussed in public following an Executive Session. Gerry Johnson responded that every member of the council has a duty to the PDA, which includes to protect confidential information. Councilmembers should assume that everything discussed in Executive Session is confidential and should be treated as such.

Ali Mowry asked if two councilmembers can have a conversation outside of council meetings. Gerry Johnson responded yes, as long as no action is being decided.

Gerry Johnson continued with providing a recent case study on Executive Sessions and moved on to discuss serial meetings. Serial conversations between smaller groups may be treated as a “meeting.” Gerry emphasized the need for councilmembers to not reply all when receiving emails addressed to councilmembers. Councilmembers may be at a social event together or on a tour of the Market, so long as business is not being discussed. There are penalties against the organization and members if OPMA is violated and if there is an action that is taken and deemed in violation of OPMA, that action is invalid.

Ali Mowry asked for clarification on when to announce when she is speaking personally or on behalf of the Market. Gerry Johnson responded it has to do with context of the meeting and that she doesn't have to announce it every time she speaks.

Ali Mowry asked what a quorum is. Gerry Johnson responded per the Charter it’s a majority, so even members. Ali further asked how to determine what conversations are allowed between councilmembers. Gerry Johnson responded conversations can take place but be careful of talking over email as those can turn into serial meetings.

Colleen Bowman added that a quorum can also pertain to a committee, which would be less than seven people.

Mark Brady asked if information shared and discussed during a PDA Council executive session can be shared at a Constituency meeting. Gerry Johnson responded councilmembers can share their own opinion but you cannot tell the Constituency what the council is considering during based on the executive session.
Ali Mowry asked if councilmembers are allowed to speak opinions that differ from the PDA, such as in regards to the Showbox. Gerry Johnson responded personal views that are different from what the PDA determines is the Market’s policies are allowed. However, councilmembers need to be careful not to reveal anything heard during Executive Sessions and to say that they are not speaking on behalf of the PDA Council.

Rico Quirindongo clarified that committees can meet even if there’s not a quorum, just that no action can be taken. Gerry Johnson responded that is correct.

Ray Ishii asked if there have ever been cases of email communications between councilmembers will be open to public record requests. Gerry Johnson responded that it depends. Personal devices can be open to public records requests if you are conducting public business with them.

Ray Ishii asked if councilmembers should have separate email accounts to handle public business. Gerry Johnson noted that public entities are heading in that direction and that is something he can talk with Mary and Rico about. Councilmembers would have to be disciplined about using that email and that doesn’t mean another email account wouldn’t be subject to public records request. Ray Ishii would like the PDA to consider that option.

Gerry Johnson reviewed public document requests and how they are handled at the PDA.

Ali Mowry asked if she can have seven individual meetings with councilmembers. Gerry Johnson responded that she can have individual meetings, but can’t in the course of the individual meetings create a consensus that then becomes an action.

There was a conversation discussing intent behind a conversation, whether it be in person, at a public meeting, or over email.

B. PDA Council Retreat Next Steps

Mary Bacarella introduced the updated strategic plan priorities and work plan.

Ted Sive clarified the document included in the packet is not a strategic plan but a plan to create a strategic plan. Ted next reviewed the strategic plan comments provided on page five of the handout. Those components include:

- Mission, existing from the Charter
- Values, to be developed from 10/5 discussion
- Vision, will be formalized at end of planning process
- Organization, graphic and narrative diagram of PDA leadership/management
- Action Plan, detailed planning for chosen focuses
- 5-10 year cash flow, business and financial framework for duration of plan
- 30 year capital plan, as needed
- KPIs (Key Performance Indicators), ROI and other metrics to track strategic plan success
- Other?, as needed

Ted Sive next reviewed the schedule, which includes:
January/February 2019
- Conduct market research
- Conduct stakeholder outreach and engagement
- PDA leadership team develop action plan for following priorities

JJ McKay suggested creating a strategic planning committee to provide oversight of the process. Mary Bacarella responded she was thinking of that as well and would like to work through the action plans before making that decision. She sees a lot of the work being reviewed through the Committees. Rico Quirindongo would highly support existing committee structure to conduct this work and review rather than create a new committee. Colleen Bowman suggested the Executive Committee would be a good place to review the strategic plan initiatives.

Ted Sive continued with the schedule.

January through spring 2019
- Conduct strategic plan “Vision” Session
- Finalize strategic plan, including action plan for 2019
- Community/stakeholder communication as needed

By December 2019
- Monthly action plan check-ins at committees and council
- Annual check-in at annual retreat in October 2019

Ted Sive reviewed the priorities identified through the retreat and subsequent surveys.

Site and Building Assets Priorities
1. Wayfinding and access
   - Improve customer ability to identify and access desired market location
   - Reduce inefficiencies and complication of deliveries; improve access
2. Waterfront and Overlook Walk
   - Coordinate with City and other stakeholders to ensure fit with Market goals and operations
3. Master Plan
   - After further development of specific priorities and Vision Session, develop a Facility Master Plan for potential/needed/desired site and building improvements
   - Develop these ideas with the 30-year capital plan
4. Construction around the market (current year priority)

Marketing, Communications, Education and Programs Priorities
5. Market Activation/Events
   - Develop a plan for additional activities and events through all areas of the market to expand customers and their visits to the market.
6. Increase Local Business
   - Develop marketing, facility design planning and use, new retail research and operational alternatives to increase market utilization by locals (downtown workers and residents, City and regional residents, multiple demographics)
7. New Website and Mobile App (current year priority)
Social Services
8. School Outreach
   • Develop “deep dive” plan for school program
9. Foundation Coordination
   • Create process for integrating and improving PDA and Foundation planning and strategy

Revenue and Expenses Priorities
10. New Business Incubation
    • Identify opportunities and needs (operational, facility, marketing) to increase new business starts and growth at the Market
11. Trademarking
    • Develop new paths and opportunities for Pike Place Market branded experience and merchandise through licensing and other

Governance and Mission Priorities
12. Assertiveness
    • Improve outreach, communication and posture in local and city policy, government, business and other communities

Paul Neal asked if the organizational diagram is an ecosystem chart. Mary Bacarella suggested it is a PDA organization chart of employees. Paul also suggested that the priorities should be stated more clearly so that the action plan ties directly to those.

Colleen Bowman would like to see the organizational diagram to be worked out together rather than creating the standard organizational chart.

Rico Quirindongo added that using the existing committee structure will be important to having these conversations. Ted Sive added that the more the eight components are utilized the more success an organization has with the strategic plan.

Ray Ishii noted the PDA is the landlord for many small businesses or residents. As the PDA is talking about a long term plan, there doesn’t seem to be mention of how to manage this aspect and where this fits with the priorities as well as how to support this work. Mary Bacarella responded that what she hears Ray saying is the work the PDA does on a day-to-day basis. Ray Ishii wants to ensure there is mention of this work and what the goals would be for further developing the commercial and residential aspect of the PDA business. JJ McKay feels the first three priorities cover what Ray is questioning.

Mary Bacarella asked if everyone feels comfortable with this approach. Paul Neal asked when this will be reviewed next. Mary Bacarella noted leadership will start working on it soon and it will be discussed in January.

David Ghoddousi noted for the record that the Survey Monkey survey was not a vote, it was just the opinions of the councilmembers on identifying priorities.
V. **Action Items**

A. **Consent Agenda**


ii. Proposed Resolution **18-55**: Lease Proposals November 2018

The Consent Agenda was approved by acclamation.

B. **New Business**

i. Proposed Resolution **18-53**: Adoption of the 2019 PDA Operating and Capital Projects Budgets

Mary Bacarella introduced proposed resolution 18-53 and which states:

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, as a public corporation, the PDA operates on a non-profit basis, where any access of revenues over expenditures is reinvested in the Market; and,

WHEREAS, the PDA desires to communicate to the Market community and the public the bases for its financial, operational and other policy and program decisions; and,

WHEREAS, except for HUD contract rents, the PDA’s operations are not subsidized by public funds and rely on rental and miscellaneous income for its total operating and capital revenues; and,

WHEREAS, the Budget schedule and summary were made available to tenants; the PDA Council’s Finance & Asset Management Committee conducted working sessions, considered public testimony, and suggested amendments to the 2019 Proposed Budget and has recommended adoption of the 2019 Budgets; and,

WHEREAS, the 2019 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2019 based on the 2018 Final Operating Statements.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council does hereby adopt the 2019 PDA Operating and Capital Budgets as outlined in the 2019 Budget Document attached hereto as Exhibit A.

AND, BE IT FURTHER RESOLVED, that the PDA Council affirms its established budget, revenue and operating policies as follows:

(1) All tenant sectors of the Market bear a responsibility for PDA costs incurred to serve the Market’s operating and capital needs as a whole, and to fulfill the public interest purposes of the PDA, to preserve and promote the traditional character of the Market;
(2) The PDA Council recognizes that external economic conditions and competitive pressures affect Market businesses and residents and attempts to prudently and sensitively take these factors and their potential effects into account in setting revenue estimates and requirements and in conducting its property management responsibilities in the course of the year;

(3) The Market is operated as an integrated whole with services distributed in accordance with ongoing maintenance and operations requirements, current and future capital needs, and needs for response to critical or emergency demands. The flexibility created by operating the Market as a whole, instead of as independent and exclusive separate and individual buildings or tenant groups, enables the PDA to maximize efficiency and responsiveness to community-wide and Market-wide needs, while still providing attention to individual tenant needs.

This operating mode, combined with the PDA’s fulfillment of Charter-mandated public interest and preservation objectives, does not lend itself to a strict relationship between costs and revenues from individual buildings or between costs and revenues from individuals or groups of tenants. While costs and revenues can be estimated for subgroups of Market facilities and tenants, it is not appropriate from a policy or operational standpoint to develop the budget and operate the Market on a strict cost center basis.

Betty Halfon moved the proposed resolution and Patrice Barrentine seconded the motion.

Ali Mowry asked how a new program could be implemented half way through the year. Mary Bacarella replied that can happen and staff would come to council to talk about it.

Paul Neal asked the Finance and Asset Management chair for their opinion. Devin McComb responded staff was really good at providing detailed information on the budget requests and FAM took a conservative approach to reviewing and analyzing the numbers. Rico Quirindongo added a lot of work has gone into this budget and he feels that next year is going to be tough financially to meet the needs of the community. Mary Bacarella added that staff has modeled the numbers multiple times and this is the final result.

Patrice Barrentine praised staff for the clarity and thought that went into the budget is amazing. She feels very confident that it’s a solid budget.

Paul Neal noted the budget is very transparent.

For: Rico Quirindongo, Betty Halfon, David Ghoddousi, Paul Neal, Ray Ishii, Mark Brady, Patrice Barrentine, Ali Mowry, Colleen Bowman, Ray Ishii, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 18-53 passed by a vote of 11-0-0.
ii. Proposed Resolution 18-56: Approval of 2019 PDA Council and Committee Meeting Schedule

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, the PDA Council and Council Committee meeting schedule is currently determined by setting the meeting of the full PDA Council generally on the last Thursday of each month with standing Committee meetings scheduled prior to that date throughout the month as follows:

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<th>Committee</th>
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<tr>
<td>Market Connections</td>
<td>2nd Monday of the Month – 4:00 pm to 6:00 pm</td>
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<tr>
<td>Market Programs:</td>
<td>2nd Tuesday of the Month – 4:00 pm to 6:00 pm</td>
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<tr>
<td>Finance &amp; Asset Management:</td>
<td>3rd Tuesday of the Month – 4:00 pm to 6:00 pm</td>
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<tr>
<td>Executive:</td>
<td>Wednesday, one week prior to PDA Council – 4:30pm to 5:45pm</td>
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WHEREAS, certain Council and Committee meeting dates have been adjusted for holidays, which will include:

- Finance & Asset Management Committee Meeting – October 22, 2019
- Market Connections Committee Meeting – November 4, 2019
- Market Programs Committee Meeting – November 5, 2019
- Finance & Asset Management Committee Meeting – November 12, 2019
- PDA Council Meeting – November 21, 2019
- Market Connections Committee Meeting – December 2, 2019
- Market Programs Committee Meeting – December 3, 2019
- Finance & Asset Management Committee Meeting – December 10, 2019
- PDA Council Meeting – December 19, 2019

NOW THEREFORE BE IT RESOLVED, that the PDA Council hereby amends its meeting schedule by setting the meetings for the 2019 Calendar year (an example of which is attached to this resolution as Exhibit A – 2019 PDA Council and Council Committee Meeting Calendar).

David Ghoddousi moved the proposed resolution and JJ McKay seconded the motion.
Betty Halfon requested the October 8th Market Programs be moved due to it being the eve of Yom Kippur. Betty moved a motion to move that meeting from October 8th to October 7th.

David Ghoddousi and JJ McKay accepted the friendly amendment.

Colleen Bowman appreciated the highlights section and would like to see the annual ED review and foundation review dates added.

For: Rico Quirindongo, Betty Halfon, David Ghoddousi, Paul Neal, Ray Ishii, Mark Brady, Patrice Barrentine, Ali Mowry, Colleen Bowman, Ray Ishii, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 18-56 as amended passed by a vote of 11-0-0.

VI. Further Public Comment
Bob Messina noted he is pleased to hear the Pike Street Hillclimb will be demolished in December. He suggested contacting the media as it has been an important part of Pike Place history and he remembers seeing an article in the Sunday Parade magazine by Paul Dorpat on this topic.

Joan Paulson noted there is a potential law suit involving the contractor working on the tunnel related to cost over runs. Second, Joan mentioned there was conversation earlier in the year regarding conflict of interest rules for staff and contracts and she hasn’t heard anything on that topic.

Jerry Baroh commented that he feels the PDA does not provide the Constituency with updated information. He does receive information from the four Constituency members on the council but does not receive updates directly from the PDA.

VII. Concerns of Committee Members
Colleen Bowman requested an email update regarding the viaduct meeting that Amy Wallsmith was attending tonight.

Mark Brady suggested selling pieces of the skybridge as a fundraiser for the Foundation.

Ali Mowry commented that she has been in contact with someone at Commute Seattle about setting up a community transit program. Colleen Bowman suggested an update on that at the Market Connections meeting.

Devin McComb commented that he wants to ensure the Pike Place Market Constituency and members of the public are informed about the budget process. Second, Devin would like to hear more from PDA counsel on creating email accounts for councilmembers.

Mark Brady would like to have individual emails for PDA councilmembers. Rico Quirindongo suggested more research on this topic.
David Ghoddousi noted he believes there is an email contact for the PDA. Mary Bacarella responded there is an email address for the council, which is pdacouncil@pikeplacemarket.org

Betty Halfon suggested a form people can fill out requesting more, or less money, during the budget process. She noted the Daystall Rules and Regulations process includes a form for the community to fill out and it might be something to consider.

VIII. **Adjournment**

The meeting was adjourned at 6:08 p.m. by Rico Quirindongo, Chair.

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Section II:

Programs and Information Items
Executive Director’s Report
January 2019

Date: January 28, 2019
To: PDA Council
From: Mary Bacarella

SUMMARY
The New Year started out busy both for market tenants and for a number of projects in and around the Market. Even though January is usually very slow for the Market, we are hearing reports that the first week was still busy with people on vacation or taking time off from work.

We finished 2018 strong with revenues above projected budget and expenses at or below budget. We will have the final 2018 budget report at the February Finance and Asset Management meeting and it should prove to be a good outcome.

Anecdotal reports on holiday sales and the Holiday Night Market has been positive. A number of tenants have shared that the last two weeks of December were strong and the crafts people that participated in the Holiday Night Market were very excited to participate and would like to see more in the future.

The viaduct project started on January 11, 2019 with the viaduct closing for 3 weeks to attach the tunnel to the north and south end of Highway 99. It seems around the market, traffic issues anticipated on Western and Alaskan Way (when traffic was pushed to surface streets) wasn’t as bad as anticipated. We hired off duty police as flaggers on busy Thursdays and Fridays to make exiting from our parking garages smoother. The last week into January, parking revenue seems to be pretty close to budget and hearing anecdotally from our tenants, some seem to see no difference in revenue from any other January. Some tenants are seeing increased revenue while others are reporting decreased revenue (depending on the type tenant). We are keeping close track on both of these as we move toward the four to five months of demolition.

As is generally the case, January is slower in the market and there are a number of capital projects underway:
- Economy window restoration is 25% complete. We discovered some potential water intrusions in the brick above the windows and have contacted Pioneer Masonry to investigate while the lift is available.
- Flower row pillars, exterior of stairs, and ceilings are scheduled to be painted.
- Soames Dunn floor refinish scheduled.
- Soames Dunn entry way refinish in front of Bavarian Meats and Seattle Cutlery.
- Post Alley Market caulk joints being replaced.
- New garage elevator lobbies being painted.
- Pike St. hill climb exterior spalling repair.
- Stewart House sewer main emergency repair

We had two new tenants open on Western in January. Barque Brontes Bakery Café offers made-from-scratch desserts and pastry items using locally sourced ingredients. They offer a beautiful assortment of
cakes, cinnamon rolls, breads and pretzels, among other treats! With an open production area you can watch the bakers at work while you enjoy your espresso.

Bound by Sky is a new children’s shop located in the Heritage House building. Gently used clothing, handmade accessories and consignment options for items such as strollers, etc. can be found there.

**KEY OPERATING METRICS**

<table>
<thead>
<tr>
<th>Commercial Tenant Sales as Compared to Previous Year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year to Date Sales (November 2018)**</td>
</tr>
<tr>
<td>Restaurants</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Mercantile</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income After Required Reserves and Debt Service:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Goal</td>
</tr>
<tr>
<td>Year to Date: December 31, 2018 (preliminary)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change from December 2017 to December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craft</td>
</tr>
<tr>
<td>Farm</td>
</tr>
</tbody>
</table>

*Several charts are also attached highlighting year-over-year sales trends through November 2018 with partial sales reports for December 2018.

**There is one missing sales report for Restaurant and Mercantile which may affect overall sales

***Actual performance is $2,297,633 over budget as reflected in preliminary year-end statement.

**Operating Statement**

2018 (preliminary) ended strong for the PDA. Revenue is projected to be over budget by $1,349,939 (7%) and expenses under budget by $947,694 (6.5%) resulting in $2,297,633 over budget. Commercial revenue ended up $335,854 over budget and percent rent is $51,000 over budget. Parking revenue continued to perform well, ending $452,640 over budget, 16% higher than the same period last year. Operating expenses remain under budget in mostly all departments, including staffing and utilities. The Capital Reserve and Replacement Reserve ended the year with a balance of $14.1M.
Farm and Craft Attendance and Revenue
Daystall ended the year with two great events: Stockings and Stuffers and the Holiday Night Market. 30 community members participated in the Holiday Night Market, which included live music and a steady stream of holiday shoppers! Attendance for craft was down just slightly compared to 2017, however, revenue was higher for the year. Farm attendance and revenue were both up 12% compared to 2017! In 2018 nearly 7,000 CSA boxes were filled, including over 2,000 boxes to Seattle area pre-schools as part of the Fresh Bucks to Go Program.

Market Programs Committee - Key Actions and Discussions
• Information on upcoming focus groups for people living downtown was shared, including the questions participants will be asked.
• A revised SR-99 closure communication plan was shared.
• Proposed Resolution 19-01: Authorization to Contract with City of Seattle on Pike Box to Go Program was discussed and moved to Consent Agenda.

FINANCE AND ASSET MANAGEMENT
Finance and Accounting Department
• Processed all payables and receivables
• Preliminary year end 2018 shows revenue over budget by $1,349,939 (7%) and expenses under budget by $947,694 (6.5%) resulting in $2,297,633 over budget.
• The payment of the 2015 PPM Bond Series B was completed.
• The New Market Tax Credit financing was closing, dissolving the PPM QB2.

Residential
• 2018 ended with an average 2.5% vacancy for the year.
• LaSalle project manager approved at FAM and on Consent Agenda.
• Capital Needs Assessment completed for LaSalle and Western Avenue Senior Housing.
• Seattle City Light assessing Sanitary, Stewart, and Livingston Baker apartments for free LED lightbulb upgrades.

Commercial
• Cobb’s Popcorn at 1500 Western still experiencing delay in opening due to tenant improvements associated with a hood sprinkler system set off in Red Cedar and Sage
• Barque Brontes is open!
• Bound by Sky, a kids new and consignment clothing store, is open!
• The Virginia Inn sale is moving forward by financing is delayed due to government shut down.

Capital Projects
• The Pike Street Hillclimb was removed
• Emergency responder system for LaSalle and Fairley buildings complete
• Work has begun on the Economy West Windows
• The Soames Dunn wood floors are being refinished
• Painting is under way in Flower Row and
Parking
- Garage revenue is on track to meet the budget, even with the closure of SR-99.
- Flaggers have been present at the Western Avenue exit on Thursday and Friday evenings to help drivers exiting the garage.
- New height bars have arrived and are awaiting installation

Maintenance & Facilities
- Nearly 2,000 work orders were completed in 2018
- In December, mixed recycling was 403 yards, while garbage was steady at 152 tons. 56 bales of cardboard were recycled and 276 yards of compost was processed. 40 tons of fish ice was melted in December.
- 2018 ended with 1,876 tons of garbage (11 tons less than 2017), 4,602 tons recycled, and 3,084 tons of compost diverted from landfills!

Security
- Conducted routine patrols and provided support for filming and events
- Responded to calls for service in the Market, fire alarms and requests for assistance

Finance and Asset Management Committee - Key Actions and Discussion
- Proposed Resolutions 19-02, 19-03, 19-04 and 19-05 were moved to Consent Agenda.
- A draft calendar for FAM Committee Meetings was presented for review at the February meeting.

MARKET CONNECTIONS
- Representatives from Stellar Holdings provided an update on the First and Pike hotel development.
- Mary Bacarella presented an updated traffic plan around the viaduct demolition that includes information on parking, traffic control and marketing and communications.

PDA Employee December 2018 Anniversaries:

<table>
<thead>
<tr>
<th>Years</th>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>John Turnbull</td>
<td>Directors</td>
</tr>
<tr>
<td>3</td>
<td>Lino Castillo</td>
<td>Facilities</td>
</tr>
<tr>
<td>1</td>
<td>Maggie Mountain</td>
<td>Farm</td>
</tr>
</tbody>
</table>

PDA Employee January 2019 Anniversaries:

<table>
<thead>
<tr>
<th>Years</th>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>Derek Malvern</td>
<td>Security</td>
</tr>
<tr>
<td>4</td>
<td>Leigh Newman-Bell</td>
<td>Farm</td>
</tr>
<tr>
<td>2</td>
<td>Roy Lynn</td>
<td>Facilities</td>
</tr>
<tr>
<td>2</td>
<td>Jacob Smith</td>
<td>Facilities</td>
</tr>
<tr>
<td>1</td>
<td>Mary Bacarella</td>
<td>Directors</td>
</tr>
<tr>
<td>1</td>
<td>Victor Morales</td>
<td>Facilities</td>
</tr>
</tbody>
</table>
METRIC 1
Commercial Sales Comparison (thru November 2018)
# Pike Place Market PDA
## Finance & Asset Management Committee
### DRAFT 2019 Calendar

<table>
<thead>
<tr>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
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<tbody>
<tr>
<td>• Discussion of FAM Calendar for year 2019</td>
<td>• Risk Management Assessment/Plan – Discussion</td>
<td></td>
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<tr>
<td></td>
<td>• Allocation of excess funds</td>
<td>• PDA Purchasing Policy review</td>
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<td></td>
<td></td>
<td>• Audit Reports for LaSalle Senior Housing LLC and WASH LLC</td>
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<td></td>
<td></td>
<td>• LID discussion</td>
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<tr>
<td>APRIL</td>
<td>MAY</td>
<td>JUNE</td>
</tr>
<tr>
<td>• Update on the impact from Viaduct removal on the financial performance during 1st QTR 2019</td>
<td>• Commercial rent components introduction: base rent, percent rent, CAM, other</td>
<td>• Audit Reports for the PDA and QALICB3 – Auditors presentation</td>
</tr>
<tr>
<td>• Insurance Renewal – Property and Liability Presentation</td>
<td>• PPM PDA Investment Policy review</td>
<td>• PDA Pension Plan presentation</td>
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<td></td>
<td></td>
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<tr>
<td>JULY</td>
<td>AUGUST</td>
<td>SEPTEMBER</td>
</tr>
<tr>
<td>• Mid-year budget review and discussions</td>
<td>Insurance Renewal – Medical, dental, vision, and other benefits</td>
<td>• PDA reserves and 30 year cash flow discussion</td>
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<td></td>
<td></td>
<td>• Capital Assessment Study presentation</td>
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<tr>
<td>OCTOBER</td>
<td>NOVEMBER</td>
<td>DECEMBER</td>
</tr>
<tr>
<td>PDA 2020 Budget Presentation</td>
<td>PDA 2020 Budget Discussion and Approval</td>
<td>Upcoming projects</td>
</tr>
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</tbody>
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Daystall Rules Review Schedule 2019

Friday, January 11, 2019: Deadline for 2019 Daystall Rule Change Proposals
Completed proposal forms must be turned in to Daystall staff or to PDA Front Desk by 5:00 p.m.

Friday, January 25, 2019: Distribution of Compiled Rule Change Proposals
Mailed to PDA Council members and available online and at PDA Front Desk for all other interested parties.

Thursday, February 7, 2019: Daystall Community Meeting
Classroom in the Economy Building, 5:00 p.m.
Daystall staff will present the rule change proposals and listen to initial community feedback.

Tuesday, February 12, 2019: Market Programs Committee of PDA Council
Short Presentation of Proposed Rules, 4:00 p.m.
Daystall staff will present a draft of proposed rule changes to Council members.

Wednesday, February 20, 2019: Deadline for written responses to draft rules proposals
Daystall staff must receive responses by 5:00 p.m.

Wednesday, February 27, 2019: Final draft proposals distributed
Mailed to PDA Council members and available online and at PDA Front Desk for all other interested parties.

Tuesday, March 12, 2019: Market Programs Committee of PDA Council
Presentation of Rules for Full Discussion, 4:00 p.m.
Public hearing on recommended changes to the Daystall Rules and Regulations.

Rules Presentation & Final Approval, 4:00 p.m.
Council will vote on the proposed recommendations for the 2019-2020 Daystall Rules & Regulations

For more information: please contact David Dickinson at 206.774.5224 or davidd@pikeplacemarket.org
Section III:

Key Presentations & Supporting Documents
PDA COUNCIL OPERATING PROCEDURES & POLICIES
Originally Passed as Exhibit A to Resolution 94-02, January 1994
First amended and passed as Exhibit A to Resolution 94-49, September 1994
Amended and passed as Exhibit A to Resolution 96-36, August 1996
Amended and passed as Exhibit A to Resolution 98-28, July 1998
Amended and passed as Exhibit A to Resolution 01-11, February 2001
Amended and passed as Exhibit B to Resolution 04-47, September 2004
Amended and passed as Exhibit A to Resolution 11-92, November 2011
Amended and passed as Exhibit A to Resolution 13-62, October 2013
Amended and passed as Exhibit A to Resolution 15-78, December 2015

(1) Council Officers and Role of Executive Committee

- The Executive Committee shall be comprised of six members, as follows: the Chairperson of the PDA Council (who shall serve as Chair of the Executive Committee), the Chairperson of each of the PDA Council’s four standing committees (other than the Executive Committee), and two at-large members.

- The Council Officers are recommended by a Nominating Committee appointed annually by the Council Chair and are elected by Resolution of the Council annually at its June meeting for a term of one year, beginning in July. Council Officers shall include the Chair, the Vice Chair, and the Secretary/Treasurer. The Vice Chair and the Secretary/Treasurer may or may not also be a Chair of one of the Council’s standing committees or an at-large member of the Executive Committee.

- The PDA Council Executive Committee recommends the hiring of, conducts an annual evaluation of, establishes performance objectives for, and recommends personnel actions regarding the position of the PDA’s chief executive officer, the PDA Executive Director. The Executive Director is the only PDA employee who is hired by and serves at the pleasure of the PDA Council. The PDA Council through its Executive Committee shall address all issues of agency performance through the Executive Director, or directly in the absence of an Executive Director.

- The PDA Council Executive Committee is vested with responsibility for oversight of PDA administrative policies, procedures, and practices and shall work through the PDA Executive Director to conduct reviews and address issues of agency administration.

- Any matter pertaining to the operation and administration of the PDA, to the extent that the matter involve issues of financial propriety, questions of Charter compliance, or matters of compliance of PDA administration and operations with PDA policies and local, state or federal law, shall be referred for investigation and determination to the Executive Committee. It is the responsibility of the Executive Committee to determine whether such matters warrant outside assistance or independent review.

- The Executive Committee shall also have the following responsibilities:
  - Coordination, implementation of strategic issue analysis and execution;
  - Coordination of oversight function, committee operation and functioning, and council planning;
  - Resolution of issues arising in regard to the jurisdiction of other committees;
  - Development of recommendations for appointment of Council-elected PDA councilmembers;
  - Crisis/extraordinary issues (e.g. litigation);
  - Personnel issues including union negotiation oversight;

- Between meetings of the PDA Council Executive Committee and the PDA Council, the PDA Council Chair has full power to act, in his or her best judgment, on behalf of the PDA Council on administrative oversight matters.

(2) Council Committees

- In addition to the Executive Committee, the Council may establish standing Committees by resolution from time to time. Generally, the composition of Committees, unless otherwise specified by resolution, is PDA Councilmembers only. Unless otherwise specified, each standing Committee shall be comprised of a minimum of three Councilmembers.
• The Chair and Vice Chair positions of each standing Committee shall be recommended by the Nominating Committee and annually approved by resolution of the Council in June.

• The Chair of the Council, in consultation with the Chair of each Committee, shall appoint the members of each Council standing committee (except the Executive Committee).

• Any substitutions to persons serving on Council committees shall be made by the Executive Committee. A Committee member may be removed from membership on a Committee at the recommendation of the Committee Chair or Council Chair and with the agreement of the Executive Committee. An action to remove a Councilmember from a Committee shall state the reason for the removal.

• Unless otherwise directed by Council resolution no formal actions of a Committee are final or binding on the full Council unless and until adopted by resolution or consent of the full Council.

• All Councilmembers are welcome and encouraged to attend and participate in the open meetings of Council committees. Only Committee members, however, may vote on a matter before the Committee for action. All Committee and non-Committee Council members may participate in a closed/executive session of a Council Committee where discussion of confidential information occurs, with the precondition that all attendees at such sessions are bound to observe the confidentiality of these sessions.

(3) Role and Authority of Committee Chairs

• The Committee Chair is responsible for the smooth functioning of his/her Committee's business. The Chair shall ensure:
  
  (a) That meetings are conducted with appropriate decorum on the part of all Councilmembers and all attendees;

  (b) That business is concluded within the scheduled meeting time, or extended if convenient to the members;

  (c) That each Council Committee member has the opportunity to express his/her opinion on a matter before the Committee prior to a vote. Once each Council Committee member has had an opportunity to state his/her view and had an opportunity to respond to the view of others, the Chair shall use his/her judgment to end discussion and call for a vote on the matter;

  (d) That Councilmembers who are not members of the Committee but who wish to speak to an issue have an opportunity to do so, but that only designated Council Committee members vote on an issue before the Committee;

  (e) That all members of the Committee and any non-Committee Councilmembers who participate in an Executive (closed) Sessions are reminded that all information and all matters discussed in Executive Session are confidential and are not to be disclosed or discussed outside the Executive Session. Any materials used in closed session and not subject to disclosure are collected at the end of the closed session;

  (f) That Executive Sessions are convened and conducted for appropriate purposes under State law and these procedures and that no actions of the Committee occur in closed session, per State law;

  (g) That law and Council guidelines governing conflicts of interest are enforced in the conduct of Committee work (see separate section below);

Council Committee Chairs are expected to exercise their best and reasonable judgment in conducting meetings and carrying out the affairs of the Committee. Robert's Rules of Order may provide a general reference to assist Committee Chairs in conducting meetings, but the Council shall rely on the Committee Chairperson's judgment as the basis for conduct of Committee business, including whether or not a quorum is necessary to conduct any particular meeting of the Committee. The Committee Chair's ruling on any Committee matter governs the Committee's proceedings, subject only to challenge by vote of the full Council at its next meeting.
Councilmember Responsibilities

- Each Councilmember bears individual responsibility for ensuring that he/she faithfully and lawfully fulfills his/her duties and obligations. Chief among these are:
  
  (a) The Council serves as the policy-making and policy oversight body for the PDA. The administration of the PDA is vested in the Executive Director, who is the sole employee of the PDA directly responsible to the Council. It is not appropriate for Councilmembers to give direction to the staff or involve themselves in administration.
  
  (b) Policy oversight for the administrative affairs of the PDA is vested in the Executive Committee of the Council.
  
  (c) All Councilmembers are expected to respect the confidentiality of matters discussed in Executive sessions of the Council or its Committees.
  
  (d) All Councilmembers are expected to conduct themselves in the course of their official responsibilities with proper decorum. Councilmembers shall not impugn the reputation or motives of fellow Councilmembers or PDA staff, except by the filing of a formal written complaint with the Council Chairperson, who shall initiate a formal investigation upon such a filing.
  
  (e) All Councilmembers are expected to fully comply with requirements of ethics ordinances and conflict of interest laws. At any time that there is a reasonable question as the appearance of a conflict of interest, the Councilmember should withdraw from discussions and voting on the matter. Members are advised to broadly construe their obligations in this regard. (See separate section below for guidance)
  
  (f) In representing the PDA to other organizations, individuals, groups, or the media, Councilmembers should be aware that the listener may assume that the Councilmember speaks for the PDA as a whole. When speaking on a topic not acted upon by the full Council or a Council Committee, the Councilmember should make clear that the view stated is his/her view and not necessarily that of the PDA.
  
  (g) Councilmembers are expected to attend all special and regular full Council and assigned Committee meetings and to review materials in advance of such meetings. If unable to attend a meeting, Councilmembers should notify their Committee Chair, the Council Chair, or the PDA Office in advance of the meeting. Failure to attend three regular Council meetings in a row subjects a member to removal from the Council.

Council and Committee Public Meetings

The PDA Council and its Committees convene in public session at times and places on a regularly scheduled basis for the purpose of conducting the business of the PDA Council. It is the intent of the Council and Committee Chairs that business be conducted in accordance with the following policies and procedures:

- The agenda for regular PDA Council meetings and regular meetings of all PDA Council standing committees shall include provision for public comments at the outset of the meeting and for concerns of Councilmembers at the end of each meeting agenda.

- Public Comment Agenda Item: Except in the case of meetings convened specifically as public hearings on a subject noticed by the PDA, the public comment period on the agenda for Council/Committee meetings is intended to provide an opportunity for members of the public, including those within the Market community, to convey information of concern to them to the Committee members; to present a position on an action matter before the Council/Committee; or to make inquiries of the PDA through the Council/Committee.

  This time is intended to allow for some level of information exchange, but not intended as a time for debate between Council and the person testifying. The Council Chair and the Chairs of each Committee should be guided by the following procedures in facilitating the public comment item on their agendas:
(a) The Chair should invite the public to speak during the designated “public comment” period on any item on the agenda or on any item of concern; to facilitate the work of the Committee, comments should generally be limited to three minutes.
(b) If a member of the audience asks a question for information, the Chair may determine whether to respond at the time; to recognize another Council member or PDA staff for response or; to request that the staff follow-up with the individual with a response.
(c) If a Council member wishes to ask a member of the audience a question or provide information, he or she shall asked to be recognized by the Chair to do so.
(d) It shall be the discretion of the Chair of the meeting to allow for public comment at anytime other than during the public comment item on the agenda.

- Concerns of Council Agenda Item: This period on the agenda is reserved for any Council member to make announcements, ask questions, or raise concerns not otherwise covered in the course of the meeting agenda. This is generally not a time at which Council or Committee action is taken, but may generate follow-up by the staff or a Council Committee to respond to the individual Council members concern.

- Guidelines for Debate/Discussion: The smooth and fair functioning of the Council and Council Committees is the responsibility of the respective chairs, who are expected to exercise their best and reasonable judgment in conducting meetings and carrying out the affairs of the Council and its Committees.

  (1) Consideration of Issues According to the Agenda: As a first order of business, Chairs should call for the adoption of an agenda, setting forth the topics to be addressed and the time allotted to each. Once adopted, the Chair is responsible for conducting the meeting in the order of the agenda and with respect for the time commitments of members.

  (2) Decorum: The Chair shall ensure that the meetings are conducted with decorum and respect on the part of all Council members and all attendees. All speakers are expected to confine their remarks to the merits and substance of the issue being addressed. The Chair shall immediately rule out of order a member of the public or a Council member who is unruly, rude, or abusive, or who impugns the reputation or motives of Council members, PDA staff, or other members of the audience and disrupts the conduct of the meeting. Disruptions of Council and Committee meetings are prohibited. Disruptions include but are not limited to the following:

  (a) Failure of a speaker to comply with the Chair and/or the presiding officer’s request to conclude public comment consistent with the allotted time established for the individual speaker’s public comment;
  (b) Outbursts from members of the public who have not been recognized by the Chair or presiding officer for public comment;
  (c) Behavior, including threatening or menacing behavior, that intentionally disrupts, disturbs or otherwise impedes attendance or participation at a Council of Committee meeting.

  If the behavior persists after being ruled out of order, the Chair shall expel the offending person from the meeting and may, at his/her discretion recess the meeting to another time and/or date. If the disruptive behavior is chronic, the Chair may recommend the following actions:

  (d) Terminate the individual’s comment period and proceed to the next speaker, if any;
  (e) Direct security staff to assist an individual to his or seat; or
  (f) Direct security staff to remove the individual from the meeting room.

Any individual ordered to be removed from a meeting shall be excluded from returning to that same meeting from which that individual was removed, unless the decision of the Chair or presiding officer is overruled by a majority vote of those Councilmembers in attendance.

If any individuals fails to comply with the requirements referenced above under Section (2) over the course of two or more Council and/or Committee meetings occurring within in a 15 day time period, or over the course of two or more consecutive meetings of the same Committee, the Chair and/or presiding officer may exclude the individual from attendance at future Council and/or Committee meetings, unless the decision of the Chair and/or presiding officer is overruled by a majority vote of those Councilmembers in attendance.(3) Course of Debate: To place an action item before the Committee/Council, the motion must be in writing and must be moved and seconded by members. Once a motion is
moved and seconded, the Chair shall then guide the discussion by ensuring that each member is afforded an opportunity to speak to the matter prior to a vote. Once each Council member has had an opportunity to state his/her view and an opportunity to respond to the views of others, the Chair shall use his/her judgment to end discussion and call for a vote on the matter. While all Council members present at a meeting may speak to an issue, only Council Committee members at a Committee meeting vote on the matter.

(4) Participation of the Chair: In order to ensure maximum expression of the different viewpoints and to benefit from the expertise provided by all members of the Council, the Chair is expected to participate, as any other member in discussions and to vote on all regular motions before the Council and its committees, except on matters in which conflict of interest exists as described elsewhere in this document. To the extent that this provision is inconsistent with the standard rule of the Chair as defined by Roberts Rules of Order, the PDA Council specifically acknowledges this exception as part of its regular operating procedures.

(6) Executive Sessions of the Council or its Committees

All meetings of the Council and its Committees are open to the public and shall be conducted in public session in accordance with the State Open Meetings Act, unless the subject matter is confidential and appropriate for closed/executive session.

An Executive Session of a Committee or the Council may be scheduled in advance by notice on the public agenda or called in the course of a scheduled meeting, provided that Executive Sessions shall only occur for purposes authorized by State statute, that the purpose and expected length of the Executive Session is announced by the Chair before the Committee/Council convenes into Executive Session, and that no decisions are made in an Executive Session. The appropriate Chair is responsible for ensuring the following guidelines are met:

- Executive sessions of the Council or Council Committees are legal and appropriate for discussion of matters falling under RCW 42.30 including but not limited to the following:
  - Labor negotiations strategy and parameters
  - Personnel matters -- employment interviews and negotiations, evaluations, disciplinary matters, etc.
  - Proprietary business information (personal or financial)
  - Lease negotiations and review of lease terms under negotiation
  - Financial information pertaining to sales or purchase of business
  - Financial information pertaining to business operations (including delinquencies, competitive/trademark/license information, and sales reports and sales audits)
  - Legal matters and litigation or potential litigation subject to attorney: client privilege
  - Appeals to the Council Ad Hoc Committee under the Daystall Rules

- Only Council members, designated staff, and/or PDA counsel may participate in Executive Session; provided that if the Chair wishes to have a private party address the Committee/Council in closed session for the purpose of protecting business or proprietary information, the individual may be invited to make his/her presentation and then leave the Executive Session.

- The Chair is responsible for reminding all participants in Executive Session that matters discussed in Executive Session are confidential and not to be discussed with anyone outside the meeting. The Chair shall ensure that any materials distributed in the course of an Executive Session are collected before the end of the session. The Chair shall ensure that no decisions or actions are taken in Executive Session.

- If the Chair has reason to believe that an individual Council member or staff has violated the confidentiality of Executive Sessions and their presence in an Executive Session could jeopardize the interests of the PDA, the Chair shall ask the individual to voluntarily excuse him/herself from Executive Session. If the individual elects not to do so, the Chair may elect to request a vote of the Committee/Council to exclude the person from the session or may elect to cancel all or part of an Executive Session, until such time as the matter can be addressed by the full Council. If the Chair believes that the member is unwilling to abide by rules of confidentiality, he/she may recommend the exclusion of the member from all Executive Sessions and/or the removal of the member from the Committee to the Executive Committee.

- Any incident or suspected incident where disclosure of confidential information by a Councilmember occurs shall be reported immediately to the PDA Council Chair. The Council Chair shall cause an investigation to be undertaken. Should
the alleged incident of disclosure be substantiated to the satisfaction of the Chair, the Chair shall immediate initiate whatever sanctions he/she believes are proper which may include excluding that Councilmember from future Executive Sessions of the Council or its Committees. Further, Councilmembers should be aware that should they intentionally or inadvertently disclose confidential information, they may be subject individually to personal liability.

(7) Public Records -- Disclosure of Information

- As a public corporation, the PDA is subject to the State's Public Disclosure Law (RCW 42.17) and has an affirmative duty to respond in a timely manner to make available, upon receipt of a specific public disclosure request, records that are subject to public disclosure.

- Requests for public records shall be in writing on a form provided by the PDA. Unless the information is not subject to disclosure, requested records shall be made available promptly, generally with five days. If the records cannot be assembled within five days, the PDA shall provide the requester a written estimate of when the records will be available. Materials may be inspected at the PDA office during normal business hours at no charge; copies of materials will carry a nominal charge, as indicated on the PDA public information request form.

- Denial in whole or in part of a request for disclosure of public records shall be made only by the PDA Executive Director with written reasons consistent with State law for the denial. The PDA has an obligation to disclose public records not exempt from public disclosure, but it does not have any obligation to create records that do not already exist in the PDA’s possession.

- The obligation to respond to public disclosure requests rests with the agency. Any requests for information received by a Councilmember or an employee shall be referred to the Executive Director and/or the Council Chairperson. A record of all public records disclosure requests and responses will be maintained by the PDA Executive Assistant.

- Upon receipt of a specific public disclosure request for tenant lease information, the following response, as applicable, will be offered:
  
  1. Lease Administration Guidelines with discussion of basis for rent levels and target/guidelines base rent and percentage rent;
  2. Revenue information in the aggregate by rent source, e.g. base rent, COMA, CAUT, percentage rent, daystall rent, residential rent;
  3. Expense/budget information per chart of accounts maintained in the accounting system;
  4. Sales data and sales trends for PDA tenants as a whole and by product category;
  5. Lease terms on an aggregate basis, e.g. range of base rents for businesses in similar locations; range of percentage rents for same types of businesses; that is, lease term information will be released so long as the individual tenant is not identifiable; and/or
  6. Redacted copy of a lease.

(8) “Prohibited Conduct” and Avoidance of Conflict or Appearance of Conflict of Interest and Ethics Requirements by PDA Councilmembers in PDA Council Actions

- The Seattle Municipal Code (SMC 3.110.560) defines conflicts of interests and ethical requirements for PDA Councilmembers (and employees) in a section entitled “Prohibited Conduct”. The code provides that no PDA Councilmember shall:

  1. Engage in any transaction or activity which is, or would to a reasonable person, appear to be in conflict with or incompatible with the proper discharge of official duties, or which impairs, or would to a reasonable person appear to impair, the Councilmember’s independence of judgment or action in the performance of official duties;
  2. Use his or her official position for a purpose that is, or would to a reasonable person appear to be, primarily for the private benefit of the Councilmember, rather than primarily for the benefit of the PDA; or to achieve a private gain or an exception from duty or responsibility for the Councilmember or any other person;
  3. Solicit or receive any retainer, gift, loan, entertainment, favor, or other thing of monetary value from any person, where the retainer, gift,... has been solicited, received, or given, or to a reasonable person would appear to have been solicited, received, or given, with the intent to give or obtain special consideration or influence as to any action by any such Councilmember in his or her official capacity; provided that nothing shall prohibit contributions which are solicited or received and reported in accordance with law;
(4) Use or permit the use of any person, funds, or property under his/her official control, direction, custody, or of any PDA funds or PDA property, for a purpose which is, or to a reasonable person would appear to be, for the private benefit of the Councilmember or any other person or entity; provided that nothing shall prevent the private use of PDA property which is available on equal terms to the public generally, or the use of PDA property in accordance with PDA policy for the conduct of official PDA business, if, in fact, the property is used properly;

(5) Disclose or use any information gained by reason of the Councilmember’s official position for the immediate or anticipated personal gain or benefit of the Councilmember or any other person or entity; provided that nothing shall prohibit the disclosure or use of information which is a matter of public knowledge, or which is available to the public upon request;

(6) Except in the course of official duties, assist any person in any PDA transaction, where such Councilmember’s assistance is, or to a reasonable person would appear to be, enhanced by that Councilmember’s position with the PDA; provided that this subsection shall not apply to any Councilmember appearing on his or her own behalf or representing him or herself as to any matter in which he or she has a proprietary interest, if not otherwise prohibited by law;

(7) Have a financial or other private interest, direct or indirect, personally or through a member of his or her immediate family, in any contract or non-contractual transaction to which the PDA may be a party, and failing to disclose such interest prior to formation of the contract, or prior to the time the PDA enters into the transaction; provided that this paragraph shall not apply to any contract awarded through the public bid process in accordance with applicable law

(8) Be beneficially interested, directly or indirectly, in any contract which may be made by, through, or under the supervision of such Councilmember, in whole or in part, or which may be made for the benefit of his/her office, or accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contract from any person beneficially interested therein;

(9) Fail to disqualified him or herself from acting on any transaction which involves the PDA and any person who is, or at any time within the preceding 12 month period, has been a private client of his or hers or his/her firm or partnership.

- The code provides further guidance by defining when a PDA Councilmember (or employee) may perform official duties and participate in PDA affairs or activities. Per the code, Councilmembers may participate when:

  (1) The proposed action or activities of the PDA would not affect him/her in a manner different in kind from that of the public or community generally, or when the Councilmember is a member of a substantial class of persons included in a service or assistance program and would be not affected in a manner different in kind from other members of the class; or when

  (2) The Charter or Rules and Regulations repose responsibility with the Council for an action that affects all Councilmembers in their official capacity alike; or when

  (3) After disclosure of his/her personal interest, the Council finds, by majority recorded vote following discussion in open meeting during which public comment is permitted, that the Councilmember’s participation would further the public interest, notwithstanding the personal interest disclosed.

In all other instances, any Councilmember who may have a direct or indirect financial interest in any matter coming before the Council shall disclose to the Council the nature and extent of such interest, and refrain from voting, participating in Council deliberations …., or attempting to influence any other Councilmember on the matter.

- PDA legal counsel has provided advice with respect to interpreting the provisions of the Seattle law regarding conflicts of interest and ethics requirements in memoranda dated August 17, 1993, and January 24, 1997, which are available from the PDA Executive Assistant, or, should a specific question arise, advice of legal counsel may be sought. Three general points of advice to all Councilmembers from PDA legal counsel are:

  (1) When a Councilmember has a direct or indirect financial interest that creates a conflict or appearance of conflict of interest, the Councilmember shall excuse him/herself from participating in the Council deliberations and voting in such cases and shall so state to the Council. The Councilmember shall also refrain from attempting to influence any other Councilmember in such cases.

  (2) Under no circumstances should a Councilmember disclose or use any information gained by reason of his/her Council position for the personal gain or benefit of him/herself or any other person or entity. This prohibition applies to proprietary business and lease information and to information or knowledge acquired in closed executive sessions of the PDA Council or Council Committee meetings; it does not apply where the information is a matter of public knowledge or available to the public upon request.
Council members are advised to broadly interpret the conflict of interest provisions such that if there is an appearance of conflict, even if no actual conflict exists, the member refrains from participation and voting.

- Any Councilmember, for the benefit of the public, the full Council, and the integrity of the Council’s actions, may challenge a fellow Councilmember's right to vote on an issue based on a conflict of interest or the appearance of a conflict. Such challenge shall be decided by a vote of the full Council. It is the responsibility of the Council Chair and Council Committee Chairs to raise questions of possible conflicts that they believe may exist when such circumstances arise in the course of Committee or Council deliberations and actions.

(9) Sanctions for Violations of Council Operating Policies and Procedures

- **Policy Intent and Compliance Assumptions**: The Council’s Operating Policies and Procedures are designed to provide for the smooth, effective, deliberative, and respectful operations of the Council and its Committees; to protect proprietary and confidential business information of tenants and other confidential information not subject to public disclosure; and, to ensure that the Council and its members act consistent with City law pertaining to ethical conduct and the avoidance of conflicts of interest, State law pertaining to open meetings and public records disclosure, and other applicable laws. It is the responsibility of all Councilmembers to know and to follow the adopted Council Operating Policies and Procedures; it is the responsibility of the Council Chair and the Committee Chairs to monitor, and in some cases, enforce compliance in the course of the conduct of their chairing duties.

It is assumption of the Council that all members will voluntarily and willingly comply with the requirements of the Council’s Operating Policies and Procedures.

- **Sanctions for Violations of Council Operating Policies and Procedures – General**: The Council’s Operating Policies and Procedures incorporate both internally defined requirements and requirements of City and State law. Accordingly, there are sanctions that can be imposed/initiated by the Council and/or Council/Committee Chairs, by a member of the public, or by the City of Seattle, depending on the violation involved or whether the violations are intentional and/or repeated. Thus, for example, sanctions for violation of these policies and procedures may include, among others: a member being called out of order at a meeting; a member being asked to leave a meeting; a member being excluded from executive sessions; a member being removed from a Committee; a member being the subject of an ethics violation complaint; a member being censured by the Council; a member being recommended to the Seattle City Council for removal from the PDA Council.

Only the Council may enforce its internal operating policies and procedures which are not otherwise required by law.

Any member of the public, including any Councilmember, may file an ethics complaint against a Councilmember alleging that the member has violated one or more of the “Prohibited Conduct” provisions of the Seattle Municipal Code. Such a complaint must be specific and filed with the Council Chair, in accordance with requirements of the Seattle Municipal Code. Also per City ordinance, the Chair must cause an investigation and resolution process to be undertaken.

While the Council, under the PDA Charter, may initiate a public hearing and resolution for removal of a Councilmember, only the Seattle City Council can act to remove a Councilmember from the PDA Council.

- **Council Sanctions for Repeated/Egregious Violation of Operating Policies and Procedures**: It is the Council’s intent that compliance with the adopted Operating Policies and Procedures be fully and fairly enforced. Accordingly, these procedures vest responsibility and authority in the Council Chair and Committee Chairs to enforce these policies and procedures in the course of their oversight of PDA Council activities. It is the Council’s expectation that there will not be egregious and repeated violation of the policies and procedures and that the initial and intermediate tools available to Council/Committee Chairs will resolve the overwhelming majority of violation problems. These remedies include those described above.

However, in the case of repeated or egregious violations of the policies and procedures, when, in the judgment of the Council Chair, such egregious or repeated violation(s), intentional or not, create or have the potential to create harm to the public image of the Market, harm to welfare of the Market’s tenants, or harm to the personal and professional reputation of fellow
Councilmembers or PDA staff or tenants, then it is the responsibility of the Council Chair to initiate a progressive sanction process that may involve any or all of the following three measures:

1) **A Resolution of Council Censure**: Such resolution would state the nature of the Council Operating Policies and Procedures violations; and/or the potential adverse impacts and/or injuries from such violations; and/or declare that the member does not speak for or represent the PDA Council and/or holds a minority position on the matter(s) at the PDA Council. A resolution of censure is designed specifically to condemn the offending conduct and to discredit the credibility of the offending Councilmember with the Market community, the public, and the PDA oversight agents for the City of Seattle.

2) **An Ethics Violation Complaint Referred to the City**: In the event that a Councilmember or the Council Chair goes to the extent of filing an ethics complaint under City ordinance, such complaint should be referred for advice, as allowed by City code, to the City of Seattle Ethics Commission.

3) **Public Hearing to Initiate Removal of a Councilmember**: In the most extreme circumstances of egregious or repeated violations of Council Operating Policies and Procedures and/or failure of the member to regularly participate in Council activities and carry out their Council duties, the Council Chair may call for a public hearing to recommend removal of a Councilmember. If, after a public hearing on the matter a majority of the PDA Council vote to recommend removal of the Councilmember, then the Chair shall so notify the affected Councilmember of his/her status, and shall forward to the Seattle City Council the adopted PDA Council resolution requesting removal of the Councilmember. In the case of Council members appointed by the Mayor or by election of the Constituency for whom the full Council votes for a recommendation of removal, the PDA Council Chair shall notify the Mayor/Constituency Chair of the vote and the recommendation to the Seattle City Council for removal of the Councilmember.
Section IV:

Consent Agenda Items
Authorization to Contract with City of Seattle on Pike Box to Go Program
January 2019

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, the PPMPDA has established a program for weekly direct delivery of local farm produce under the name of Pike Box which furthers the distribution of fresh produce to local families and provides added revenue to farmers in a program where costs are funded through payments from customers and food supplement programs; and,

WHEREAS, in the last quarter of 2018, the PPMPDA extended this program as Fresh Box to Go under a contract with the City of Seattle to provide a limited bi-weekly distribution of fresh produce from small and medium-sized farms (all located in Washington State) to eligible families participating in the Seattle Preschool Program (SPP), Early Childhood Education and Assistance Program (ECEAP), SPP Pathway preschools and other sites as agreed upon with the City; and,

WHEREAS the City of Seattle has proposed a one year continuation of this program, funded through the Sweetened Beverage Tax revenues in the amount of $143,296 for calendar year 2019; and,

WHEREAS the PPMPDA confirms that this extension of the Fresh Box to Go will be consistent with its purposes, complement existing programs and that the level of reimbursement is sufficient to cover all incremental costs of food purchases, operations and staffing to operate in tandem with the existing Pike Box program,

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to enter into a contract with the City of Seattle Human Services Department for a contract to reimburse costs for an extension of the Fresh Box to Go – Pike Box Program in an amount not to exceed $143,296.

The funds for this project will be paid to the PPMPDA as provided in the contract dated January, 2019.

____________________________________  _______________________________
Mark Brady, Secretary/Treasurer       Date

Date Approved by Council:
For: 
Against: 
Abstained: 

PROPOSED RESOLUTION 19-01
Fresh Bucks to Go: Program Description

Pike Place Market Preservation and Development Authority (PPMPDA) Fresh Bucks to Go -- Pike Box Program will work within its network of small to medium-sized farms (all located in Washington State) to source produce for a bi-weekly box delivery program. Produce will be delivered to eligible families participating in the Seattle Preschool Program (SPP), Early Childhood Education and Assistance Program (ECEAP), SPP Pathway preschools and other sites as agreed upon with the City. The program will operate from January 2019 to mid-December 2019.

In partnership with the City of Seattle, PPMPDA strives to provide high quality fresh produce, support the local economy and decrease the carbon footprint of food products by purchasing as much locally-grown produce as possible, with seasonal food availability in mind. PPMPDA will only source produce from Seattle, King County, and other parts of Washington State, and, whenever possible, prioritize purchasing from socially disadvantaged farmers, as well as farmers of color and immigrant and refugee farmers. To ensure that local farmers are supported, HSD recommends that 15% or more of all produce purchased will be grown by King County farmers by the end of the contract period.

In addition to this, families will be surveyed at least once, and will have demonstrated impact with 75% of families being surveyed reporting increased fruit and vegetable consumption as a result of participation in the Fresh Bucks to Go -- Pike Box Program.

The total contract amount for 2019 will be $143,296. Of this approximately $83,000 will go directly to PPM farmers in the form of produce purchases. The remaining $60,000 will cover the cost of supplies and fully fund a program coordinator on a one year contract.
PROPOSED RESOLUTION 19-02

Authorization for Contract Authority – Contract Project Coordinator for LaSalle Replacement Reserves
January 2019

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the LaSalle Apartments LLC., managed by the PDA for low income housing, has a separate Operating and Capital budget; and,

WHEREAS, the Pike Place Market PDA is the managing member of the LaSalle LLC and as such it approves of this resolution relating to this building; and,

WHEREAS, that budget now has an accumulated fund for replacement reserves nearing one million dollars which must be spent on improvements to said property; and,

WHEREAS, identification of improvements that are necessary have been prioritized through a 30 Year Capital Needs Assessment, completed in 2018 in consultation with the PDA Operations Department; and,

WHEREAS, the management of this work can best be handled by contracting a Project Coordinator to manage the priorities, scheduling, and trades, all consistent with PDA policies; and,

WHEREAS, the PPMPDA has executed a bid process to hire a Contracted Project Coordinator for the LaSalle Replacement Reserves.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to enter into a contract with Jamison Construction Services in an amount not to exceed $50,000 for the purpose of coordinating projects associated with the LaSalle Replacement Reserve spenddown.

The funds for this project will be drawn from the LASLLC 163842-00.

____________________________________ _______________________________
Mark Brady, Secretary/Treasurer       Date

Date Approved by Council:
For:
Against:
Abstained:
Proposed Resolution 19-02
Authorization for Contract Authority – Contract Project Coordinator for LaSalle Replacement
January 2019

Proposed Resolution Costs: $50,000

Project: Project Coordinator Hire for LaSalle Replacement Reserves

Account: LaSalle Replacement Reserves

Accounting Code: 163842-00

Project Description: Management of LaSalle determined priorities, scheduling, and trades, all consistent with PDA policies.

Scope:
Identification of improvements that are necessary have been prioritized through a 30 Year Capital Needs Assessment, completed in 2018 in consultation with PDA Operations Department. Contracted Project Coordinator will coordinate projects to the PDA standards, policies, and procedures.

Bid Process:
Solicited 5 contractors/businesses. Received 2 responses.

- Jamison Construction Services $135/hour
- Bachman Group $6,000.00 Monthly w/ undetermined duration
- SHKS Architects Unresponsive
- Tony Johnson Declined
- Larry Barton Declined
PROPOSED RESOLUTION 19-03

Replacement of Heritage House Domestic Water Boilers
January 2019

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, the Pike Place Market owns the building commonly known as Heritage House in the Market located at 1531 Western Avenue and leases the premises to Providence Health and Services for the operation of assisted living for the elderly; and,

WHEREAS, under the terms of this lease, a ten year term expiring December 31, 2022 were assigned to the PPMPDA in a transfer of the property in 2014 from the Seattle Housing Authority; and,

WHEREAS, Section 7 of that lease provides that the landlord is responsible for capital repairs to the property, including repairs to the elevate system, plumbing system, electrical system, heating, ventilation and cooling, building envelope system or fire alarm system; and,

WHEREAS, in 2018 the tenant informed the PPMPDA of a need to make emergency repairs to the building water boiler for the safety and health of the residents; and,

WHEREAS, the Tenant solicited bids for this work, which required replacement of the 29 year old boiler and received three bids for this work from contractors who have worked on PPMPDA mechanical systems and are qualified for this work; and,

WHEREAS, in consultation with the PPMPDA the Tenant contracted with Comfort Systems Inc. to perform this work with the replacement of the single boiler with two commercial volume water heaters to provide redundancy in case of future issues and that the work has been completed in coordination of the Tenant and the Tenant has provided evidence of payment in full on this work.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to reimburse the Tenant, Providence Health Services, in the amount of $41,684.97 with the provision that the capital items be listed as part of the PPMPDA capital inventory and that the Tenant be responsible for ongoing operation and maintenance of this system to keep it in good working order. Funding will be drawn from the PPMPDA Capital Projects Contingency for Unknown Projects, GL 160970-00.

Mark Brady, Secretary/Treasurer  Date

Date Approved by Council:
For:
Against:
Abstained:
PROPOSED RESOLUTION 19-04

Authorization for Contract Authority – Parking Pay Station Software Upgrade and Pay on Foot Machine Replacement
January 2019

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, in 2009 Resolution 09-56 passed approving the replacement of the automated parking system, including gates, ticket dispensers, software automatic payment machines and all required hardware; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA determined that the current garage pay stations require SKIDATA software upgrades; and,

WHEREAS, the Pay on Foot stations currently in the garages are outdated and do not support the upgraded software, therefore there are four pay stations in need of replacement for a complete Skidata Upgrade; and,

WHEREAS, due to Credit Card Compliance requirements, existing Pay Stations will require replacement of P2PE EMV on ALL Terminals (6) POF (3) Exit Columns on or before January 2020; and,

WHEREAS, upgrading the proprietary software is necessary to perform uninterrupted services and revenue collection for parking.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to approve payment to Skidata Kudelski Group in an amount not to exceed $331,566.67 for the purpose of the upgrade and replacement of Parking Garage Pay Stations.

The funds for this project will be drawn from the Capital Projects Budget COMGAR 163766-00.

______________________________________ _______________________________
Mark Brady, Secretary/Treasurer       Date

Date Approved by Council:
For:
Against:
Abstained:
## Lease Proposals
### January 2019

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<td>So Much Yarn</td>
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<td>First and Virginia LLC</td>
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<td>Craig Perez &amp; Karl Sexton</td>
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____________________________________ ____________________________________
Mark Brady, Secretary/Treasurer Date

**Date Approved by Council:**
- **For:**
- **Against:**
- **Abstained:**
Section V:

New Business Items
Section VI:

PDA Committee Minutes
Market Programs Committee
Meeting Minutes

Wednesday, January 8th, 2019
4:00 p.m. to 6:00 p.m.
Economy Building Classroom, 1433 First Avenue (3rd Floor)

Committee Members Present: Patrice Barrentine, David Ghoddousi, Colleen Bowman, Mark Brady, Ali Mowry

Other Council Members Present:

Staff/ Consultants Present: Mary Bacarella, Karin Moughamer, Amy Wallsmith, Scott Davies, David Dickinson, Zack Cook, John Turnbull

Others Present: Howard Aller, Bob Messina, Nick Setten, Russell Monroe

The meeting was called to order at 4:04 pm by Patrice Barrentine, Vice Chair.

I. Administration
   A. Approval of the Agenda
      The agenda was approved by acclamation.

   B. Approval of the Market Programs Committee November 6th, 2018 Minutes
      The November 6th, 2018 meeting minutes were approved by acclamation.

II. Announcements and Community Comments
   None.

III. Programs and Marketing Report
    Amy Wallsmith began by noting that Scott Davies has kicked off the education program for 2019. In January there are 13 tours and 12 classroom lessons. This month the concierge program will begin. A consultant is helping a monthly program to reach out to hotel and residential within downtown. More information to come. The Instagram account is about to hit 100,000 followers, and Amy estimates that number will be reached in mid-February. Twitter has 89,000 followers and Facebook has 270,000 followers. Amy continued that she is hiring a senior public relations and program specialist and there is no end date for applying.

    David Ghoddousi asked if that position already existed. Amy Wallsmith responded yes, but additional responsibility was added and this is the job Kalyn previous held.

    Amy Wallsmith continued the Local Love Season/Festival is being brainstormed with various departments. This will be kicked off on February 9th with an event and will activate the whole Market, similar to Magic in the Market. It’s currently being called Local Love Fest and an official name will be released soon. Amy review some of the ideas for the event. Daffodil day is March...
20th. At the February Market Programs meeting the 2018 programs will be reviewed as well as the Gift Guide.

Ali Mowry asked if programs are planned a year at a time or as one-offs. She feels these events would gain more traction if they are planned as traditions. Mary Bacarella responded some of these events are being planned as traditions but each program needs to be assessed for success.

Ali Mowry asked for the definition of ‘local.’ Mary Bacarella responded that will be discussed further in the meeting.

Colleen Bowman suggested promoting chocolate vendors during Local Love Fest. A discussion followed on some ideas for Local Love Fest.

A discussion followed about whether these events draw locals who spend money in the Market.

IV. Reports & Discussion Items

A. Community Surveys Regarding 2018 Market Programs and Events

Amy Wallsmith shared that three surveys were created to gather data related to 2018 MarketFront and Market programs offered. Those surveys include:

1. Craft participants in the programming, such as Stockings and Stuffers.
2. A survey for all daystall community to provide feedback on programming.
3. A survey for commercial tenants to provide feedback on Magic in the Market and Costumes on the Cobblestones

Mark Brady asked if the surveys are offered in another language. Mary Bacarella responded no. Zack Cook responded it’s easier to talk with people from the Hmong community rather than develop a written survey.

Ali Mowry asked what the response rate is for the surveys. David Dickinson responded past surveys have a 50% response rate but he expects more people will respond to the program participant survey. Zack Cook noted a lot of outside agencies conduct great research on farm initiatives.

Mary Bacarella added that survey information from the Small Business Incubation will be included in the February Programs meeting.

B. Downtown Resident Market Research Focus Groups

Amy Wallsmith shared questions that will be asked at two upcoming focus groups. One is for people who have lived downtown for ten plus years and another for people who have lived downtown for less than five years. Downtown has been defined. The goal is to understand the habits of people living downtown – shopping, dining, entertainment – as well as how people get their information and how they interact with the Market. A moderator will help guide the conversation and a full report will be generated.

Participants in the 10 plus years group must meet the following criteria:

- Ages 30-70
- Equal balance male and female
- Not employed by Pike Place Market
- Has not visited the Market in the last 12 months

Mary Bacarella added that participants will receive background information and it’s an opportunity to learn about what people feel and think about the Market to help plan marketing initiatives for the future.

 Participates in the less than five years group must meet the following criteria:
- Ages 25-44
- Equal balance male and female
- Not employed by Pike Place Market
- Has not visited the Market in the last 12 months

Colleen Bowman asked the rational for people who have not visited the market in the last 12 months. Amy Wallsmith responded they wanted to talk with people who thought they knew the Market or only come when bringing an out-of-town guest. The goal is to break through that barrier.

Patrice Barrentine asked how many people will participate in each focus group. Amy Wallsmith responded the firm will recruit up to 12 and are hoping for 8-10 people in each group.

Colleen Bowman asked the range of downtown. Mary Bacarella responded its downtown plus the surrounding neighborhoods such as Queen Anne and Capitol Hill.

Mary Bacarella noted that an outcome of these focus groups is the development of an online survey that can be sent to a larger population to gather additional information.

Ali Mowry asked how the age ranges were selected. Amy Wallsmith responded they were looking for feedback from the new Seattleite, which is a younger demographic, and the older age range will hopefully provide information from people who have lived in Seattle for a while and may already know the Market.

David Ghoddousi asked if these questions will be sent to the concierge groups or condo residents. Mary Bacarella noted that is a good idea.

C. Revised Market Insider
Amy Wallsmith noted the Insider is produced for a targeted audience in the Market community and the goal for changing to an online format is to help provide feedback and statistics on what people are engaging with. In December 43.1% of people opened the link and in January 45.5% have opened it. Amy’s goal is to get to a 60% open rate. Through the Insider the marketing department has asked for businesses to update their directory information on the Market website.

Amy Wallsmith shared the updated Neighborhood News page which includes calendars for upcoming events around Seattle, and a place for people to sign-up for e-news.

Mark Brady noted that some of the font is hard to read on the email. He said it looked almost three-dimensional.
Ali Mowry noted that she appreciated getting information on the viaduct closure and commented that it was very thorough and comprehensive.

Patrice Barrentine also noted that the viaduct closure announcement was great and complimented the staff on putting that together.

Colleen Bowman suggested putting the Sign-Up for E-News button higher up on the Neighborhood News page.

Amy Wallsmith noted she forgot to mention the Holiday Night Market in her report above and asked David Dickinson to provide a recap.

David Dickinson noted this was an exciting event because it was an idea that was generated by craftspeople and supported by Daystall staff. Still waiting to hear back on surveys, but anecdotally the feedback was positive. Some people had good sales and those who did not still believed it was a good event to be at. Crafters requested to do it again and David believes there will be more experimentation over the summer with additional Night Market events.

Patrice Barrentine asked the date and time of the event. David Dickinson responded it took place on December 20th from 5-8 pm and was almost cancelled due to a wind storm. However, people started showing up and sales continued right up to 8 pm.

Colleen Bowman attended and said it was very festive.

Patrice Barrentine could not attend but was really supportive of the event and was excited that it happened.

David Dickinson noted more information will be provided next month in the 2018 recap.

Amy Wallsmith noted the Daystall department did a phenomenal job putting the event together in a short time.

Ali Mowry asked if that could be expanded to a larger event and if the Market would include crafters from outside the daystall community. David Dickinson responded nobody was turned away from participating but was glad it was a smaller size for the first event. Regarding guest artisans, there are people in the community that are supportive of that and would revisit that idea through more conversations.

A conversation continued on the success of other night Markets around Seattle during the holidays.

D. SR-99 Closure Communication Plan
Amy Wallsmith noted the plan included in the packet is an update of the one provided in November. Amy provided an overview of the updates, which include:

- Working with the aquarium marketing department to coordinate program collaboration
- The free waterfront shuttle has expanded the service time
- New signage in and around the garage promoting parking rates and still looking for ways to advertise parking near the Market.
• Flaggers will start next week, helping on Western Avenue, from 3:30-7:30 and parking staff will monitor if more or less time is needed.
• Additional Market blog posts are being produced and shared across social media platforms that help people get to the Market or hang out at the Market while traffic dies down.
• Commercial department is gathering information from Market tenants on ways they are promoting their businesses during the closure.
• Assessing advertising in WAZE, Apple maps and Google Business.
• Still looking to advertise on First Avenue light poles and still trying to find a place to park the farm truck offsite to promote the market.
• Viaduct closure communication will be ramped up in the coming week. The Neighborhood News Page has been revamped as a go-to place for Market businesses and residents.

Mary Bacarella added that between 6-10 am all loading trucks and deliveries are being counted to better understand the use of load and unload parking spots within the Market.

Mark Brady noted that more people are getting tickets, including UPS and USPS. Mary Bacarella responded staff can reach out to the Police Department.

Zack Cook noted that city police, in previous conversations, indicated they were going to be more aggressive with ticketing and it depends on the officer.

Colleen Bowman wondered if the loading zone be extended to 60 minutes or exploring a commercial delivery pass for people in the Market.

David Ghoddousi suggested using the farm truck around the city as a way to promote the Market, such as at Sounders games, Husky stadium, Amazon, etc.

Colleen Bowman asked if there will be something visual at the February viaduct event. Mary Bacarella responded she is working on it.

E. Fresh Bucks to Go Program
Zack Cook provided an overview of the program in which the City pays the PDA to deliver CSA boxes to preschools in Seattle that have low income students. The PDA participated in a pilot in 2018 and the city has extended that through 2019. In March 2019 an RFP will be put out for people to participate in the program in 2020.

i. Proposed Resolution 19-01: Authorization to Contract with City of Seattle on Pike Box to Go Program
Zack Cook introduced proposed resolution 19-01 which states:

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and
survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, the PPMPDA has established a program for weekly direct delivery of local farm produce under the name of Pike Box which furthers the distribution of fresh produce to local families and provides added revenue to farmers in a program where costs are funded through payments from customers and food supplement programs; and,

WHEREAS, in the last quarter of 2018, the PPMPDA extended this program as Fresh Box to Go under a contract with the City of Seattle to provide a limited bi-weekly distribution of fresh produce from small and medium-sized farms (all located in Washington State) to eligible families participating in the Seattle Preschool Program (SPP), Early Childhood Education and Assistance Program (ECEAP), SPP Pathway preschools and other sites as agreed upon with the City; and,

WHEREAS, the City of Seattle has proposed a one year continuation of this program, funded through the Sweetened Beverage Tax revenues in the amount of $143,296 for calendar year 2019; and,

WHEREAS, the PPMPDA confirms that this extension of the Fresh Box to Go will be consistent with its purposes, complement existing programs and that the level of reimbursement is sufficient to cover all incremental costs of food purchases, operations and staffing to operate in tandem with the existing Pike Box program,

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to enter into a contract with the City of Seattle Human Services Department for a contract to reimburse costs for an extension of the Fresh Box to Go – Pike Box Program in an amount not to exceed $143,296.

The funds for this project will be paid to the PPMPDA as provided in the contract dated January, 2019.

David Ghoddousi moved the proposed resolution and Colleen Bowman seconded the motion.

David Ghoddousi suggested the resolution be amended so that the Market farm truck has to be placed inside City Hall!

Patrice Barrentine asked how many schools boxes are being delivered. Zack Cook responded there are 8 schools, four schools alternate each week (A & B week). For week A, 105 boxes are delivered and for B week 150 boxes delivered, but eventually both weeks will deliver 150 boxes. Cascade Harvest, Seattle Tilth, and Pike Place Market are the participants. The boxes include recipes and Fresh Sheet.

Mark Brady noted the effects of the government shutdown on EBT. Zack Cook responded Fresh Bucks and this program are not affected by that.

Patrice Barrentine noted that this program achieves every value of the Market farm program.

For: Mark Brady, Ali Mowry, Colleen Bowman, Patrice Barrentine, David Ghoddousi
Proposed Resolution 19-01 passed by a vote of 5-0-0.

V. **Resolutions to be Added to Consent Agenda**

Proposed Resolution 19-01: Authorization to Contract with City of Seattle on Pike Box to Go Program

VI. **Public Comment**

Bob Messina enjoyed the presentation on the Market Insider and is in favor of the new changes. He noted that in past Market Insiders he appreciated the Comings and Goings of PDA staff and did not see that in the current Market Insider.

Howard Aller feels the Pike Box to Go program is an extension of the market into the city and is a great way to provide farm produce to people. He would like to see continued support of the farm program and staff to ensure these programs continue. Howard also noted that the farm truck should always be included in any parade offered in this city!

VII. **Concerns of Committee Members**

Ali Mowry noted that she has been talking about a community transit program for a while but is still struggling to understand what the PDA is doing about next steps to create another program. That was stated in an August 2017 presentation. Ali would like to see the PDA continue to find ways of supporting a community transit program. Ali asked if any councilmembers would like to create a committee to further discuss or if this topic could be placed on a future agenda.

Mary Bacarella responded she can research this topic but does not feel comfortable going back to what was previously being done.

Patrice suggested adding this to the February Market Programs agenda.

Patrice Barrentine suggested finding ways to educate the community on ways businesses can provide transit benefits to their employees.

There was a conversation on the ways that business maybe are or are not providing transit benefits for their employees and what the previous community transit benefits were.

David Ghoddousi believes now is a great opportunity to talk with the city about community transit.

Ali Mowry noted that Commute Seattle is starting a committee to talk about transit issues and suggested someone from the Market participate in the committee.

Mark Brady asked if twenty minutes could be added to the agenda for brainstorming. Mark Brady felt decorations for the holidays were disappointing. Patrice Barrentine recommended waiting to see the results from the surveys regarding holiday events and that could be discussed during a programs meeting.
David Ghoddousi noted that this year was the most decoration he’s seen the PDA do for the holidays and he hopes it continues and improves in future years.

A conversation continued on ideas for future Magic in the Market and other programs at the Market as well as the role of the committee on providing feedback to PDA staff.

Patrice Barrentine visited the Borough Market in London and would be happy to share photos at the February Market Programs.

VIII. **Adjournment**

The meeting was adjourned at 5:22 p.m. by Patrice Barrentine, Vice Chair

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Monday, January 14, 2019  
4:00 p.m. to 6:00 p.m.  
Economy Building Classroom, 1433 First Avenue (3rd Floor)

Committee Members Present: Colleen Bowman, David Ghodousi, Mark Brady, Ali Mowry, JJ McKay

Other Council Members Present:

Staff/ Consultants Present: Mary Bacarella, Karin Moughamer, John Turnbull


The meeting was called to order at 4:00 pm by Colleen Bowman, Chair.

I. Administration
   A. Approval of the Agenda  
      The agenda was approved by acclamation.

   B. Approval of the Market Connections Committee November 5th, 2018 Minutes  
      The November 5th, 2018 meeting minutes were approved by acclamation.

II. Announcements and Community Comments

Bob Messina commented that the City is creating a pedestrian mall environment between First and Second Avenue on Pike Street as part of the Imagine Seattle campaign, formerly One Center City. Second, Bob noted that a geo fence has been created to tell Uber riders they cannot pick up on 3rd Avenue and would like to know how the First and Pike Hotel will addresses issues like this with regards to pick up/drop off of hotel patrons.

III. Reports & Discussion Items
   A. First and Pike Hotel Project Update

Jonas Jonsson introduced himself and the project team present which included Marcus Jonsson, Gabriel Grant with Spectrum and consultant Natalie Quick.

Jonas Jonsson started the presentation with background on himself and his family, noting that the building has been family owned for 30 years and he hopes to be a part of the community for another 50 years. The team has a commitment to the Pike Place Market and they hope to enhance the connection through:
   - Building design and landscaping
   - Pedestrian connectivity to the Market
   - Inclusion of Pike/Pine Renaissance objectives
Gabriel Grant noted that the Pike Pine Renaissance is a major initiative of the city and one benefit to the hotel is having street level presence that’s active 24 hours a day, which will be helpful in reducing crime in the area. With regards to the pedestrian mall between First and Second Avenue, this will help draw the feel of the Market further up the street and closer to downtown. They have been working with the City on ways to further integrate the hotel project into the Pike Pine Renaissance.

Marcus Jonsson noted the project location, at the corner of First and Pike Street and began with an overview of the zoning summary. This building falls in the DMC-145, a transitional zone from the high-rise zones in downtown. Marcus showed a map with adjacent building heights.

Gabriel Grant reviewed the evolution of the building, largely based on community feedback, and reviewed the following changes made to the project.

- Increased alley width at-grade from 18-20 feet.
- Added deep landscape along top of building base (second level) to mirror Market flowers.
- Created a visual barrier and moved enclosed services to the east side of the roof; reduced occupied rooftop space and preserved east side of rooftop as landscaped area with trees/plants.
- Re-designed the alley façade to maximize privacy.
- Created with a voluntary 15-foot set back from the third level along First Avenue to reinforce the neighborhood’s architectural attributes.
- Created with a voluntary nine-foot set back along Pike Street to reinforce the neighborhood’s architectural attributes.
- Added operable windows on second floor retail space
- Historic-character, awning-style windows will be used for the storefront of the podium base.
- Added separate entrances to the small retail shops and an entry on the corner of First Ave. and Pike St. to match the character of the other buildings on the four corners of First and Pike.
- The building base was held to two stories, rather than the three stories of the existing Hahn building, to align more closely with the base of other nearby buildings.
- Added window glazing along alleyway without compromising privacy.
- Increased sidewalks by two fee on First Avenue.
- Added curb-less design treatments along Pike St. to be consistent with Pike/Pine Renaissance design goals.
- Reduced retail square-footage to move retail entrance to corner.
- Selected non-reflective glass on tower to minimize possibility of reflection on Market entrance.
- Hired second architect who specializes in historic Seattle retail to create active retail experience along Pike St. with large, highly-transparent glazing, corner retail and a café with possible outdoor seating on Pike St.
- Added windows to the east wall (alley) façade/corner configured to maximize privacy and to improve the pedestrian experience along Pike St.

Jonas Jonsson discussed projects by GrahamBaba, the new architect brought on to create active retail experience along Pike Street while keeping a historic approach. Projects by GrahamBaba include Terry/Avenue Building in South Lake Union, Koldstrand Building on Ballard Avenue, Chophouse Row in Capital Hill, Melrose Market in Capital Hill, and 2 and U in downtown.

Jonas Jonsson next reviewed the current design of the building, sharing current architectural drawings. This project is set back on three of the four sides. On Pike Street is set back nine feet and the second story up is set back 15 feet. Most people will be focused on the base of the building and that is where the design team is focusing their efforts. In addition there will be hidden artwork around the project, plants growing over the building and steel pivot windows to mirror the Market. GrahamBaba is taking a lot of effort in adding small details, including door handles, lighting fixtures, and detailing along the brick. Jonas shared renderings, but noted they are still changing.

Jonas Jonsson continued by noting there will be a roof-top bar accessible to the public, a restaurant on the second floor (concept still in design), first floor retail facing Pike Place Market, and the hotel entrance off-center from the corner.

Marcus Jonsson reviewed the current timeline. Targeting construction in early 2020 with completion in 2022 and a hotel opening in late 2022 or early 2023.

Colleen Bowman asked where the project is in the design approval process. Marcus Jonsson responded the project has completed early design guidance and they are preparing for the design recommendation meeting set for February 12th.

Ali Mowry noted the building is beautiful but has concerns for the retail and the loss of the smoke shop and hostel, which serves low income people. She asked what plans they have for the retail tenants and how they are going to help the poor people in the community. Marcus Jonsson responded they have not started talking to potential retailers but would like to have a retail that fits in well with the community. The hotel will be priced reasonably.

Jonas Jonsson added they are working with the owner of the Green Tortoise to hopefully find a new home. The approach to the hotel is to work with an honest crowd with an honest feel and feel approachable and fit in with the Market. Marcus Jonsson added the project partakes in HALA and they have contributed several hundred thousand dollars to affordable housing.

Ali Mowry noted that a lot of revenue generated by Market retailers helps the PDA provide services to the community. Ali asked how Stellar Holdings will support the Foundation, given that it will benefit from being located near the Pike Place Market.

Mary Bacarella responded that Stellar Holdings has approached the PDA with ideas on how to work together and those conversations are still in process.

Jonas Jonsson added he has taken a tour of the Market and has an understanding of the services provided at the Market. They want to be a part of the neighborhood and to find ways to
contribute to the community. Gabriel Grant also added that there are specific ideas being discussed and looks forward to talking more with the committee soon.

Mark Brady asked if there will be public restrooms in the building and noted that public restrooms can attract homeless or people they may not want to have in the hotel. Jonas Jonsson responded there will be restrooms for restaurant, retail, and hotel patrons but not a public restroom per se.

Mark Brady asked what the noise variance is for the rooftop bar. Marcus Jonsson responded the rooftop restaurant has been designed in a way to provide barriers for noise. They will work closely with the operator but have not established opening hours yet. Gabriel Grant added there are specific noise ordinances the city has set and they will follow those. Jonas Jonsson noted there are certainly ways to address that by the physical screening of noise and the times of operation.

David Ghoddousi thanked the design team for the presentation. He noted that the current tenants support marginal businesses and he hopes that future tenants might embody that same idea. He added that highest return does not mean highest value for the community and he’s sad to see the Green Tortoise go. It would have been great to see the Green Tortoise incorporated into the design.

Colleen Bowman opened up comments to the public.

Howard Aller commented that he was bothered that a member of the PDA Council objected to public restrooms because they attract undesirables. He feels public restrooms are a good thing and attract all kinds of people. Howard also noted this is an urban environment and it will be noisy in the city. Howard asked that no chain restaurants move into the retail space. He would those tenants to be local or semi-local.

Nick Setten read a statement by Friends of the Market that was shared at the April 2018 Early Design Review Meeting “The Friends continue to believe it’s feasible for the project proponents to develop a new building that is significantly shorter at a height well below the maximum envelope. They continue to believe there is value in an entire redesign effort with the end goal with keeping an appropriately scaled new building and sidewalk.”

Jean Bateman noted she respects the Jonsson family and the work they are doing and appreciates that 15-20 years ago they decided to bring in the Green Tortoise, which supports a lot of the vendors at the Market. Jean asked what the set back of the podium on Pike Street is and if the sidewalk width is still the same. Marcus Jonsson noted they are adding two feet to the sidewalk and then the second floor is set back nine feet from that. Jean added that the design review board had recommended a 15 foot setback from the sidewalk but she has not seen that change. In addition Jean would like to encourage the Historic District to expand across to First Avenue.

Ruth Danner commented on safety and security in the neighborhood and noted there are a lot of pedestrians. She feels that after valet parking and restaurant tables there will only be four feet left for pedestrians to walk. She added that trucks exiting that alley cannot see pedestrians and is dangerous for pedestrians. Ruth continued that the SEPA checklist fails to mention the
impacts to the Market and that the Market is not mentioned as a historic site near the project. She is appalled at the idea a nine foot set back is giving back to the community and feels there should be a greater set back on the tower along Pike Street to match Target’s 15 foot set back and to allow for views of the Market sign.

Janet Way commented she is concerned the SEPA checklist fails to list impacts to the Market and feels the hotel is a significant adverse impact to the Market. She feels there has been little respect for the historic district with this project and notes the building is older than the Market but this project does not match the historic value in the current building. Janet continues by saying the cultural significance has not been reflected in the SEPA process and destroying this building that is part of the neighborhood context of Pike Place Market and replacing it with a 14-story hotel is not an adequate replacement. A pedestrian mall could still be created without destroying the Hahn building. She hopes people will reserve judgment that it’s too late to save the building and consider what can be done to protect the building and preserve the Market.

Bob Seidman with Save the View of the Market commented that it doesn’t seem that the four cherry trees that run east and west will be preserved. He added that these cherry trees were planted in 1976 gifted for the centennial by the Prime Minister of Japan and have historical significance and should be saved.

George Danner, a resident of the Newmark, noted comments made by Hal Ferris regarding the ability for a 35’ long truck to make deliveries in the alley. He noted a lot of information on the project can be found in the city portal. George shared the wording from the 1971 Pike Place Market Charter which includes “it is deemed essential by the people of the city that the cultural, economic, and historical qualities relating to the Pike Place Market and the surrounding area and harmonious outward appearance that attracts residents and tourists to preserve and encourage some of the qualities being the continued existence and preservation of historic areas and buildings.”

Nick Setten added the Friends of the Market would be interested in conversations in expanding the historic district across the street to First Avenue, including the Hahn Building.

Jean Bateman added the loading berth being designed for this project is not sufficient for this building and it’s a significant problem that it is being tracked during the design process.

B. SR-99 Closure Updated Communication Plan

Mary Bacarella reviewed the communication plan for the SR-99 closure, drawing attention to those items noted in red, which include:

- Monitoring quarter 1 events at the aquarium in regards to parking garage needs.
- The FREE waterfront shuttle has expanded hours and Pike Place Market is a stop.
- Looking for ways to join forces with Pioneer Square and waterfront to promote downtown.
- Looking for locations for banners promoting parking and shopping at the Market.
- Advertised all of December for monthly parking, which is currently up.
- Two King County Sheriffs are being used to flag at the exit of the parking garage and will continue to assess need for this offering.
Regarding surface parking lots, five of 11 monthly parkers associated with the Market have reached out.

Social media posts began January 7th with twice a week posts across all social media platforms.

Commercial department is gathering information from merchants that the Market department will incorporate into social media messaging.

Participated in advertising on WAZE and are evaluating. Waiting for parking garage to be verified by Google Business.

Looking into locations to park the Farm truck around Seattle to promote the Market.

Researching street light pole advertising on First Avenue, but it’s not looking promising.

Building specific email template in MailChimp to help with the Market viaduct news updates to the Market community.

Parking Garages were featured on the website in December and Marketing is monitoring the clicks and looking at other feature locations.

Updated and added information to the Neighborhood News page.

Starting January 7th featured blog posts on the homepage under the Pike Place Market News section such as “Happy Hour is better than Traffic Hour.”

JJ McKay asked how traffic was over the weekend after the Viaduct closed. Mary Bacarella responded it was a similar day to January 2018, business as usual, and today was a little busy, possibly due to the sun.

Ali Mowry noted that she’s heard that when the viaduct closed last time for nine days, the first two days were quiet and then on the third day traffic congestions began.

JJ McKay asked if an email update can be provided next Tuesday with how traffic was over the holiday weekend. Mary Bacarella respond she can do that.

C. Construction Impact Updates

Mary Bacarella provided updates on the following:

- The PDA received the 30 day notice for demolition along Alaskan Way and which will close the entrance to the parking garage for 30 non-consecutive days. That is scheduled to start February 8th and a 14 day notice will have a confirmed start date. Mary noted she has a meeting tomorrow regarding this topic.
- No updates on the Streetcar.
- The Pike Pine Renaissance is aiming for a 30% design in the first quarter of 2019 and she anticipates being brought on to that advisory committee.
- Meetings will be set in the coming weeks regarding the Overlook Walk and waterfront connections.
- No updates on the Showbox and council recently received an email regarding a subpoena for documents received from the plaintiffs in the case. David Ghoddousi asked for clarification on what constitutes a responsive email and if it includes the Constituency and Mary Bacarella responded any communication as a PDA Councilmember is responsive and does not include the Constituency. Ali Mowry asked how to differentiate between talking as a Councilmember or Constituency member. Karin Moughamer suggested if councilmembers have questions about their documents that they reach out and can be connected to PDA attorneys.
• Mary continued and has not had an update on the Victor Steinbrueck Park redesign.
• Karin Moughamer provided an update on Market to MOHAI, including receiving a $90,000 DON for pedestrian improvements along Western Avenue. That means $255,500 are available in 2019 for implementing corridor identification elements and a number of other initiatives. A SDOT Neighborhood Street Fund Grant has been submitted and there will be a community evaluation followed by a citizen vote in spring 2019.
• Mary Bacarella concluded with an update on the viaduct closing event the weekend of February 2-3. There will not be a concert on the heritage house parking lot and WSDOT has asked if a smaller concert could be hosted on the MarketFront. That is being researched. In addition, the Friends of the Waterfront is having a donor open house at Old Stove.

IV. Public Comment
Howard Aller asked when the Historic District expansion for the Showbox expires. Mary Bacarella responded she will send Howard the date.

Bob Messina noted the LID agreement and the waterfront plan is moving forward. The City has agreed to have a maintenance and operations budget and asks how that factors into the PDA’s budget. He would like the Market to push hard for finding out the details of the Maintenance and Operations plan, specifically the security aspect. Second, Bob likes the name Waterfront Park Conservancy that was used by an undisclosed group of commercial owners and wonders if that name could stay for this area. The City will also accept new positions on the new group, a joint connection between Parks Department and Friends of the Waterfront with community members having seats. It would be in the Market’s interest to have someone on that committee, which will be decided at a January 24th special meeting. Bob would also like to see an update from the Office of the Waterfront.

V. Concerns of Committee Members
Colleen Bowman asked for an updated construction project chart.

VI. Adjournment
The meeting was adjourned at 5:34 p.m. by Colleen Bowman, Chair

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Finance & Asset Management Committee Meeting Minutes

Tuesday, January 15th, 2019
4:00 p.m. to 6:00 p.m.
Economy Building Classroom, 1433 First Avenue (3rd Floor)

Committee Members Present: Ray Ishii, Devin McComb, Patrice Barrentine, David Ghoddousi, Mark Brady, JJ McKay

Other Council Members Present: Ali Mowry

Staff/ Consultants Present: Mary Bacarella, Sabina Proto, Brady Morrison, Matthew Holland, Kelsey Lindblom, Karin Moughamer, Shelly Brehm, Jay Schalow

Others Present: Nick Setten, Joe Read, Jerry Baroh, Katya Davida Landau, Russell Monroe

The meeting was called to order at 4:01 pm by Ray Ishii, Chair.

Devin McComb entered the meeting at 4:02 pm.

I. Administration
   A. Approval of the Agenda
   The agenda was approved by acclamation.

   B. Approval of the Finance & Asset Management Committee November 14th, 2018 Minutes
   The November 14th, 2018 meeting minutes were approved by acclamation.

II. Announcements and Community Comments
   None.

III. Reports & Discussion Items
   A. Review of PDA Financial Statements November 2018
   Sabina Proto began by reviewing the November 2018 financials, which included a couple milestones: dissolution of the PPM QB2 and the payment of the 2015 Series B Bond.

   Sabina Proto reviewed that the PPM QB2 was created as a result of the NMTC Financing in March of 2011. This financing was facilitated to help in creating additional funds on top of the Levy Funds which were used during Phases 3 and 4 of the Renovation Project. Phases 3 and 4 were implemented in the following six buildings: Corner, Sanitary, Triangle, Economy, Soames Dunn, Stewart. It covered seismic and structural upgrades, electrical upgrades including a new electrical vault, a new elevator in the Corner Bldg., rebuilding the Sanitary Deck, plumbing replacements in all the above buildings, having new public restrooms, and connecting these buildings to the new central hydronic heating and cooling system.
The construction ended on February 28, 2012. Since then, all six buildings have been operating under normal conditions, but the NMTC financing has a seven year recapture period, which ended in March 2018, and the QB2 dissolved in November 2018.

The structure of NMTC financing is very complicated and the PDA council already have gone through the details when this financing was approved and closed. It involved specific financial interactions between the PDA (leverage lender), Investor (US Bank) and CDEs, which were SIF, LIIF, and Kitsap County.

*JJ McKay entered the meeting at 4:06 pm.*

Sabina Proto continued by pointing out only the impact on the PDA books. After the dissolution of QB2, the assets of the QB2 are absorbed by the PDA, and balance sheet categories, the Long Term Investment and the Deferred Master Lease are offset against each other. As a result the PDA fixed assets increased by $9,163,353. Out of that amount $6,804,118 was from the Net Equity Fund, and $2,359,235 were cash contribution by the PDA. On the November’s Balance Sheet, we have an increase in the Leasehold Improvements by $9,163,353, a decrease of Long Term Receivable & Investments by $25,648,261, a decrease of Deferred Master Lease (QB2) by $22,461,659 and an increase in cash by $827,367.

Sabina Proto concluded she is a proponent of New Market Tax Credits financing and through four NMTC the PDA has received $14million. Closing costs and attorney fees can be high, but the benefit outweighs that.

Sabina Proto next reviewed the payment of the 2015 Series B Bond. In June 1, 2015, the authority issued its Special Obligation and Refunding Bonds, 2015A (the “Series A Bonds”) in principal amount of $19,450,000, and Special Obligation Bonds, 2015 B (the “Series B Bonds”) in principal amount of $4,550,000. The proceeds of Bonds were to be applied by the Authority: (1) to finance the design, acquisition, construction and equipping of parking and other improvements related to the MarketFront Project, (2) to refund certain outstanding Authority’s obligations, and (3) to pay costs of the issuance of Bonds. Series A Bonds will mature in December 2040. Series B Bonds came with the early redemption option at any date on or after December 1, 2018.

The Series B Bond was structured in this way (shorter term of maturity) to assure: (1) the Authority had on the date when the construction commenced the complete amount of funds budgeted for construction of MarketFront; (2) considering the uncertainty of two financing sources, New Markets Tax Credits and philanthropy; (3) if those two fund sources were realized in full, the authority could redeem Series B Bonds earlier. Given that both these two sources, New Markets Tax Credits and Philanthropy were accomplished fully, the authority was able to use the early redemption option instead of waiting until December 1, 2020. For this reason, there was a reduction of the 2015 Series B Bond by $4,550,000.

*JJ McKay asked what the fees are associated with the tax credits. Sabina Proto responded that with the $6million NMTC there was $1million in fees. There are a lot of attorneys involved on each team.*

**B. Review of PDA Financial Statements December 2018**
Sabina Proto began by noting that the numbers for year-end are preliminary and will report on final 2018 in February, but not much will change. Sabina reviewed entries that will change after accounts are closed out for the year.

There was a conversation on restricted and unrestricted funds. Restricted funds include the Bond reserves and funds for Sellen. Sellen was paid a second installment from the retainage and $500,000 remains for Sellen.

Miscellaneous revenue was reviewed and includes investment income, management fee from LaSalle, WASH and QualicB, and trademark. One of the reasons this income exceeded the budget was due to the negotiation of the Starbucks trademark.

Sabina Proto continued by stating 2018 was a good year. Total revenue for end of December 31, 2018 is $20,896,603, over budget by 7%. Commercial revenue is over budget by $335,854, garage revenue is over budget by $452,640 and miscellaneous revenue is over budget in all categories but mostly in investment income and Trademark. Operating expenses were over budget in all departments due to several vacancies in staffing and spending less in utilities.

Mary Bacarella asked staff to conduct an exercise reviewing if revenue was down 5%, 10% or 25% in parking and percentage rent, not changing expenses, the PDA would be ok, not great, but ok.

Sabina Proto noted that in February staff will come with a recommendation for distribution of excess funds.

Ray Ishii asked if the metrics related to maintenance and security were at the level anticipated or were they reduced due to staffing vacancies. Brady Morrison responded operations was a little shorthanded throughout the year, but staff were keeping up with apartment turns and work order numbers were steady.

Sabina Proto continued with operating expenses. Percent rent is $4.6million, $51,000 over budget and $341,000 higher than actuals of the same period last year. The Capital Replacement Reserves is $14.1M for the end of December 31, 2018.

JJ McKay asked what the PDA could expect for percent rent in December 2018. Sabina Proto responded she would expect a similar amount compared to December 2017, which was $411,000. JJ McKay suggested that December, after the summer months, is a good metric for what a successful month looks like with regards to revenue.

JJ McKay metric suggested using percent rent revenue with Visit Seattle’s hotel occupancy to maximize the amount of money tourists are spending in the Market.

C. Checking Account Activity Reports November and December 2018
Sabina Proto handed the checking account activity for November and December 2018 to Karin Moughamer.

D. 2019 FAM Calendar
Sabina Proto reviewed the 2019 Finance & Asset Management Committee calendar and noted that these are just the ideas presented by her and Mary Bacarella. Some are new discussion topics and others are reoccurring.

- January: discussion of FAM calendar for year 2019
- February: Risk management assessment/plan
- March: PDA purchasing policy review, audits for LaSalle Senior Housing LLC and WASH LLC, LID discussion
- April: Update on the impact from Viaduct removal on the financial performance during 1st quarter 2019, insurance renewal – property and liability presentation
- May: Commercial rent components introduction, Investment policy review
- June: Audit reports for the PDA and QALICB3 – auditors presentation, PDA pension plan presentation
- July: Mid-year budget review and discussions
- August: Insurance renewal – medical, dental, vision, and other benefits
- September: PDA reserves and 30 year cash flow discussion
- October: 2020 budget presentation
- November: 2020 budget discussion and approval
- December: Upcoming projects

There was a discussion on how to approach the Risk Management assessment and plan.

Mark Brady asked if the union negotiations will be discussed this year. Sabina Proto responded that conversation will take place at full council.

Ray Ishii noted that in February there will be 10 minutes on the agenda to discuss the calendar.

Patrice Barrentine added she would like to see the allocation of excess funds included in February.

E. Capital Projects Update
Brady Morrison reviewed the projects that were completed at the end of 2018 including Baker roofs, skybridge removal, emergency responder system, and Livingston Baker roof and air handler unit on the Livingston roof. SHKS is still working on the 30 year capital assessment and the team is 75% complete on camera upgrades. The Soames Dunn window replacements will begin February 1st and next week the Economy West windows will be worked on. There are a couple other window projects in the works.

Mark Brady asked when the Chinese Cuisine window will be replaced and he noted it looks terrible from the outside. Kelsey Lindblom responded those windows were approved by MHC this month and she will be putting together a resolution for review in February. The windows will take seven months to manufacture and the structural components surrounding the windows will need additional work, which means Chinese Cuisine will need to be shut down in order to complete the work.

Mark Brady asked if there is a way to replace the cardboard currently covering the window to make it look better. Brady Morrison responded he will look into that.
JJ McKay, based on what he just heard, clarified that this window will not be replaced until first quarter 2020. Kelsey Lindblom responded yes as the best time for Chinese Cuisine to close down is January.

Ray Ishii asked what the timeline is for the Capital Needs Assessment. Kelsey Lindblom responded they have six months to complete, so roughly May 2019.

Mary Bacarella added that given all the challenges facing the Maintenance and Operations department, the number of projects completed by the department is amazing. She thanked the team for all their work.

IV. Action Items
A. Proposed Resolution 19-02: Authorization for Contract Authority – Contract Project Coordinator for LaSalle Replacement Reserves
Kelsey Lindblom introduction Proposed Resolution 19-02 which states:

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that the LaSalle Apartments LLC., managed by the PDA for low income housing, has a separate Operating and Capital budget; and,

WHEREAS, that budget now has an accumulated fund for replacement reserves nearing one million dollars which must be spent on improvements to said property; and,

WHEREAS, identification of improvements that are necessary have been prioritized through a 30 Year Capital Needs Assessment, completed in 2018 in consultation with the PDA Operations Department; and,

WHEREAS, the management of this work can best be handled by contracting a Project Coordinator to manage the priorities, scheduling, and trades, all consistent with PDA policies; and,

WHEREAS, the PPMPDA has executed a bid process to hire a Contracted Project Coordinator for the LaSalle Replacement Reserves.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to enter into a contract with Jamison Construction Services in an amount not to exceed $50,000 for the purpose of coordinating projects associated with the LaSalle Replacement Reserve spenddown.

The funds for this project will be drawn from the COMLAS 163842-00.
David Ghoddousi moved the proposed resolution and JJ McKay seconded the motion.

Ray Ishii clarified that the LaSalle is a separate entity from the PDA so the PDA is acting in its role as the managing director of the LLC.

A discussion continued on how to amend the wording on the resolution to reflect that statement as well as to change the property code.

Ali Mowry asked if the PDA owns the LaSalle. Sabina Proto responded the PDA does not own the LaSalle.

David Ghoddousi added the LaSalle will revert to the PDA once the term is over. Sabina Proto noted the PDA will own the building in 2021 and reviewed the terms of the project.

The resolution will be amended to add a third WHEREAS that reads: “The Pike Place Market PDA is the managing member of the LaSalle LLC and as such it approves of this resolution relating to this building.”

In addition the project code will change to LASLLC.

Devin McComb asked if the PDA is entering into the contract with Jamison Construction or is the LaSalle LLC. John Turnbull responded the PDA, as a managing member, can enter into the contract.

David Ghoddousi accepted the friendly amendment and JJ McKay seconded.

Ray Ishii opened up the resolution for discussion.

David Ghoddousi asked how much money is available for LaSalle renovations. Kelsey Lindblom responded the spend-down needs to occur within a year and hiring someone will ensure the work will be completed in that time frame.

Patrice Barrentine noted that less than $2M worth of capital projects are completed with current staff so spending roughly $1 million on one building is an undertaking and a significant amount of money. It will be worth having someone to manage the project.

For: Ray Ishii, Devin McComb, Patrice Barrentine, David Ghoddousi, Mark Brady, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 19-02 passed by a vote of 6-0-0.

B. Proposed Resolution 19-03: Replacement of Heritage House Domestic Water Boilers
John Turnbull introduction Proposed Resolution 19-03 which states:

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of
promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, the Pike Place Market owns the building commonly known as Heritage House in the Market located at 1531 Western Avenue and leases the premises to Providence Health and Services for the operation of assisted living for the elderly; and,

WHEREAS, under the terms of this lease, a ten year term expiring December 31, 2022 were assigned to the PPMPDA in a transfer of the property in 2014 from the Seattle Housing Authority; and,

WHEREAS, Section 7 of that lease provides that the landlord is responsible for capital repairs to the property, including repairs to the elevate system, plumbing system, electrical system, heating, ventilation and cooling, building envelope system or fire alarm system; and,

WHEREAS, in 2018 the tenant informed the PPMPDA of a need to make emergency repairs to the building water boiler for the safety and health of the residents; and,

WHEREAS, the Tenant solicited bids for this work, which required replacement of the 29 year old boiler and received three bids for this work from contractors who have worked on PPMPDA mechanical systems and are qualified for this work; and,

WHEREAS, in consultation with the PPMPDA the Tenant contracted with Comfort Systems Inc. to perform this work with the replacement of the single boiler with two commercial volume water heaters to provide redundancy in case of future issues and that the work has been completed in coordination of the Tenant and the Tenant has provided evidence of payment in full on this work.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to reimburse the Tenant, Providence Health Services, in the amount of $41,684.97 with the provision that the capital items be listed as part of the PPMPDA capital inventory and that the Tenant be responsible for ongoing operation and maintenance of this system to keep it in good working order. Funding will be drawn from the PPMPDA Capital Projects Contingency for Unknown Projects, GL 160970-00.

Patrice Barrentine moved the proposed resolution and JJ McKay seconded the motion.

David Ghoddousi asked if the money was spent a year ago. John Turnbull responded the Heritage House contracted for the work which was done in March or April 2018. They sent the PDA invoices for expenses and now the PDA is looking to settle the accounts.

For: Ray Ishii, Devin McComb, Patrice Barrentine, David Ghoddousi, Mark Brady, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 19-03 passed by a vote of 6-0-0.
C. Proposed Resolution **19-04**: Parking Pay Station Software Upgrade and Pay on Foot Machine Replacement

Kelsey Lindblom introduced Proposed Resolution **19-04** which states:

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et. Seq with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, in 2009 Resolution 09-56 passed approving the replacement of the automated parking system, including gates, ticket dispensers, software automatic payment machines and all required hardware; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA determined that the current garage pay stations require SKIDATA software upgrades; and,

WHEREAS, the Pay on Foot stations currently in the garages are outdated and do not support the upgraded software, therefore there are four pay stations in need of replacement for a complete Skidata Upgrade; and,

WHEREAS, due to Credit Card Compliance requirements, existing Pay Stations will require replacement of P2PE EMV on ALL Terminals (6) POF (3) Exit Columns on or before January 2020; and,

WHEREAS, upgrading the proprietary software is necessary to perform uninterrupted services and revenue collection for parking.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to approve payment to **Skidata Kudelski Group** in an amount not to exceed **$331,566.67** for the purpose of the upgrade and replacement of Parking Garage Pay Stations.

The funds for this project will be drawn from the **Capital Projects Budget COMGAR 163766-00**.

JJ McKay moved the proposed resolution and Patrice Barrentine seconded the motion.

David Ghoddousi asked if these are new or used machines. Kelsey Lindblom responded they are new machines that have been approved at MHC and will look like the new ones already installed on P6.

Mark Brady asked if the software upgrade is guaranteed so the PDA doesn’t have to replace it 4-5 years down the road. Shelly Brehm responded the current pay stations were purchased 10 years ago. Sabina Proto added at a cost of $800,000 but that included all the infrastructure.
Devin McComb asked what the experience has been with the two newer machines. Shelly Brehm responded they are much more reliable and easier to work on.

Devin McComb asked if this is a product that other companies use. Shelly Brehm responded yes, this is machinery used around the world and Target next door uses Skidata equipment.

David Ghoddousi asked if these machines are upgradable. Sabina Proto is skeptical that companies could guarantee their product in 4-5 years but hopes they can be upgraded.

Mark Brady asked if Skidata will replace the old gate pay station. Shelly Brehm said those are work horse machines and should keep going for some time.

For: Ray Ishii, Devin McComb, Patrice Barrentine, David Ghoddousi, Mark Brady, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 19-04 passed by a vote of 6-0-0.

V. Property Management
A. Residential Property Management Report
John Turnbull began by noting the year ended in residential at 2.5% vacancy, which is really good considering there was a large backlog of vacancies and maintenance issues. The maintenance department spent much of December preparing for a HUD audit called REAC, resulting in few items being noted in the report. The LaSalle will be the focus for 2019 and Elsie is preparing for the audit next week. A 30 year capital needs assessment for LaSalle was just completed and will provide a good plan for these upgrades.

John Turnbull continued by noting that the residential manager has been finding other funding opportunities for residential units, including funding for upgrading lighting, and residents enjoyed the recent holiday parties.

Mark Brady asked how the bed bug issue is in the Stewart House. John Turnbull responded there are a few residential units affected and residential managers and social workers are working to help those residents keep up with cleaning.

Ali Mowry asked if those tenants have social workers to help in those situations. John Turnbull responded there is a social worker at the Senior Center but the residents have to accept the help.

VI. Public Comment
Mary Bacarella noted that JJ McKay was officially approved by City Council.

VII. Closed Session
The Committee Chair stated that the committee would go into closed session at 5:23 p.m. to discuss the property management report and return into open session at approximately 5:43 p.m.
The committee entered into closed session at 5:24 p.m.

A. Property Management Report - Closed Session (RCW 42.30.110(c))

B. Review of Lease Proposals
   i. Lease Renewal – Athenian Inn, 1517 Pike Place #427
   ii. Lease Renewal – So Much Yarn, 1525 First Ave #4
   iii. New Owner(s) – Virginia Inn, 1937 First Avenue

C. Review of Delinquency Report
   i. Vacancy Report
   ii. Current Lease Negotiations

The committee entered into open session at 5:58 p.m.

The committee discussed the property management report which included the delinquency and vacancy report along with the current commercial lease negotiations during the closed session.

VIII. Open Session

Proposed Resolution 19-05: Lease Proposals – January 2019

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<th>Start Date</th>
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<td>Catering Advisors Inc.</td>
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<td>Scott Rogel</td>
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<tr>
<td>So Much Yarn</td>
<td>Five (5) Years</td>
<td>November 1, 2018</td>
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<tr>
<td>Darryl Beckmann &amp; Sheila Lyon</td>
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<td>Virginia Inn</td>
<td>Five (5) Years</td>
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<td>Tammy Stone</td>
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</tbody>
</table>

JJ McKay moved the proposed resolution and David Ghoddousi seconded the motion.

For: Ray Ishii, Devin McComb, Patrice Barrentine, David Ghoddousi, Mark Brady, JJ McKay
Against: 0
Abstain: 0

Proposed Resolution 19-05 passed by a vote of 6-0-0.

IX. Resolutions to be added to the Consent Agenda

- Proposed Resolution 19-02: Authorization for Contract Authority – Contract Project Coordinator for LaSalle Replacement Reserves
- Proposed Resolution 19-03: Replacement of Heritage House Domestic Water Boilers
- Proposed Resolution 19-04: Parking Pay Station Software Upgrade and Pay on Foot Machine Replacement
- Proposed Resolution 19-05: Lease Proposals – January 2019
X. **Concerns of Committee Members**
David Ghoddousi thanked the PDA for providing a tour of the Market and hopes to see more in the future.

XI. **Adjournment**
The meeting was adjourned at 6:01 p.m. by Ray Ishii, Chair

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Executive Committee Meeting Minutes

Wednesday, January 23, 2019
4:30 p.m. to 5:45 p.m.
Economy Building Classroom, 1433 First Avenue (3rd Floor)

Committee Members Present: Betty Halfon, David Ghoddousi, Colleen Bowman, Ray Ishii

Other Council Members Present: Mark Brady

Staff Present: Mary Bacarella, Karin Moughamer

Others Present: Howard Aller, Jerry Baroh

The meeting was called to order at 4:30 p.m. by Betty Halfon, Vice Chair.

I. Administration
   A. Approval of the Agenda
      The agenda was approved by acclamation.

      Approval of the November 14th, 2018 Executive Committee Meeting Minutes
      The November 14th, 2018 Executive Committee Meeting Minutes were approved as amended by Acclamation.

      David Ghoddousi clarified his comment from November 14th and added that he suggests using the example of the fish markets and analyze what the impact would be to the PDA if those vendors were lost.

II. Announcements and/or Community Comments
    Howard Aller asked the PDA to consider placing a barrier along viaduct demolition locations in the hopes of protecting people from harm and to protect the PDA.

III. Council Chair’s Report
    Mary Bacarella noted a couple items that Rico Quirindongo would have reported on. Those included a press conference held by Mayor Durkan on the LID and City Council still needs to approve the final amount.

IV. Committee Chair’s Report
    A. Market Connections
       Colleen Bowman noted the presentation from the group from Stellar Holdings on the First and Pike Hotel, which will be up for final design review on February 12th. They shared a matrix containing feedback from stakeholders as well as a project timeline. An updated viaduct communication plan was shared.

    B. Market Programs
       Mary Bacarella provided an overview of the meeting which included an update on the 2019 classroom education program and noted the creation of a concierge program, which will be managed by Scott
Davies with assistance from a consultant with experience creating a similar program at Fare Start. The Market Foundation will also be a part of this program, as they made connections during the fundraising for the MarketFront with residents near the Market. Mary provided some social media numbers, which included 89,000 Instagram followers and 83,000 Twitter followers. On February 9th the Market is hosting an event yet to be named but around the idea of loving Seattle and will be programmed similarly to Magic in the Market. The Market Foundation is hosting a fundraising event on March 1st which is National Pig Day. This event will be complete with pig races and a beer garden in the north Pavilion.

David Ghoddousi asked who is providing the beer. Mary Bacarella believes businesses from the Market community will participate.

Mary Bacarella continued by noting that surveys have been sent out to the daystall and commercial communities regarding programming in 2018. Last week there were two focus groups and Mary is waiting for the final report and will share that with the council at that time. Daystall hosted a Night Market on December 20th. Mary noted she provided an update on the viaduct closure and demolition and a closure on Western Avenue has been slowing down traffic this week.

Lastly, the Fresh Bucks to Go resolution passed unanimously and moved to consent agenda. This is to extend the contract with the City to provide CSA boxes to preschools.

Betty Halfon asked if the Fresh Bucks to Go program would be affected by the government shutdown. Mary Bacarella responded this funding is from the City and not affected by the shutdown.

Betty Halfon asked if there is anything the PDA could do to help the Food Bank. Mary Bacarella responded she has reached out offering assistance. Mary also noted the gift card giveaway at the Food Bank which caused quite a stir with a lot of people rushing the Food Bank.

Howard Aller noted food stamps have already been distributed for February.

C. Finance & Asset Management
Ray Ishii began by noting the preliminary review of 2018 finances and that Sabina Proto and her staff worked hard in November closing out the QB2 and payment of the Series B Bond. The preliminary numbers look good but too early to get a feel for first quarter 2019. A draft FAM calendar was provided and committee members will review and discuss in February, with a final calendar to be provided in the February council packet. Ray continued there were four resolutions, all passed to consent agenda. Those resolutions passed unanimously and were 19-02, 19-03, 19-04 and 19-05. The residential report included a 2.5% vacancy rate for the year.

Colleen Bowman asked if the FAM calendar would be included in the council packet. Ray Ishii responded yes, and that other staff should weigh in. Mary Bacarella added it can be included in the January packet as a draft.

Betty Halfon added to the Market Programs overview, the Daystall Rules and Regulations review will begin next month.

V. Executive Director’s Report
Mary Bacarella provided updates on the following topics:
- Daystall Rules and Regulations review has begun and the calendar will be included in the council packet. The deadline for change proposals has passed and staff will be distributing proposals on January 25th.
• Mary met with Sally Bagshaw’s office and the Hildt Licata Agreement will be reviewed by City attorneys before going in front of City Council, most likely in March.

• On February 2nd there is a party at Old Stove hosted by Friends of the Waterfront, Market Foundation, Pike Place Market, and the Aquarium. Invitations to councilmembers were emailed today.

• The 30-day notice was received regarding demolition in front of the Market, which was scheduled to start February 8th. That date may be changing to May 6th but Mary is waiting to hear more information and the reason for the change. Colleen Bowman asked if there is a contact at the demolition company she can reach out to. Mary Bacarella has been in touch with consultants and people from WSDOT and that’s the best route at this time.

• Staff have been tracking parking and traffic during the SR-99 closure. As of today, parking revenue is at $167,000 and the budget is $180,000 for January. Tenants are reporting a mixed bag with regards to how this closure is affecting business. Several large tenants are saying revenue is steady and craftspeople are taking advantage of the relaxed attendance requirements.

• Mayor Durkan, in her press conference, noted that the budget for the streetcar has increased and the City will be finding ways to close the gap. The completion date has moved from 2020 to 2024/2025. Betty Halfon asked when work will begin again. Mary Bacarella responded they do not know yet. Colleen Bowman noted today’s PI article on the streetcar which has some good information.

• Councilmembers should have received an email from Mary regarding a subpoena on the Showbox. Karin Moughamer noted that all councilmembers have responded to the subpoena request. Mary added that the Showbox Historical District expansion expires June 2019.

• Mary shared the work plans related to the strategic plan created from the 2018 retreat. The work plans will then be discussed during committee meetings.

• No updates on the Overlook Walk.

Colleen Bowman asked for updates on the strategic plan at the committee level and a calendar for which the committee could expect to hear from staff. Mary Bacarella responded the plan will include which committee will hear about each topic and that all this work will take longer than one year.

VI. Discussion Items
A. Executive Director Annual Review Timeline
Betty Halfon directed councilmembers to the draft timeline in the packet. Betty Halfon and Patrice Barrentine are leading the review. The council will conduct a minor review versus a major review since Mary has only been at the Market for one year. Betty Halfon will try to find a past survey and share so councilmembers to provide feedback.

David Ghoddousi asked if all councilmembers will be included in the review process. Betty Halfon responded yes.

David Ghoddousi asked if the Market Foundation and Friends of the Market could be included. Colleen Bowman suggested reaching out to directors or board chairs.

VII. Public Comment
Howard Aller noted he received a notice from WSDOT which indicated that demolition would start in front of the Market first before other areas.

Jerry Baroh added that if demolition happens in May, that will affect tourists coming to the Market.
VIII. Concerns of Committee Members
Colleen Bowman noted that she would like to see the goals for the Market Connections committee reviewed and to have a discussion with committee and councilmembers to further review the purpose of the committee.

A conversation continued on the best place to have that conversation and Mary suggested talking at the committee level before taking it to full council.

IX. Adjournment
The meeting was adjourned at 5:15 p.m. by Rico Quirindongo, Chair.

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Section VII:

Financials & Additional Enclosures
Date: January 15, 2019
To: PPM PDA Council
From: Sabina Proto, Director of Finance
Subject: December 31, 2018 Preliminary Financial Statements

**Balance Sheet Notes:**

**Page 1:**

**Designated Cash:** Decreased due to capital project expenditures.

**Restricted Cash:** Decreased due to payment of second installment of the retainage to Sellen

**Fixed Assets:** Increase due to Capital Projects expenditures.

**Net Position** – Current Year Operating Result: $6,635,083; Non-Operating Result: $6,804,118

**Non-operating result includes the Gain from the closing of New Markets Tax Credit transaction.**

**Page 2:**

**Accounts Receivable Activity Report** – Slight decrease from the prior month.

**Page 3:**

**PDA Operating Statement Notes:**

Total Revenue for the end of December 31, 2018 was $20,896,603, over budget by $1,349,939 or 7.0%

Total Operating Expense for the end of December 31, 2018 was $13,980,414, under budget by $947,694 or 6.3%

Net Result after Debt Service and Reserves was $4,581,857, which is $2,297,633 over budget.

We are up to date on all debt payments.

**Page 4:**

Footnotes on the Operating Statement

**Commercial Revenue** is over budget by $335,854; it’s up in Base Rent-Retail, Percent Rent, Common Area and Direct Utilities. One of the main reasons is that we are collecting rents from spaces not forecasted for period January-March. Also, Percent Rent is $51K over budget.
Residential Revenue is over budget by $69,611; Rent revenue is over budget because the actual vacancy is less than budgeted, Stewart building had a higher rent increase than budgeted; Laundry is slightly under budget.

Daystall Revenue over budget by $65,177 in Daily Craft and Farmer. We are short in lockers for the crafts, and also permits for the crafts are going at a lower pace than projected.

Page 5:

Surface Revenue net of City Share is over budget by $53,267.

Garage Revenue is over budget by $452,640; for period Jan-Dec is 16% higher than the same period of the last year.

Miscellaneous Revenue is over budget in all categories but mostly in Investment Income and Trademark.

Page 6:

Operating Expenses over all under budget mostly in all departments due to several vacancies in staffing, spending less in Utilities.

Page 7:

Percent Rent spreadsheet- Percent Rent is $51K over budget YTD, and $314K higher than the actuals of the same period last year.

Page 8:

The report states the balance of the Capital Replacement Reserve, which was $14.1 M for the end of December 31, 2018.

Page 9:

Capital Projects Report provides the status and YTD spending on different Capital Project we are working on.
## PIKE PLACE MARKET PDA
### BALANCE SHEET

December 31, 2018  
PRELIMINARY

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<th>ASSETS</th>
<th>Note</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>LIABILITIES &amp; CAPITAL</th>
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<td>Land</td>
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<td>1,811,817</td>
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<td><strong>Total Long Term Debt</strong></td>
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<td><strong>Capital</strong></td>
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<td>Financing Lease</td>
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<td>Contributed Capital</td>
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<td>Contributions To LSH LLC and WASH LLC</td>
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<td>200</td>
<td>Prior Years’ Results</td>
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<td><strong>Total Other Assets</strong></td>
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<td>2,946,656</td>
<td>Current Year Operating Result</td>
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<td>6,635,083</td>
<td>5,867,136</td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td>Non-Operating Result</td>
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<td>151,591,271</td>
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<td><strong>TOTAL LIABILITIES AND CAPITAL</strong></td>
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<td>191,368,225</td>
<td>190,735,648</td>
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Pike Place Market, PDA
Footnotes to Balance Sheet
December 31, 2018

Note 1  Accounts Receivable

<table>
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<tr>
<th>Category</th>
<th>Previous Month Balance</th>
<th>Total Current Charges</th>
<th>Total Current Receipts</th>
<th>Current Month Balance</th>
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<tbody>
<tr>
<td>Commercial Revenue</td>
<td>126,645</td>
<td>1,099,685</td>
<td>1,121,400</td>
<td>104,930</td>
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<td>Daystall Revenue</td>
<td>93,255</td>
<td>119,035</td>
<td>102,943</td>
<td>109,347</td>
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<tr>
<td>Residential Rent (excluding HUD)</td>
<td>20,296</td>
<td>210,746</td>
<td>213,164</td>
<td>17,878</td>
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<td>HUD Subsidy</td>
<td>(529)</td>
<td>103,933</td>
<td>103,404</td>
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<td>Total</td>
<td>239,667</td>
<td>1,533,399</td>
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Note 2  Non-Operating Result

Net Result from Closing and Dissolving PFM Q82
## PIKE PLACE MARKET PDA - PRELIMINARY OPERATING BUDGET COMPARISON STATEMENT

Period Ending December 31, 2018

<table>
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<tr>
<th></th>
<th>Current YTD</th>
<th>Current Actual</th>
<th>Variance</th>
<th>Variance %</th>
<th>Current MONTH</th>
<th>Current Actual</th>
<th>Variance</th>
<th>Variance %</th>
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<tr>
<td>Commercial</td>
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<tr>
<td></td>
<td>12,577,369</td>
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<tr>
<td>Net Result-PPM QALICB3</td>
<td>(47,259)</td>
<td>(28,951)</td>
<td>(18,308)</td>
<td>0.0%</td>
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<td>-</td>
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<td>(28,951)</td>
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<tr>
<td></td>
<td>3,061,603</td>
<td>2,991,992</td>
<td>69,611</td>
<td>2.3%</td>
<td>255,914</td>
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<tr>
<td></td>
<td>1,249,602</td>
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<td>179,582</td>
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<tr>
<td></td>
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<td>Miscellaneous Revenue</td>
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<td>86,819</td>
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<td></td>
<td>1,383,749</td>
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<td>117,723</td>
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<td>117,653</td>
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<td>586,489</td>
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<td>4,875,676</td>
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<tr>
<td></td>
<td>2,222,472</td>
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<td>176,050</td>
<td>178,699</td>
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<td>Marketing &amp; Programs</td>
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<td>1,342,444</td>
<td>128,623</td>
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<td>124,893</td>
<td>143,573</td>
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<td>14,928,108</td>
<td>947,694</td>
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<td>1,235,349</td>
<td>1,241,489</td>
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<td><strong>NET OPERATING RESULTS</strong></td>
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<td>528,410</td>
<td>412,378</td>
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<td>4,618,556</td>
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<td>Bond Principal and Interest Payment PDA</td>
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<td>1,934,168</td>
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<td>Pension Contribution</td>
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<td>-</td>
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<td>15</td>
<td>10</td>
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<td>400,164</td>
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<tr>
<td><strong>Net Results after Debt Service &amp; Reserves</strong></td>
<td>4,581,857</td>
<td>2,284,224</td>
<td>2,297,633</td>
<td>100.0%</td>
<td>367,218</td>
<td>251,191</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Contribution - Capital Projects/CRRF</td>
<td>4,581,857</td>
<td>2,284,224</td>
<td>2,297,633</td>
<td>0.0%</td>
<td>367,218</td>
<td>251,191</td>
<td></td>
<td></td>
<td>2,284,224</td>
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<tr>
<td><strong>TOTAL RESERVES &amp; CONTRIBUTIONS</strong></td>
<td>4,581,857</td>
<td>2,284,224</td>
<td>2,297,633</td>
<td>0.0%</td>
<td>367,218</td>
<td>251,191</td>
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<td>2,284,224</td>
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</table>
### Note 1: Commercial Revenue

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<th>YTD ACTUAL</th>
<th>2018 BUDGET</th>
<th>YTD 2018</th>
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<td></td>
<td>% of total</td>
<td>Dec Actual</td>
<td>% YTD</td>
<td>Dec Budget</td>
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<td></td>
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<tr>
<td>Base Rent - Retail</td>
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<td>Base Rent - Office</td>
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<tr>
<td><strong>Total Rent Revenue</strong></td>
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<td>6,577,566</td>
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<tr>
<td>Percentage Rent [1]</td>
<td>37.7%</td>
<td>4,667,659</td>
<td>37.1%</td>
<td>4,615,824</td>
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<td>Direct Utilities</td>
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<td>Storage/Cooler</td>
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<td>186,397</td>
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<td>Tenant Work Reimbursements</td>
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<tr>
<td><strong>Total Commercial Revenue</strong></td>
<td>100%</td>
<td>12,577,369</td>
<td>100%</td>
<td>12,241,515</td>
</tr>
</tbody>
</table>

[1] See attachment for Percentage Rent revenue data by month.

### Note 2: Residential Revenue

<table>
<thead>
<tr>
<th></th>
<th>2018 Total Budget</th>
<th>YTD ACTUAL</th>
<th>2018 BUDGET</th>
<th>YTD 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>Dec Actual</td>
<td>% YTD</td>
<td>Dec Budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Rents</td>
<td>98.6%</td>
<td>3,023,983</td>
<td>98.8%</td>
<td>2,951,496</td>
</tr>
<tr>
<td>Laundry Net of Taxes</td>
<td>0.5%</td>
<td>13,406</td>
<td>0.4%</td>
<td>15,296</td>
</tr>
<tr>
<td>Other[1]</td>
<td>0.8%</td>
<td>24,214</td>
<td>0.8%</td>
<td>25,200</td>
</tr>
<tr>
<td><strong>Total Residential Revenue</strong></td>
<td>100%</td>
<td>3,061,603</td>
<td>100%</td>
<td>2,991,992</td>
</tr>
</tbody>
</table>

[1] Other includes maintenance services, storage, rental screening & late fees

### Note 3: Daysail Revenue

<table>
<thead>
<tr>
<th></th>
<th>2018 Total Budget</th>
<th>YTD ACTUAL</th>
<th>2018 BUDGET</th>
<th>YTD 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total</td>
<td>Dec Actual</td>
<td>% YTD</td>
<td>Dec Budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Crafts</td>
<td>60.9%</td>
<td>743,216</td>
<td>59.5%</td>
<td>721,200</td>
</tr>
<tr>
<td>Daily Farmer</td>
<td>20.7%</td>
<td>285,407</td>
<td>22.8%</td>
<td>245,000</td>
</tr>
<tr>
<td>Remote Markets</td>
<td>4.6%</td>
<td>71,961</td>
<td>5.8%</td>
<td>55,000</td>
</tr>
<tr>
<td>Cooler / Locker Rent</td>
<td>8.3%</td>
<td>86,727</td>
<td>6.9%</td>
<td>92,000</td>
</tr>
<tr>
<td>Permits</td>
<td>2.0%</td>
<td>19,950</td>
<td>1.6%</td>
<td>23,725</td>
</tr>
<tr>
<td>Late Fees</td>
<td>1.2%</td>
<td>15,949</td>
<td>1.3%</td>
<td>14,000</td>
</tr>
<tr>
<td>Specialty Crop Block Grant</td>
<td>2.3%</td>
<td>26,392</td>
<td>2.1%</td>
<td>27,500</td>
</tr>
<tr>
<td><strong>Total Daysail Revenue</strong></td>
<td>100%</td>
<td>1,249,602</td>
<td>100%</td>
<td>1,184,425</td>
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</table>
### Note 4: Surface Revenue

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>2018 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2018 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Surf Rev</td>
<td>Dec Actual</td>
<td>% YTD Surf Rev</td>
<td>Dec Budget</td>
</tr>
<tr>
<td>Surface Revenue Net of Taxes</td>
<td>177.7%</td>
<td>335,450</td>
<td>186.8%</td>
<td>224,415</td>
</tr>
<tr>
<td>City Share of Revenues</td>
<td>-77.7%</td>
<td>(155,868)</td>
<td>-86.8%</td>
<td>(98,100)</td>
</tr>
<tr>
<td>Surface Parking Net of Taxes &amp; City Share</td>
<td>100%</td>
<td>179,582</td>
<td>100%</td>
<td>126,315</td>
</tr>
</tbody>
</table>

### Note 5: Garage Revenue

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>2018 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2018 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Gar Rev</td>
<td>Dec Actual</td>
<td>% YTD Gar Rev</td>
<td>Dec Budget</td>
</tr>
<tr>
<td>Parking Revenue Net of Taxes</td>
<td>99.3%</td>
<td>3,042,665</td>
<td>99.4%</td>
<td>2,591,190</td>
</tr>
<tr>
<td>Parking Reimbursement</td>
<td>0.7%</td>
<td>18,665</td>
<td>0.6%</td>
<td>17,500</td>
</tr>
<tr>
<td>Total Garage Revenue</td>
<td>100%</td>
<td>3,061,330</td>
<td>100%</td>
<td>2,608,690</td>
</tr>
</tbody>
</table>

### Note 6: Miscellaneous Revenue

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>2018 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2018 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Misc Rev</td>
<td>Dec Actual</td>
<td>% YTD Misc Rev</td>
<td>Dec Budget</td>
</tr>
<tr>
<td>Security Service Contracts</td>
<td>16.6%</td>
<td>67,296</td>
<td>8.5%</td>
<td>66,656</td>
</tr>
<tr>
<td>Management Fees(1)</td>
<td>27.2%</td>
<td>109,267</td>
<td>13.8%</td>
<td>108,085</td>
</tr>
<tr>
<td>Investment Income/Interest</td>
<td>29.0%</td>
<td>363,850</td>
<td>46.1%</td>
<td>115,310</td>
</tr>
<tr>
<td>Film/License Revenue</td>
<td>3.8%</td>
<td>22,025</td>
<td>2.8%</td>
<td>15,000</td>
</tr>
<tr>
<td>Other Revenues(2)</td>
<td>23.3%</td>
<td>226,938</td>
<td>28.7%</td>
<td>92,627</td>
</tr>
<tr>
<td>Total Miscellaneous Revenue</td>
<td>100%</td>
<td>789,376</td>
<td>100%</td>
<td>387,678</td>
</tr>
</tbody>
</table>

(1) Management fees from LaSalle Senior Housing LLC and Western Avenue Senior Housing
(2) Other Revenues includes Constituency Revenue, Misc taxable & Non-taxable Revenue, Key and Access Cards, Trademark/Royalties, Market Tours and Rummage Hall less sales tax.
Note 7  Property Management Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th></th>
<th>YTD BUDGET</th>
<th></th>
<th>YTD 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% PM Exp</td>
<td>Budget</td>
<td>% PM Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>441,406</td>
<td>22.4%</td>
<td>476,612</td>
<td>23.1%</td>
<td>35,206</td>
<td>7.4%</td>
</tr>
<tr>
<td>Residential</td>
<td>679,221</td>
<td>34.5%</td>
<td>737,350</td>
<td>35.7%</td>
<td>58,129</td>
<td>7.9%</td>
</tr>
<tr>
<td>Daystall</td>
<td>263,122</td>
<td>13.4%</td>
<td>287,510</td>
<td>13.9%</td>
<td>24,388</td>
<td>8.5%</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>63,053</td>
<td>3.2%</td>
<td>52,935</td>
<td>2.6%</td>
<td>(10,100)</td>
<td>-19.1%</td>
</tr>
<tr>
<td>Garage</td>
<td>523,436</td>
<td>26.6%</td>
<td>511,268</td>
<td>24.8%</td>
<td>(12,068)</td>
<td>-2.4%</td>
</tr>
<tr>
<td><strong>Total Property Management Expenses</strong></td>
<td><strong>1,970,238</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,066,793</strong></td>
<td><strong>100%</strong></td>
<td><strong>96,555</strong></td>
<td><strong>4.6%</strong></td>
</tr>
</tbody>
</table>

Note 8  Operations Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th></th>
<th>YTD BUDGET</th>
<th></th>
<th>YTD 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Ops Exp</td>
<td>Budget</td>
<td>% Ops Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>1,972,612</td>
<td>23.0%</td>
<td>2,012,461</td>
<td>22.2%</td>
<td>39,849</td>
<td>2.0%</td>
</tr>
<tr>
<td>Security</td>
<td>1,599,294</td>
<td>18.7%</td>
<td>1,717,026</td>
<td>19.0%</td>
<td>117,734</td>
<td>6.9%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,179,662</td>
<td>13.8%</td>
<td>1,257,172</td>
<td>13.9%</td>
<td>77,510</td>
<td>6.2%</td>
</tr>
<tr>
<td>Capital Management</td>
<td>124,108</td>
<td>1.4%</td>
<td>106,993</td>
<td>1.2%</td>
<td>(17,115)</td>
<td>-16.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,025,280</td>
<td>35.3%</td>
<td>3,272,916</td>
<td>36.1%</td>
<td>247,636</td>
<td>7.6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>672,927</td>
<td>7.8%</td>
<td>690,000</td>
<td>7.6%</td>
<td>17,073</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total Operations Expenses</strong></td>
<td><strong>8,573,883</strong></td>
<td><strong>100%</strong></td>
<td><strong>9,056,570</strong></td>
<td><strong>100%</strong></td>
<td><strong>482,687</strong></td>
<td><strong>5.3%</strong></td>
</tr>
</tbody>
</table>

Note 9  Administration Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th></th>
<th>YTD BUDGET</th>
<th></th>
<th>YTD 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Adm Exp</td>
<td>Budget</td>
<td>% Adm Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>929,211</td>
<td>41.8%</td>
<td>1,067,441</td>
<td>43.3%</td>
<td>138,230</td>
<td>12.9%</td>
</tr>
<tr>
<td>Finance</td>
<td>392,447</td>
<td>17.7%</td>
<td>405,323</td>
<td>16.5%</td>
<td>12,876</td>
<td>3.2%</td>
</tr>
<tr>
<td>Office Administration</td>
<td>470,364</td>
<td>21.2%</td>
<td>496,990</td>
<td>20.2%</td>
<td>26,626</td>
<td>5.4%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>155,223</td>
<td>7.0%</td>
<td>204,300</td>
<td>8.3%</td>
<td>49,077</td>
<td>24.0%</td>
</tr>
<tr>
<td>Information Services</td>
<td>275,227</td>
<td>12.4%</td>
<td>289,247</td>
<td>11.7%</td>
<td>14,020</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td><strong>2,222,472</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,463,361</strong></td>
<td><strong>100%</strong></td>
<td><strong>240,889</strong></td>
<td><strong>9.8%</strong></td>
</tr>
</tbody>
</table>

Note 10  Programs Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th></th>
<th>YTD BUDGET</th>
<th></th>
<th>YTD 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Prg Exp</td>
<td>Budget</td>
<td>% Prg Exp</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>591,022</td>
<td>48.7%</td>
<td>734,967</td>
<td>54.7%</td>
<td>143,945</td>
<td>19.6%</td>
</tr>
<tr>
<td>Farm Program</td>
<td>355,188</td>
<td>29.3%</td>
<td>336,997</td>
<td>25.1%</td>
<td>(18,191)</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>267,611</td>
<td>22.0%</td>
<td>270,460</td>
<td>20.1%</td>
<td>2,869</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td><strong>1,213,821</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,342,444</strong></td>
<td><strong>100%</strong></td>
<td><strong>128,623</strong></td>
<td><strong>9.6%</strong></td>
</tr>
</tbody>
</table>
### 2018 Calendar Year

<table>
<thead>
<tr>
<th>Month of Collection</th>
<th>2017</th>
<th>2018</th>
<th>Percentage Rent Revenue By Month of Sales</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>373,903</td>
<td>373,903</td>
<td></td>
<td>373,903</td>
<td>350,000</td>
<td>23,903</td>
</tr>
<tr>
<td>February</td>
<td>33,663</td>
<td>211,421</td>
<td></td>
<td>345,084</td>
<td>200,000</td>
<td>145,084</td>
</tr>
<tr>
<td>March</td>
<td>174,231</td>
<td>214,313</td>
<td></td>
<td>388,544</td>
<td>250,000</td>
<td>138,544</td>
</tr>
<tr>
<td>April</td>
<td>3,517</td>
<td>370,027</td>
<td></td>
<td>373,544</td>
<td>325,000</td>
<td>48,544</td>
</tr>
<tr>
<td>May</td>
<td>4,133</td>
<td>335,415</td>
<td></td>
<td>339,548</td>
<td>350,000</td>
<td>10,448</td>
</tr>
<tr>
<td>June</td>
<td>3,013</td>
<td>403,652</td>
<td></td>
<td>406,665</td>
<td>400,000</td>
<td>6,665</td>
</tr>
<tr>
<td>July</td>
<td>3,984</td>
<td>487,108</td>
<td></td>
<td>491,092</td>
<td>510,000</td>
<td>21,808</td>
</tr>
<tr>
<td>August</td>
<td>3,041</td>
<td>533,102</td>
<td></td>
<td>536,143</td>
<td>550,000</td>
<td>13,843</td>
</tr>
<tr>
<td>September</td>
<td>716</td>
<td>581,864</td>
<td></td>
<td>582,580</td>
<td>550,000</td>
<td>31,864</td>
</tr>
<tr>
<td>October</td>
<td>24,391</td>
<td>439,825</td>
<td></td>
<td>464,216</td>
<td>450,000</td>
<td>14,216</td>
</tr>
<tr>
<td>November</td>
<td>3,801</td>
<td>369,982</td>
<td></td>
<td>373,783</td>
<td>350,000</td>
<td>19,783</td>
</tr>
<tr>
<td>December</td>
<td>8,709</td>
<td>327,047</td>
<td></td>
<td>335,756</td>
<td>320,824</td>
<td>14,932</td>
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<tr>
<td><strong>Total</strong></td>
<td>411,114</td>
<td>4,667,859</td>
<td></td>
<td>4,711,973</td>
<td></td>
<td>51,835</td>
</tr>
</tbody>
</table>

### 2017 Calendar Year

<table>
<thead>
<tr>
<th>Month of Collection</th>
<th>2017</th>
<th>2018</th>
<th>Percentage Rent Revenue By Month of Sales</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>387,815</td>
<td>387,815</td>
<td></td>
<td>387,815</td>
<td>340,000</td>
<td>47,815</td>
</tr>
<tr>
<td>February</td>
<td>5,314</td>
<td>185,466</td>
<td></td>
<td>190,780</td>
<td>169,500</td>
<td>21,280</td>
</tr>
<tr>
<td>March</td>
<td>4,049</td>
<td>199,875</td>
<td></td>
<td>203,924</td>
<td>195,000</td>
<td>18,924</td>
</tr>
<tr>
<td>April</td>
<td>1,768</td>
<td>295,641</td>
<td></td>
<td>297,409</td>
<td>265,700</td>
<td>31,709</td>
</tr>
<tr>
<td>May</td>
<td>1,832</td>
<td>333,966</td>
<td></td>
<td>335,808</td>
<td>310,300</td>
<td>25,508</td>
</tr>
<tr>
<td>June</td>
<td>1,111</td>
<td>369,954</td>
<td></td>
<td>371,065</td>
<td>342,600</td>
<td>28,465</td>
</tr>
<tr>
<td>July</td>
<td>3,410</td>
<td>404,100</td>
<td></td>
<td>407,510</td>
<td>382,114</td>
<td>25,396</td>
</tr>
<tr>
<td>August</td>
<td>4,284</td>
<td>558,960</td>
<td></td>
<td>563,244</td>
<td>463,100</td>
<td>95,144</td>
</tr>
<tr>
<td>September</td>
<td>1,047</td>
<td>495,315</td>
<td></td>
<td>496,362</td>
<td>457,300</td>
<td>39,062</td>
</tr>
<tr>
<td>October</td>
<td>1,942</td>
<td>399,219</td>
<td></td>
<td>401,161</td>
<td>378,300</td>
<td>22,861</td>
</tr>
<tr>
<td>November</td>
<td>528</td>
<td>368,740</td>
<td></td>
<td>371,268</td>
<td>305,200</td>
<td>66,068</td>
</tr>
<tr>
<td>December</td>
<td>1,684</td>
<td>303,445</td>
<td></td>
<td>305,129</td>
<td>237,828</td>
<td>67,301</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>402,356</td>
<td>4,353,090</td>
<td></td>
<td>4,395,446</td>
<td></td>
<td>100,356</td>
</tr>
</tbody>
</table>

### 2016 Calendar Year

<table>
<thead>
<tr>
<th>Month of Collection</th>
<th>2015</th>
<th>2016</th>
<th>Percentage Rent Revenue By Month of Sales</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>347,723</td>
<td>348,076</td>
<td></td>
<td>348,076</td>
<td>340,000</td>
<td>8,076</td>
</tr>
<tr>
<td>February</td>
<td>4,679</td>
<td>181,394</td>
<td></td>
<td>186,073</td>
<td>167,000</td>
<td>19,073</td>
</tr>
<tr>
<td>March</td>
<td>3,259</td>
<td>228,713</td>
<td></td>
<td>232,072</td>
<td>245,500</td>
<td>13,472</td>
</tr>
<tr>
<td>April</td>
<td>3,945</td>
<td>281,728</td>
<td></td>
<td>285,673</td>
<td>260,000</td>
<td>25,673</td>
</tr>
<tr>
<td>May</td>
<td>26,420</td>
<td>326,651</td>
<td></td>
<td>353,071</td>
<td>300,000</td>
<td>53,071</td>
</tr>
<tr>
<td>June</td>
<td>1,995</td>
<td>353,115</td>
<td></td>
<td>355,110</td>
<td>337,000</td>
<td>18,110</td>
</tr>
<tr>
<td>July</td>
<td>3,958</td>
<td>448,918</td>
<td></td>
<td>452,876</td>
<td>437,000</td>
<td>15,876</td>
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<tr>
<td>August</td>
<td>1,133</td>
<td>529,733</td>
<td></td>
<td>530,866</td>
<td>451,500</td>
<td>79,366</td>
</tr>
<tr>
<td>September</td>
<td>5,011</td>
<td>538,256</td>
<td></td>
<td>543,267</td>
<td>528,500</td>
<td>14,767</td>
</tr>
<tr>
<td>October</td>
<td>2,401</td>
<td>396,189</td>
<td></td>
<td>398,588</td>
<td>341,000</td>
<td>57,588</td>
</tr>
<tr>
<td>November</td>
<td>1,820</td>
<td>341,507</td>
<td></td>
<td>343,327</td>
<td>328,000</td>
<td>15,327</td>
</tr>
<tr>
<td>December</td>
<td>(170)</td>
<td>323,962</td>
<td></td>
<td>324,132</td>
<td>250,743</td>
<td>73,392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>355,661</td>
<td>4,300,242</td>
<td></td>
<td>4,335,903</td>
<td></td>
<td>313,999</td>
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</table>
Capital Replace Reserve Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Anticipated Year End Balance</th>
<th>YTD Balance (actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 12/31/2017</td>
<td>10,122,236</td>
<td>10,122,236</td>
</tr>
<tr>
<td>Surplus allocation of the prior year</td>
<td>637,337</td>
<td>637,337</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 1/1/18</td>
<td>10,759,573</td>
<td>10,759,573</td>
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</table>

Budget 2018 Contribution:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2,284,224</td>
<td>4,581,857</td>
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Capital Projects Spending:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,600,000)</td>
<td>(1,230,036)</td>
</tr>
</tbody>
</table>

CRRF Capital Reserve Balance

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11,443,797</td>
<td>14,111,394</td>
</tr>
</tbody>
</table>

2 Reconciliation of Net Operating Result (Operating Statement) to Current Year Result (Balance Sheet)

(a) Net Operating Results - Operating Statement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Expense on Bonds</td>
<td>(954,606)</td>
</tr>
<tr>
<td>Recognition of Deferred WSDT Revenue, grants &amp; gains</td>
<td>673,500</td>
</tr>
<tr>
<td>Net Operating Result on the Balance Sheet</td>
<td>6,635,083</td>
</tr>
<tr>
<td>Net Result from the Closing and Dissolving QB2</td>
<td>6,804,118</td>
</tr>
</tbody>
</table>

(b) Current Year Result - Balance Sheet

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,439,201</td>
</tr>
</tbody>
</table>
### December 2018 CAPITAL PROJECTS REPORT

**Revision 3**

<table>
<thead>
<tr>
<th>BLDG</th>
<th>GL Code</th>
<th>Project Name</th>
<th>2017 Budget Carryover</th>
<th>2018 Budget Allocation</th>
<th>2018 Total Budget</th>
<th>YTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDA</td>
<td>163229-00</td>
<td>CimoCool Pumps</td>
<td>33,000</td>
<td>0</td>
<td>33,000</td>
<td>33,029</td>
<td>Project is complete</td>
<td>17-40</td>
</tr>
<tr>
<td>NAR</td>
<td>163250-00</td>
<td>North Arcade roof</td>
<td>31,277</td>
<td>0</td>
<td>31,277</td>
<td>31,277</td>
<td>Project is complete</td>
<td>17-10</td>
</tr>
<tr>
<td>TRI</td>
<td>163280-00</td>
<td>Baker roofs</td>
<td>89,841</td>
<td>0</td>
<td>89,841</td>
<td>76,956</td>
<td>Project is complete</td>
<td>17-10</td>
</tr>
<tr>
<td>LAS</td>
<td>163588-00</td>
<td>Lotzale lower roof replacement</td>
<td>31,510</td>
<td>0</td>
<td>31,510</td>
<td>27,525</td>
<td>Project is complete</td>
<td>18-23</td>
</tr>
<tr>
<td>ECO</td>
<td>163730-00</td>
<td>Economy Attun Cleaning</td>
<td>3,169</td>
<td>3,169</td>
<td>3,169</td>
<td>Project is complete</td>
<td>18-23</td>
<td></td>
</tr>
<tr>
<td>LEL</td>
<td>163777-00</td>
<td>Remove old City skyline</td>
<td>162,681</td>
<td>162,681</td>
<td>159,614</td>
<td>Project is complete</td>
<td>18-15; 18-23</td>
<td></td>
</tr>
<tr>
<td>PIN</td>
<td>163820-00</td>
<td>Pine roof</td>
<td>32,570</td>
<td>32,570</td>
<td>13,122</td>
<td>Project is complete</td>
<td>17-19</td>
<td></td>
</tr>
<tr>
<td>PDA</td>
<td>163824-00</td>
<td>2018 Term Architect</td>
<td>30,000</td>
<td>0</td>
<td>30,000</td>
<td>15,932</td>
<td>Project is complete</td>
<td>17-26</td>
</tr>
<tr>
<td>ECO</td>
<td>163840-00</td>
<td>Emergency Responder System (ERS)</td>
<td>90,000</td>
<td>0</td>
<td>90,000</td>
<td>92,554</td>
<td>Project is complete</td>
<td>18-05</td>
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<tr>
<td>TRI</td>
<td>163826-00</td>
<td>Triangle modernize elevator</td>
<td>3,626</td>
<td>3,626</td>
<td>3,626</td>
<td>Project is Complete</td>
<td>18-05</td>
<td></td>
</tr>
<tr>
<td>LAS</td>
<td>163827-00</td>
<td>Economy paint entire building</td>
<td>32,700</td>
<td>32,700</td>
<td>32,700</td>
<td>Project is complete</td>
<td>18-06</td>
<td></td>
</tr>
<tr>
<td>NAR</td>
<td>163828-00</td>
<td>N/A Des Bridge Sheetrock repair/paint</td>
<td>64,210</td>
<td>64,210</td>
<td>64,210</td>
<td>Project is complete</td>
<td>18-32</td>
<td></td>
</tr>
<tr>
<td>SOA</td>
<td>163830-00</td>
<td>Soames Dunn Chiller Replacement</td>
<td>65,284</td>
<td>65,284</td>
<td>65,284</td>
<td>Project is complete</td>
<td>18-42</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td>163831-00</td>
<td>Livingston Roof Replacement</td>
<td>110,000</td>
<td>110,000</td>
<td>94,445</td>
<td>Project is complete</td>
<td>18-42</td>
<td></td>
</tr>
<tr>
<td>LEL</td>
<td>163834-00</td>
<td>Corner Market cladding/door</td>
<td>5,000</td>
<td>5,000</td>
<td>4,868</td>
<td>Project is complete</td>
<td>18-40</td>
<td></td>
</tr>
<tr>
<td>GAR</td>
<td>163836-00</td>
<td>Garage Oil Separator Tank</td>
<td>7,989</td>
<td>7,989</td>
<td>7,989</td>
<td>Project is complete</td>
<td>18-40</td>
<td></td>
</tr>
<tr>
<td>LAS</td>
<td>163837-00</td>
<td>IT server A/C</td>
<td>13,500</td>
<td>13,500</td>
<td>12,026</td>
<td>Project is complete</td>
<td>18-43</td>
<td></td>
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<tr>
<td>SOA</td>
<td>163838-00</td>
<td>Soames Dunn gutter system replacement</td>
<td>8,000</td>
<td>8,000</td>
<td>8,562</td>
<td>Project is complete</td>
<td>18-43</td>
<td></td>
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<tr>
<td>PER</td>
<td>164106-00</td>
<td>Feragello gutter repair</td>
<td>22,000</td>
<td>22,000</td>
<td>20,537</td>
<td>Project is complete</td>
<td>18-34</td>
<td></td>
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<tr>
<td>LB</td>
<td>164108-00</td>
<td>Livingston MAU</td>
<td>25,000</td>
<td>25,000</td>
<td>19,704</td>
<td>Project is complete</td>
<td>18-39</td>
<td></td>
</tr>
<tr>
<td>COR</td>
<td>163450-00</td>
<td>Economy west windows</td>
<td>150,000</td>
<td>150,000</td>
<td></td>
<td>Project is complete</td>
<td>18-35</td>
<td></td>
</tr>
<tr>
<td>various</td>
<td>163765-00</td>
<td>Cameras in different locations</td>
<td>52,586</td>
<td>52,586</td>
<td>35,425</td>
<td>In progress 75% Complete</td>
<td>18-41</td>
<td></td>
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<tr>
<td>SOA</td>
<td>163829-00</td>
<td>Soames Dunn window replacement</td>
<td>115,000</td>
<td>115,000</td>
<td>23,634</td>
<td>Project is complete</td>
<td>18-33</td>
<td></td>
</tr>
<tr>
<td>FAI</td>
<td>163833-00</td>
<td>Leland 78 window &amp; restoration</td>
<td>50,000</td>
<td>50,000</td>
<td>Window Design in Progress</td>
<td>18-36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>various</td>
<td>163839-00</td>
<td>Radio Digital upgrade</td>
<td>35,133</td>
<td>35,133</td>
<td>On Hold</td>
<td>18-20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>various</td>
<td>164107-00</td>
<td>30 Year Study Update</td>
<td>38,500</td>
<td>38,500</td>
<td>In progress</td>
<td>18-50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOA</td>
<td>163837-00</td>
<td>Corner Market rebuild lights (16)</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td>Sourcing in-kind replacement parts</td>
<td>18-49</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

| 248,044 | 1,064,219 | 1,312,263 | 846,210 |

### Other Possible Projects

- FAR 163820-00: Chinese Culture Windows
  - 0 0 awaiting prioritizing
- NAR 163821-00: DeSimone Bridge restore windows
  - 0 0 awaiting prioritizing
- LB 163822-00: Livingstone-Baker exterior repair/paint
  - 0 0 awaiting prioritizing
- LEL 163823-00: Rehab Flower Row paint/windows/tables
  - 0 0 awaiting prioritizing
- MAR 163824-00: MF Garage Day stall storage lockers
  - 0 0 awaiting prioritizing
- TRI 163825-00: Triangle tuck & paint
  - 0 0 awaiting prioritizing
- various 163826-00: Security Gate Project
  - 0 0 awaiting prioritizing

**Total Available Funds for Other Projects**

| 0 | 75,781 | 0 | 0 |

**Total Capital Projects 2018**

| 248,044 | 1,140,000 | 1,312,263 | 846,210 |

### MISCELLANEOUS (Tenant Compensations and Commercial Tenant Improvements)

| 160260-00 | Commercial Tenant Compensation | 0 25,000 25,000 14,662 |
| 160280-00 | TI - Tenants | 0 25,000 25,000 34,995 |

**Sub-Total**

| 0 | 50,000 | 50,000 | 49,657 |

### CONTINGENCY

| 160960-00 | Contingency for Known Projects | 0 25,000 25,000 22,712 |
| 160970-00 | Contingency for Unknown Projects | 0 50,000 50,000 9,207 |

**Sub-Total**

| 0 | 75,000 | 75,000 | 31,919 |

### CAPITAL INVENTORY

| 160XX-00 | Capital inventory | 0 335,000 335,000 302,250 |

**Sub-Total**

| 0 | 335,000 | 335,000 | 302,250 |

**Total**

| 248,044 | 1,600,000 | 1,848,044 | 1,230,036 |
Vacancies dropped back to 3% and finished the year at 2.5% overall average. Work with maintenance continues to focus on turning over units quickly but preparation work for upcoming LaSalle HUD inspection took priority in December.
HIGHLIGHTS

UNIT TURNS

Continue to work closely with building managers and maintenance on making turnovers more efficient

LASALLE LLC – compliance

- Detailed building inspection by HUD (REAC) completed Jan 4, satisfactory results - lots of prep work required from Maintenance in December.
- Financial Audit scheduled for Jan 24
- Internal records audit underway to confirm compliance procedures in place
- Rent comparability study scheduled for end of January to support rent increase from HUD

LASALLE LLC – upgrades and renovations funded from building reserves

- Selected project manager to oversee spend down of replacement reserves in accordance with recent building needs assessment and in consultation with maintenance and building managers on priorities.
- General scope and budget detail to be developed in February
- Have received competitive bids through City of Seattle Homewise energy conservation program for comprehensive retrofit of building lighting to LED (total project cost $59,466 less 14% rebate of $8,314). Would replace over 400 fixtures – all apartments, hallways, offices, senior center). Will want to authorize as soon as project manager is on board.
- Will also proceed with general replacement of carpeting in hallways.

GENERAL BUILDING MATTERS

- City Light to inventory Sanitary, Stewart and LB apartments for free LED lightbulb replacement – starting Jan 23
- Pest control – no major building issues, a few isolated tenant issues.
- Successful resident appreciation dinner in Senior Center in December
- Ongoing case management work with a number of elderly tenants on housekeeping issues
January 2019 PDA Report

Our mission is to nurture a thriving Market community.

Values: Collaboration, Inclusion, Respect, Optimism, Gratitude

Holiday Fundraising Results

Goal: $354,000
Raised: $359,314
% to Goal: 102%

Holiday Gifts by donor type:
- 654 Community Gifts (<$1K)
  Includes 415 Charms
- 93 Major Gifts (>=$1K)
  Includes 18 Hoofprints

Giving Tree:
- 551 gifts distributed to Market residents, families, children and community members!
- Total value = $22,000

Marketing & Promotions:
- Hosted 50 major donors for tree lighting in the Goodwin Library
- Mailed 9,935 “Nurture the Next Chapter” Holiday Cards
- Mailed 98,500 Charm & Hoofprint Postcards
- 114,493 Emails Sent
- 70,000+ Facebook & Instagram users reached with Ad Campaign
- Charm & Hoofprint Commercials: KOMO4 TV, Food Network, HGTV, Lifetime & Hallmark
- Features: Pet Connections Magazine, Seattleite Holiday Gift Guide
- Giving Tree drives in 10 downtown corporate offices and 4 residential buildings
- 4 days of Outreach on the MarketFront

SAVE THE DATE: Upcoming Events

Saturday, Feb. 2, 2019 – Waterfront Awakening Open House in partnership with the PDA, Friends of the Waterfront and the Seattle Aquarium at Old Stove Brewing. RSVP: https://waterfrontawakening1.eventbrite.com
- Anticipate hosting 500 Pike Up! Donors to the Market that day
- Will be engaging the general public to deepen their engagement with the Market through the Market Charm booth.
March 1, 2019 – “PIG Day Out!” - National Pig Day Celebration in the Market

A day of community fun, entertainment, food, drink, activities and more to celebrate the Year of the Pig and National Pig Day – a rare “porcine nexus”.

Our goal is to engage the Market Community, downtown neighbors and Foundation donors in this free public event. Special “Market only” racing pig sponsorship opportunities are available.

PIG Day Out! Activities:
• Pig Races
• Chinese Cultural Dancers
• Introducing: Ju Ju (Golden Pearl), Chinese Art Pig unveiling
• Live Music
• Pig Pen Beer Garden & S’winery
• Merchant Specials & Activities

Learn more and RSVP: PikePlaceMarketFoundation.org/PigDay
Mary / Karin, please share this email with the PDA Board and members who attended Monday’s PDA Market Connection Committee on January 14, 2019.

Dear PDA Executive Director, Market Connection Committee and Board Members,

First thank you for your service to our community and our world renown and cherished public market. Nothing about your job is easy ... It is a labor of love. This we know. I am sharing this email with others who have expressed concern for plans to demolish the Hahn Building at the Entrance to the Market.

At the January 14th PDA Market Connection Committee meeting, the representatives of Stellar Holdings shared a polished presentation of their proposed new hotel at the corner of 1st & Pike that accentuated the positive, conveniently steering clear of any unfavorable topics. That is their job. My task, as a self-appointed community advocate, is to shine a light on the aspects the developer would prefer you did not consider.

The Stellar Holdings’ presentation conveyed their vision as if it was a done deal, a fait accompli. They did not ask for, or admit that they need to secure your silence in this process, which will carry the same weight as your full and unanimous endorsement.

They said the Design Recommendation meeting is scheduled for Feb 12th, but did not disclose that this date is tentative. Given the number and significance of unanswered questions, it is unlikely that project will come before the Design Review Committee again for their Recommendation any time soon. There is still time for the PDA to raise any concerns it may have. If you believe there is a reasonable likelihood of more than a moderate adverse impact on environmental qualities the Market relies upon to fulfill its purpose, but take no action, that will be seen as unanimous support for the proposal without modifications or reservations.

Here are some of the many obstacles the proposal in question has not cleared:

Exceptional Trees: The developer presents the Pike Pine Renaissance proposed by the Downtown Business Association as if it is an SDOT plan. It is a concept at 30% of design. Records exist on Seattle Services Portal stating that SDOT does not support removal of the Cherry Trees or lamp posts on Pike that frame the approach to the Market.

On-sidewalk parking and loading zones: The developer does not have required SDOT support for the proposed valet parking that would take 10’ x 45’ or more out of the 18’ sidewalk. This proposal creates significant pedestrian cross traffic as arriving and departing guests compete with Market goers that are
simultaneously squeezed down to a ~4’ wide pinch point between the loading zone and the sidewalk cafe tables and chairs.

**Safe Alley Ingress/Egress:** SDOT is required to weigh in on the turning space and visibility required at the entrance to Pike Street from the alley. The developer has, so far, chosen not to provide a plan the incorporating Design review guidelines to chamfer the northeast corner of their building to increase visibility and safety for drivers and pedestrians.

**Risks to Pedestrian Safety:** The 2018 SDOT Transportation Report shows a disturbing trend in serious injuries and fatalities collisions involving pedestrians.

Serial construction for the now on-again streetcar on 1st along with this proposal and other potential high rise projects on the east side of 1st Avenue will create a decade of increased traffic congestion, and increases in sidewalk density. A serious accident at the entrance to the Market would have a significantly adverse impact on Market goers which would be reflected in the shared photos and videos for some portion of the 10 million plus people that pass through 1st & Pike every year and everyone who lives and works in the area.

**Crime near 1st & Pike:**

**Delivery Plan is illegal:** The plan for the loading berth presented by Jonas before the Belltown Community Council last week requires trucks to pull up on Pike Street just past the alley and then back over the sidewalk and into their loading berth. This maneuver is impractical, of course, because other vehicles are likely to pull up behind the truck, defeating this maneuver before it begins, forcing the truck to circle the block and try again. But even if drivers are able to signal their intent, it is illegal under Seattle code (SMC 11.58.290) for any vehicle to back in or out of an alley unless they have a second person on the street whose job it is to aid in stopping traffic and watching for pedestrians.

**2019 Ground Breaking:** Also at the Belltown Community Council presentation on January 9th, Jonas Jonsson told those present that they intend to break ground later this year. This statement was particularly disturbing in light of earlier statements by the developer’s representative that construction is not allowed to proceed until the streetcar project is completed, so this means the Hahn building will sit vacant, or worse, for 3 years and potentially more.

**Hahn Building’s Landmark Status:** At your meeting on Jan 14th, Jonas said the Hahn Building had been denied Landmark nomination twice before. Preservationists commonly refer to landmark nominations by the developer as anti-nominations, when the developer is just checking a necessary box and intends to develop. The application and accompanying report are written with the undisclosed goal to develop in mind. The landmark preservation board has rules for public notice that favor only the nominee and the property owner, who, in this case, were a single party. Public notice is posted only to the Department of Neighborhoods (DON) website calendar. No effort is made to notify nearby property owners and the minutes of the meeting reflect that no one from the public was present to make comments. Even with the cards stacked entirely by the developer, three of the six board members hearing the nomination raised concerns about the property’s proximity to the Market and certain attributes of this 19th century vernacular structure that were noteworthy. In the end the nomination was denied on Dec 17, 2014 in a vote of 4 to 2. The property is not eligible for a new nomination for landmark status from anyone but the owner for 5 years. The developer is understandably eager to secure a demolition permit before December 17th of this year when the 5 year anniversary of their anti-nomination expires. The developer should well be anticipating that the public will present a fair nomination to the Landmark Preservation Board that will include proximity to Pike Place Market, a Nationally recognized Historical District and the Hahn’s importance as one of the four buildings that are all contemporaries of the Market and stand sentry at the four corners of the iconic brick scramble at its entrance.
SDOT approval is required for Loading Berth waivers: As recently as yesterday, SDOT has written strong statements of opposition to granting waivers of the kind the developer is requesting where the number and size of loading berths would be reduced relative to code.

Alley Slope is an impediment that renders the current plans unusable: The developer has a significant problem with the slope of the alley at the entrance to their loading and waste storage space that will not be easily overcome and they have yet to provide a plan that does not violate city codes.

Sunlight: The developer shows no remorse for multiple statements to the PPM Historical District Board and others showing so-called light and shadow studies strategically timed to illustrate that the proposed 14-story tower would not block sunlight on the market. The public successfully argued that 10 am was too late to begin the report, so the developer came back with a new study. Regarding that version, they said, okay ... morning sunlight will be blocked on two days, on the Spring and Fall Equinoxes, which is, of course, equally misrepresentative of the truth.

Direct, Indirect, and Cumulative Impacts: If and how this high rise is built will influence proposals for redevelopment of the Showbox and adjoining parking lot, as well as the Deja Vu. In this way, the Hahn project indirectly contributes to a potential cumulative impact which will eliminate all direct morning sunlight west of 1st Avenue 365 days per year, as illustrated in a video simulation created by UW’s Integrated Design Lab (available on request).

Pike Street Tower Setback: The Stellar group tried to take credit for their magnanimity at voluntarily setting back their tower on Pike Street by 9'. That was not voluntary. That was a design recommendation (read requirement) of the Design Review Board, with a companion request to show a 15' setback to match the Newmark condo setback. The 15' setback was preferred by two of the five DRB members and a third member said he wanted to see the 15' setback compared to the 9' setback before he decided about this aspect of massing and its impact on views to and from the Market.

Transition requires no less. Preserving historical assets requires more: Pike Place Market currently enjoys a 100% setback which allows a sense of openness and scale to the Historical District that has not changed since the Market was first established. The Newmark Tower above Target on Pike has a 15’ setback and is two Zones removed from the PPM District. To transition from the Target Zone to the DMC Zone in question to the Market Zone, the PDA would be within its rights to request a setback of greater than the 15’ currently in place at the Newmark.

Competition for Truck Space: The developer has said that they do not have enough room for two loading berths, as is required by SMC 23.54.035.A.1. Their solution is to request a waiver which will increase the likelihood of gridlock in the alley, more delivery trucks circling the block, trolling for any open space (legal or not) nearby to wait until the alley clears. This will undoubtedly increase competition for scarce truck parking spaces that will impact delivery vehicles destined for the Market.

SEPA Threshold Determination: The developer has thus far failed to provide data sufficient to determine the impact to traffic congestion, pedestrian safety, air quality, and greenhouse gas emissions that contribute to climate change of deliveries and other traffic generated by this project. The threshold determination process called for in SMC 25.05.330 has not yet been carried out, but SDCI staff from the Director down to the Land Use Planner have stated that they anticipate a finding of DNS (a determination of non-significance). SMC 25.05.330.E says "A threshold determination shall not balance whether the beneficial aspects of a proposal outweigh its adverse impacts, but rather, shall consider whether a proposal has any probably significant adverse environmental impacts under the rules stated in this section.”
Lot is to Small for Proposal: SMC 25.05.330.C.3 (SEPA) says, “Several marginal impacts when considered together may result in a significant adverse impact.” The developer does not mention that if they setback the tower on Pike to 15’ and reduce the tower height by a floor or two, they will have a structure with dimensions that allow the Market to have more morning light and simultaneously generate a level of demand for loading and waste storage that might be achievable on the available footprint of this small lot.

Construction Plan and Impacts: The PDA should consider the short-term impacts of construction and staging which include using the only traffic lane on Pike for a project loading zone during the 19+ months estimated for demolition and construction.

Long-term Traffic Plans: The PDA should be concerned about the long-term traffic impacts, especially now that Mayor Durkan has announced that the 1st Avenue Streetcar will go forward. The City Center Connector will remove all curb parking on both sides of 1st Avenue and reduce traffic lanes to one in each direction. The proposed hotel hopes that the Pike Pine Renaissance plan for a curbless sidewalk will be approved and will include room for two vehicles to pull onto the sidewalk which they intend to use for valet parking. Shared-mobility services and market goers will want to compete for use of this on-sidewalk loading zones, as will delivery drivers. If there is one traffic lane on Pike and vehicles slow to see if space will open up for them, they will block traffic down the single traffic lane northbound on 1st and back traffic up on Union.

Chemical Hazards: The PDA should be concerned about the lack of information currently available about asbestos, lead paint, and other carcinogens that will be released into the air during demolition and how the developer intends to test and mitigate.

Biological Hazards: The PDA should be especially concerned about the impacts of rodents and insects living currently in the dark spaces of this old building. Will the developer exterminate them before demolition? If so, how will they prevent toxins from entering the water table? If they do not exterminate first, all occupants of the building will exit in search of a new home in neighboring properties, including the Market.

ADA and Restroom Concerns: In the discussion about restrooms, the PDA may want their own experts to examine the current plan set. The only restrooms for the two basement floors, ground floor, and second floor are on the second floor. There are only two male and two female restroom stalls on that floor making the count questionable for the expected number of staff and guests. This could actually create increased demand for PPM restrooms. Also, the hallway that leads to the restrooms appears to be non-conforming with ADA requirements.

Crime vs Eyes on the Street: In every proposal we have attended since October of 2017, the developer begins by pointing to the horrible crime in our area. They say this new hotel will put more eyes on the street to help combat terrible problem and make our streets safer. First of all, a friend of mine pointed out to me that there are already 60,000 eyes on the street every day so another 500, more or less is not going to make a big difference. The developer is overstating crime at 1st and Pike and every time they do, I cringe. There are other intersections downtown were I feel a vague sense of dread when I have to pass, but 1st & Pike is colorful and activated and, for the most part, relatively benign. Public perception is not served by the developer beating this drum to serve his own financial ambitions at the cost of undermining the public’s sense of security and safety. If, however, as the developer suggests, the building owner has some kind of control or influence over crime on the street resulting from building upkeep and hiring off-duty police officers, it appears they may be strategically neglecting the crime problem now, to use the fear of crime to maximum effect in their sales pitches.

Trust: Does the PDA feel obliged or compelled to simply trust the Stellar Group, as the presenter suggested? At your meeting, Jonas said his family has owned the Hahn Building for 36 years and they are here to stay, so Jonas has assured you all that you can trust them. The developers response to the PDA question about how expensive the hotel rooms would be was, likely, disingenuous. The hotel operator has been identified as the Starwood Hotel Group, owners of the Westin, W, Hilton, and others. If the PDA has a legitimate reason to care
about the priciness of rooms, you may want to ask again. But I don’t think you really care to involve yourself in this question. I do, however think the developer’s response is indicative of their ability to fabricate answers on the fly that will get them out of the room with the least difficulty, which demonstrated a very short-sighted value system.

We support and applaud the visionary and Herculean work that saved Pike Place Market from the wrecking ball in 1971. We look to you, now, to take action to further that vision.

Tami Garrett is the Land Use Planner responsible for this project which is identified as MUP#3028428 at 103 Pike Street. If the PDA wishes to weigh in using the avenue available to the public, your input can be directed to Tami.garrett@seattle.gov and copied to PRC@seattle.gov with the MUP# in the subject line. Public comments are allowed and considered appropriate anytime between now and the final Design Recommendation meeting, which may be as early as February 12th.

If you still have access to the developer’s presentation from Monday, look at the Outreach page again. You will see they noted a meeting with two members of the Newmark Homeowners Association and indicates that their only concerns were that there should be no visual glass windows in the alley facing the Newmark windows. The developer agreed in the first two rounds of proposals, but now there are windows. They told you on Monday that the windows in the alley will be offset. This is not born out in the latest plan set published online. 8’ square visual glass will face bedroom windows of 20 units plus Newmark’s 5th floor common areas where children will be present. Truthfulness is not something one commonly expects from sales presentations. Don’t be offended. It’s just business.

The developer will be adding Monday’s PDA presentation to the next revision of their Outreach page to illustrate that they have kept you informed and you have not voiced any objections or concerns about potential impacts of their proposal. Per SMC 25.05.330.C.5.a, (SEPA) the “threshold determination process ... must take into account that ... a proposal may ... adversely affect ... special areas, such as loss or destruction of historic, scientific, and cultural resources ... .”

SMC 25.24.010 PPM - Purpose; says, “... It is deemed essential by the people of the City that the cultural, economic, and historical qualities relating to the Pike Place Markets and the surrounding area ... be preserved and encouraged ....” We hope, fervently, that you will see this proposal as one that may be incompatible with your purpose and the desires of the City we all have chosen to serve.

Again, thank you for your consideration of these counterpoints. I hope reading this has been worthwhile as you consider whether the developer has provided information reasonably sufficient to evaluate the probability of significant adverse impacts for the Market.

Respectfully,
Ruth Danner, President
SaveTheMarketEntrance.org

85,000 voices and growing in concern for Seattle’s future; dedicated to preserving quality of life and sense of place at 1st & Pike at the entrance to Pike Place Market, “The Soul of Seattle.”
On January 21st, 2019 the Pike Place Public Market made a #NationalHugDay post on Instagram. Several followers, including myself, made comments questioning the post & why the market would choose that message over the Martin Luther King, Jr message that holiday. Rather than addressing the conversation the comments made were simply deleted which now leads to a bigger concern. Seattle is known for being a leader in social, racial & environmental justice issues. The market being a landmark representing Seattle is coming off as insensitive in this regard. Whoever is in charge of the Pike Place Market’s Instagram should be under review in how they manage that account. As a lover of the market I found this whole situation unprofessional & unnecessary as well as a poor representation of this beloved city.

Thank you for your time,

Sally L.