PDA Council
Meeting Agenda

Date: Thursday, October 26th, 2017
Time: 4:00 p.m. – 6:00 p.m.
Location: The Classroom
Committee Members: Matt Hanna (Chair), Rico Quirindongo (Vice-Chair), Gloria Skouge, David Ghoddousi, James Savitt, Betty Halfon, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb, and Mark Brady

4:00pm I. Administrative: Chair
A. Approval of Agenda
B. Approval of the PDA Council Meeting Minutes for September 28, 2017

4:05pm II. Public Comment Including the Market Community

4:10pm III. Programs and Information Items Chair
A. Council Chair Report
B. Executive Director’s Report
   i. PDA Management Transition Plan
C. Committee Chair Report
D. Other Reports
Chair Ben Franz-Knight

4:25pm IV. Closed Session Chair
A. Review of Draft Market Foundation Services Agreement, RCW 42.30.140 (4)(b)

4:45pm V. Open Session/Key Issues Presentation and Discussion Items
A. Proposed Resolution 17-56: Approval of Services Agreement between Pike Place Market PDA and Pike Place Market Foundation Matt Hanna
B. Market Commons 6 Month Operations and Programming Plan Lillian Sherman
   i. Proposed Resolution 17-57: Approval of Market Commons 6 Month Operations and Programming Plan

5:30pm VI. Resolutions and Other Action Items (Old and New Business) Chair
A. Consent Agenda
   ii. Proposed Resolution 17-53: Approval to Add New Signer on PPMPDA Bank Accounts
   iii. Proposed Resolution 17-54: Approval of Petty Cash Policies and Procedures
B. **New Business**
   i. Proposed Resolution **17-52**: Adoption of the 2018 PDA Operating and Capital Projects Budgets
   ii. Review and Approval of Retreat Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Item</th>
<th>Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>5:50pm</td>
<td>VII.</td>
<td>Further Public Comment</td>
<td>Chair</td>
</tr>
<tr>
<td>5:55pm</td>
<td>VIII.</td>
<td>Concerns of Committee Members</td>
<td>Chair</td>
</tr>
<tr>
<td>6:00pm</td>
<td>IX.</td>
<td>Adjournment</td>
<td>Chair</td>
</tr>
</tbody>
</table>
Thursday, September 28, 2017
4:00 p.m. to 6:00 p.m.
The Classroom

Committee Members Present: Ray Ishii, Jim Savitt, Mark Brady, Devin McComb, Betty Halfon, Rico Quirindongo, Gloria Skouge, Colleen Bowman

Staff/Consultants Present: Ben Franz-Knight, Emily Crawford, Lillian Sherman, John Pierce, Christine Craig, Crystal Dixon, John Turnbull, Jennifer Maietta, Karin Moughamer

Others Present: Chris Scott, Howard Aller, Joan Paulson, Bob Messina, Jerry Baroh, Ali Mowory, Lindy Gaylord, Nick Setten, Joe Reed

The meeting was called to order at 4:01 p.m. by Rico Quirindongo, Vice-Chair

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

   B. Approval of the August 31st, 2017 PDA Council Meeting Minutes
      Colleen Bowman noted on page 9 the name of the person who seconded Proposed Resolution 17-39 is missing. Betty Halfon noted the name Jay Barroh should be Jerry Baroh. The August 31st, 2017 PDA Council Meeting Minutes were approved as amended by Acclamation.

II. Public Comment Including the Market Community
   Howard Aller has met with SDOT to discuss handicap loading during streetcar construction and after. The handicap loading zone will have to move diagonally on Pine Street between First and Second Ave on the north side of the street. Howard told SDOT this was inconvenient and SDOT said they would call when the van is near.

III. Programs and Information Items
   A. Council Chair Report
      No Council Chair Report.

   B. Executive Director’s Report
      Ben Franz-Knight highlighted four items from his report.
      1. Franz-Knight has had multiple conversations with the Office of the Waterfront and expects a formal response to the PDA Completion and Compliance letter. That will allow the PDA to have further conversations regarding next steps related to Overlook Walk (maintenance, upkeep and management), as well as lingering components related to cooling tower obligations, roadway connections, etc.
2. There are three agreements that, by the end of the year, will have some form to them but will not be entirely complete. 1) Agreement regarding the temporary construction easement related to the Alaskan Way Viaduct demolition. Franz-Knight believes this to be 30-60 days in which the impacts to Market properties are fairly minimal; 2) Agreement regarding the Alaska Way reconstruction and Overlook Walk temporary construction easements. There will be significant impacts to the parking garage. The access closure from the waterfront has been reduced from two to one year and Franz-Knight is actively working to further reduce that timeframe; 3) Agreement related to connections to the Overlook Walk, maintenance and operations. The goal is to have a term framework in place in the next few months.

3. Parking garage revenue is for the first time in 2017 trending above 2016 revenue, but this is lower than budgeted.

4. The hole has been cut between MarketFront and Steinbrueck/Native Park. Fencing and a plate between the two will be installed.

Franz-Knight finished by noting that Sellen is still chasing one of two leaks. The south end leak has been resolved but there is still a small leak above Little Fish. If that leak is not resolved, Franz-Knight will be speaking to the Market Connections Committee about future actions to resolve the leak.

Betty Halfon asked about connections to Alaskan Way from the garage. Ben Franz-Knight responded the temporary construction easement related to the construction of the new roadway and the Overlook Walk will address this. The City will assume, and has, for relocated PDA equipment and moving the road access up one level in the existing garage. In the 2019 budget the PDA will want to have money in there for engineering and design and the City will reimburse the PDA. The elevators would also be updated at this time and the City would reimburse for the portion related to Overlook Walk.

Betty Halfon asked if there would be any connection between Alaskan Way and the parking garage during construction. Ben Franz-Knight responded that from 2021-2022 the City has not identified how to maintain regular access to the lower waterfront entrance to the garage and Franz-Knight has been applying a lot of pressure to solve this issue and is hoping the closure is limited to 90 days.

C. Committee Chair Report
None.

D. Other Reports
None.

IV. Key Issues Presentations and Discussion Items
A. Market Commons Six-Month Operating Plan
Crystal Dixon passed around a handout while Lillian Sherman began by noting that Market Commons has been open for 14 days and last week there was a ribbon cutting. Already the vision is coming true which is to strengthen the existing and to expand upon all the social services for low income people in and around the Market. More than 300 people have visited
the space and Lillian shared examples of the various ways people are being served including a
new resident of the Market seeking a safety net grant. This resident was invited to the Market
Commons where a long-term solution was created to help him keep his housing and connected
him to the Senior Center at the Market.

Lillian introduced John Pierce and Christine Craig, Co-Chairs of the Community Services Group at
the Market Foundation Board to present the six-month operations and programming plan.

Christine Craig began by providing an overview of how the six-month plan was developed,
highlighting the four goals that were developed through the Needs Assessment: Resource Desk,
Expand Current Programs, Supplement Programs, and Community Building. The Operating Plan
outlines how those goals are being implemented at the Market Commons, open hours, which
will start at 40 hours a week. The current plan focuses on the Five Families but moving forward
the hope would be to offer services that are currently not offered but that are known to be
needed.

Christine continued by noting the two main areas the Operating Plan addresses and that is
Social Service Programs and Operations and Administration of Market Commons.

John Pierce added that from the Boards’ perspective the Market Foundation is something they
are actively involved in and the board is singularly focused on making sure the Market Commons
is successful.

Christine Craig noted the plan before the PDA is a six-month plan because there is a lot of
uncertainty on the best way to meet the needs of the community. This plan allows for flexibility
moving forward to best meet those needs.

Colleen Bowman asked what five families means. Lillian Sherman stated it’s the nickname for all
of the services at the Market.

Jim Savitt commented on the improvement of the current operating plan and believes, based on
the calendar provided, the Market Commons is going to be successful. He suggested updating
the operating plan to include additional details on “Community Impact Fund/Safety Net” and
“Outreach and Communications” on the next iteration of the Operating Plan.

Christine Craig gave a little more detail on “Outreach and Communication” by noting that Crystal
Dixon will be working outreach and communication with Five Families being the core to build
relationships further and continue to understand what their needs are. That information will
then be used to add additional programs to the calendar to meet those needs.

Jim Savitt asked for clarification on the coordinator and manager. Christine responded the
Coordinator staffs the resource desk 40 hours a week and while the Manager builds and
develops the programs.

Crystal Dixon noted that based on community feedback, the Market Commons Coordinator is
not suitable for a volunteer position unless it’s a very specifically trained and long term position.
People connection is the primary method of getting things done in the Market and if you’re
changing the face every two to six months, people aren’t going to develop that level of connection needed that leads to stability.

Jim Savitt noted that it would be great to have more details, including a calendar, in the operations plan while the goals and aspirations are less important for an operation plan.

Colleen Bowman complimented the Market Commons Coordinator on being engaging and enthusiastic.

Rico Quirindongo asked about the Market Commons VISTA position.

Crystal Dixon noted that it’s currently Erica. She has been helping with following up on the Needs Assessment from 2014 and did the follow-up survey last fall. She’s been working to develop the ratio of programs to offer. She will roll off at the end of October but another VISTA member will start in the fall.

Lillian Sherman noted the role of VISTA has been research base and not direct service.

B. Executive Director Hiring Process: Review Schedule and Draft Position Specification
Rico Quirindongo updated the Council on the process, noting the Committee has been meeting weekly. He noted that a draft Position Specification will be provided to several key recruits at the end of the week while a finished Marketing piece will be finalized next week. In addition Rico noted the 60+ stakeholders that have been or are in the process of being interviewed to gather information on the job description and next steps during the process.

Mark Brady stated the Committee wasn’t sure at what point stakeholder interviews would end.

Colleen Bowman noted that Herd Freed Hartz is doing a really good job at making the Position Specification more than just a job description. Colleen suggested including the language “Friends of the Market,” including a hyperlink, after “…when a group of citizens.” She also suggested a hyperlink be added to Market Constituency. Lastly she’s hoping there is a way to call out, as a way to sell the position, is that the Market is a globally recognized brand and destination.

Betty Halfon suggested including a characteristic of being able to foresee the foreseeable future as to what needs to be done. Someone with that kind of vision is really important for the Market.

Rico Quirindongo suggested including “forecasting forward vision and ability to project and suggest opportunities.” Rico asked if the Council objected to HFH sending out a draft Position Specification to a handful of candidates prior to the final being created.

No objections were noted.

C. General Updates
   i. Line Management Update
      Ben Franz-Knight addressed the current management of congestion in front of storefronts along Pike Street. Line management is not the same for every location so line management strategy has been custom tailored in 4-5 high
pressure point locations. Franz-Knight shared the strategy for Starbucks line management, which was created in collaboration with Starbucks management. The customer line follows the sidewalk, away from storefronts and a line manager helps control traffic at peak times (this is in their lease agreement.) A green line with the words “Do Not Block” has been painted in front of several businesses. The goal is to maintain access on the sidewalk into the businesses and make sure their customers are standing in their respective lines. The next example showed several line management strategies associated with Piroshky Piroshky: summer (Friday – Sunday), summer (Mon-Thurs) and non-summer days, and rainy days. Piroshky has a staff member out on the sidewalk to help manage the line as well as showing people the menu. This allowed the business to move people through the line more quickly and increasing their sales. Pike Place Chowder is another business with line management. Mini Donut line management is still being developed. Pike Place Fish manages their crowd by calling them in. It’s a difficult space to keep clear and they do their best.

Ben Franz-Knight concluded by stating that in addition to commercial staff he has ongoing conversations with tenants that are impacted by lines. A new option that is being explored is to allow businesses that have lines in front of their stores to go out and engage with potential customers.

Jim Savitt noted his opinion that this should be handled by PDA staff and not through the Council but added that he believes soliciting people in line might be over the top.

ii. Constituency Office Update
Ben Franz-Knight noted that staff has taken this very seriously and has walked around the Market looking for opportunities to create a visible office space in order to move them out of the space above Chuckar Cherries. It’s been a challenge, noting that space is limited. He presented the option, which is located in the First and Pine building. It’s currently occupied by Market News and the Merchants Association Office, which has agreed to split the space. The space would be split into two and Ben shared the rendering showing how a desk, cabinet, and chair would fit inside, as well as options for exterior doors. Time and money will need to be invested in the redesign and it will need to go through Historic Commission.

Betty Halfon is concerned that the space is not ADA compliant, as some members are in wheelchairs. It looks to her that a wheelchair can get in, but isn’t sure if it could turn around to get out.

Colleen Bowman asked if there was a way to swing the doors out instead of in.

Jim Savitt asked how the constituency feels about the proposal. Ben Franz-Knight noted the comments made at the recent Finance & Asset Management meeting is that the space is not adequate. The PDA needs to understand why it is not adequate and what activities the Constituency imagines would take place
that go beyond the accommodations made in the current proposal. Ben noted this is a work station, not an operations office or meeting space.

Jim Savitt stated that the Charter not only establishes the PDA but also the Constituency and it is crucial that the office proposal be acceptable to the Constituency. Jim would not be satisfied forcing the Constituency into a space they object to and they rarely ask for anything. If the PDA cannot find adequate space, with the caveat that it’s not an unreasonable ask, Jim would advocate for giving the Constituency a piece of PDA’s office space. He does not want the Council to solve this problem.

Rico Quirindongo would like the Constituency to clearly articulate, in writing, what the program need is and what the space allocation needs is and what the “why” is. He does not feel that the process is moving forward and asked for clarification from Ben on what he feels the process is.

Ben Franz-Knight stated that what Rico just outlined is what needs to happen. With that information the PDA can look for space.

iii. Community Transit Subsidy Program Alternative
Ben Franz-Knight stated this topic is still a work in progress but Commute Seattle is willing to go back to Metro and negotiate a unique agreement that would allow individuals or businesses with less than five employees to have access and purchase the ORCA Business Passport at a reduced rate of $70/month instead of $90-110 per month. Someone needs to administer that program, maybe the Constituency could manage it. There is an upfront cost that someone would need to assume financial risk for. Ben Franz-Knight needs to do a little more work with Commute Seattle to develop a formal plan, setting the minimum number of participants required to launch the plan. When the PDA administered the ORCA program there was still a cashier on staff. Ben is unclear if current staff would have the bandwidth to administer this program.

Devin McComb asked if this is a program that could fit within the rubric of Community Engagement taking place within the Market Commons space. Ben Franz-Knight believes that makes sense and is something that could be discussed with the Foundation. Rico Quirindongo had the same idea and believes it’s a great opportunity.

Ray Ishii appreciates the work the PDA has done to gather this information but believes it’s a program that should not be managed by the PDA.

Gloria Skouge asked for clarification on the assumption of risk. Ben Franz-Knight clarified that an organization commits to a contract and within that contract is a set number of participants. If less than the contracted number of people sign up then the organization has to cover the difference, and that is the risk.

Colleen Bowman thanks Ben Franz-Knight for doing the research. It is a topic that is really important to a lot of community members.
V. Resolutions and Other Action Items (Old and New Business)

A. Consent Agenda
   i. Proposed Resolution 17-50: Lease Proposals – September 2017

      Jim Savitt moved the Consent Agenda and Betty Halfon seconded the motion.

      For: Ray Ishii, Jim Savitt, Mark Brady, Devin McComb, Betty Halfon, Rico Quirindongo, Gloria Skouge, Colleen Bowman
      Against: 0
      Abstain: 0

      Consent Agenda passed by a vote of 8-0-0

B. New Business

      Ben Franz-Knight provided background on the Proposed Resolution, noting this is a resolution not to exceed an initial amount of $30,000. The PDA intends to return to the Council and amend this contract, but continue to work with SKHS for several years in this role. Ben discussed the debate that took place at the FAM committee meeting about the word “initial” and that one councilmember did not support the resolution.

      Rico Quirindongo asked for clarification on the amount of the contract contained in this resolution. Ben Franz-Knight clarified that this resolution retains use of SKHS as the Term Architect and caps the current contract at $30,000. Any amount over that will need further approval by the Council.

      Jim Savitt moved the proposed resolution and Gloria Skouge seconded the motion.

      Colleen Bowman asked what “Market Projects” means. Ben Franz-Knight stated it’s a number of capital projects, such as redesigning residential units and potentially reconsideration of signage along Western Avenue. Those projects would be coordinated by SKHS and there is value and efficiencies working with one architect.

      Rico Quirindongo added that there are a lot of agencies that utilize one firm to handle various tasks and helps streamline the process.

      For: Ray Ishii, Jim Savitt, Mark Brady, Devin McComb, Betty Halfon, Rico Quirindongo, Gloria Skouge, Colleen Bowman
      Against: 0
      Abstain: 0

      Proposed Resolution 17-49 passed by a vote of 8-0-0.
VI. **Further Public Comment**
Chris Scott noted that next month the Constituency will submit a formal letter requesting the PDA Events office as the Constituency office, signed by Constituency Board members who approve the request. It will also have a Needs Assessment attached to the letter. The Constituency would like to have a space to revive Round Table discussions for various stakeholder groups to come together on a monthly basis to discuss different issues within their organizations. In addition the Constituency needs a place for the community to discuss their problems as well as a larger space for basic office equipment, like a paper cutter. They currently have more than one filing cabinet.

Ali Mowory stated her support for keeping the community transit program. She noted her conversation with Ben Franz-Knight as well as research she has done. One issue she realizes is the waitlist was long. To resolve that issue she talked to Penny at King County Metro as well as the Market Foundation in order to have people sign up individually, thereby reducing the waitlist. The Market Foundation had the same idea and supports having a permanent ORCA Lift sign-up and now people can sign up for ORCA Lift at Market Commons. If you make less than $2,070 people qualify for reduced fare of $1.50 per trip or roughly $54 per month. Ali would like to see the Constituency take on responsibility for this program. She urged the Council to consider keeping ORCA under the PDA’s responsibility as it’s an important program and one way the Market can help support small businesses.

Joan Paulson noted that in paragraph three of the Position Specification, the dates are incorrect. 1974 should be 1971 and it was the City of Seattle residents. On Page 106, in regards to the Economy Market events space, that revenue is diminishing as a result of the PDA cutting events staff at the end of this year. The PDA is losing out on $200,000 in revenue by cutting that program and should reconsider closing the department. Lastly, Joan attended the Pike Place Market Historical Commission meeting and shared with the Council the construction schedule for Waterfront Seattle and related projects. She noted City of Seattle Resolution 31768 will set up a two-year process to establish a Local Improvement District (LID) for the central waterfront project in the amount of $100 million. This is an economic impact the Market will have to pay two years from now.

VII. **Concerns of Committee Members**
Betty Halfon asked if all the reports were in for the Commercial stats. Ben Franz-Knight and Jennifer Maietta noted that August is only partially reported. It’s complete through July.

Jim Savitt noted it is his view that it is not appropriate for the Constituency to say “That is the space I want.” The Constituency can say “That’s a space that would work,” to provide the PDA with an idea of what works. What’s important is that the Constituency articulate its needs and that the PDA meets those needs. The PDA needs to have the flexibility to figure out what space meets those needs.

VIII. **Adjournment**
The meeting was adjourned at 5:20 p.m. by Rico Quirindongo, Vice-Chair.

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

Programs and Information Items
Executive Director’s Report
October 2017

Date: October 20, 2017
To: PDA Council
From: Ben Franz-Knight
Subject: Executive Director’s Report – October 2017

SUMMARY

In my 15 year career as a leader of two iconic west coast destinations that are deeply imbedded in local identity and serve as defining features of the civic fabric, I have learned many lessons. I share a few here that I think are most salient.

Commit to process and thoughtful dialog. Do not shy away from conflict, embrace it knowing that it is balancing differences of opinion that forges strong policies and clear direction. Commit to the difficult conversations as fully as you do to celebrating great success.

Know that this place is wonderful, complicated and authentic because all voices have a place, all voices have a say, and all voices are given credence and value.

Work tirelessly and fiercely to protect this treasure from the whim and whimsy of momentary political fancy. This is achieved by strictly adhering to guiding principles and by respecting the separation of powers inherent in our governance structure. This vigorous practice has repeatedly demonstrated that doing anything of value is often worth the inordinate amount of time required to talk through all sides and study all perspectives.

Act boldly when the alignment of principles, goals, finances and community align. In these moments the Market will always advance forward and meet long held priorities. The levy and MarketFront are shining examples of this, with well documented adherence to the ideas summarized in the paragraph above.

Question often, not out a sense of doubt, mistrust, or arrogance, but from a place of curiosity and in service of seeking clarity and refinement of ideas. Ideas that at first seem insane when met with thoughtful questions can often reveal deep and impactful truths.

Do not panic. There are moments when issues will require immediate action, but panic leads to missed cues, skipped steps and poor decision making. This Market has anchored this city for 110 years. If ever a reminder of the strength of the Market is needed there is a wise quote on Buster Simpsons “Go with the Flow” art installation at the corner of Post Alley and Virginia. It says, “The Market is an Organism, Self Nurturing and Self Correcting” – John Turnbull.

Lastly, while the place is iconic with its signs, buildings, and halls, it is the people that make it real: real weird, loud, messy, successful and authentic. Take care to tend to everyone, regardless of stature,
wealth or capacity for words. Individuals, when heard, acknowledged and accommodated, will, in turn, contribute to the tending of place and the preservation of lasting and thriving community.

It has been a great honor to serve this council, staff and community as Executive Director for the last seven years. I will continue to be an advocate for the Pike Place Market and the powerful role that democracy plays in the strength of a truly diverse, open, welcoming and successful community.

**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 (July 2017):</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: August 31, 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Farm and Daystall Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from August 2016 to August 2017</td>
</tr>
<tr>
<td>Craft</td>
</tr>
<tr>
<td>Farm</td>
</tr>
</tbody>
</table>

*Several charts are also attached highlighting year-over-year sales trends through August with partial sales reports for September.

**Reflects the mid-year budget adjustment effective July 1, 2017.

*** Actual performance is $341,118 over budget as reflected in preliminary year end statement.

**Operating Income after Required Reserves and Debt Service**

September operating income is performing on track and in-line with the mid-year budget revisions. Commercial revenue is trending above budget with several key sales reports still outstanding for August. Daystall is under budget mainly because of the reduced attendance which was impacted by the cold weather during the first half of the year and some attritions. Parking revenue continues to be below 2017 budget projections, though following mid-year adjustments in July is trending positively compared
to actual revenue during the same period for 2016. We are up to date on all payment obligations, debt services, pension fund contributions and are on track to meet 2017 budget contribution to the CRRF.

**Farm and Craft Attendance**

Fall is here and that means farmers are harvesting fresh, seasonal crops for sale at PPM and remote markets. The farm program saw an increase in both attendance (8.5%) and revenue (11.8%) for September 2017 compared with the same time last year. Revenue at all remote markets dipped due to a reduction in inventory and farmers, however, the First Hill market saw an increase of 17% over August. Redemption of SNAP and Fresh Bucks saw increases, while WIC/Senior FMNP Match experienced a dip from August.

**MARKET PROGRAMS**

**Marketing**
- Promoted Market businesses and activities via the website and social media, with a total of 275,915 Facebook likes, with a weekly reach of 988,759. Twitter followers increased slightly to 79,588. In addition, Instagram followers increased 2% to 59,857 while there was a dip in both website views with 71,120 and mobile website views of with 43,856.
- 9 filming inquiries with five editorial requests, including The Zimmern List on Travel Channel, Food Paradise on Travel Channel, Man v. Food, Evening Magazine at Old Stove. In addition, Evening Magazine, in collaboration with Visit Seattle, featured a visit from Blue Thunder, Blitz and the Sea Gals on Blue Friday.

**Farm and Daystall**
- Daystall and Farm are working with Marketing on upcoming holiday programs to be presented at MarketFront
- Closed out the 2017 Farm and CSA season.
- Hosted Seattle Made in the Pavilion on October 14th highlighting over 50 local Seattle Made artist and companies including over 14 Pike Place Market Daystall Artists and 10 market businesses.
- Assisted with coordination of Behind the Table on October 20th.
- Reviewing applications for a new Daystall Program Coordinator to replace James Cornell who took a job with a local contractor in Ballard after 7 years at the Market in the Daystall Department.

**Market Programs Committee - Key Actions and Discussions**
- This holiday season, the marketing team is launching a new online gift guide, showcasing more than 75 products from Market businesses. Fifty of the items were submitted by vendors and merchants. The website will feature an interactive Market illustration with gift categories such as “Hand Crafted,” “Farm Fresh,” “Deck Your Shelves” and “Bundle Up.” The gift guide will go live at pikeplacemarket.org/giftguide by Thanksgiving (just in time for Magic in the Market), inspiring Seattleites to do their holiday shopping locally at Pike Place rather than online.
- Holiday advertising promotes parking in addition to the gift guide and will run from Nov. 20 through December via outdoor, digital and print advertisements. Additionally, a print ad on the cover of The Seattle Times holiday gift guide on Thanksgiving will provide 250,000 impressions. All told, our advertising should be seen more than 5.6 million times throughout the holiday season.
• The marketing team is also working with Daystall to program and promote sales on the MarketFront and in the pavilion, in addition to adding musical programming to Magic in the Market and in the Atrium on December Saturdays.

FINANCE AND ASSET MANAGEMENT

Finance and Accounting Department
• Processed all payables and receivables
• The State Auditor has completed site work
• Commercial revenue is trending above budget due to increase in base rent for retail, common area, and percent rent
• Up to date with payments on debt and Pension Plan contribution and on track for budgeted contribution to CRRF
• The proposed 2018 Operating Budget was presented and approved by the Finance & Asset Committee and awaits approval by full Council.

Residential
• Vacancy rate remains at 3%
• Criminal background checks will discontinue unless required for HUD subsidized units
• Looking to engage the Term Architect soon to assist with substantial rehab guidelines for older units in La Salle.
• All assistants and managers will attend a full-day Fair Housing Workshop in November

Commercial
• Continued active lease administration work to ensure compliance and consistent operations
• Little Fish and Old Stove continue tenant improvements in MarketFront. Old Stove anticipates a soft opening by the end of the year.

Capital Projects
• Conversations with the City continued with regards to the Completion and Compliance letter submitted in August regarding the MarketFront Development Agreement
• Installation of new Arcade and Desimone Bridge roofs continues
• Resolution to hire Term Architect was approved

Parking
• Parking revenue continues to be below 2017 budget projections, though following mid-year adjustments in July is trending positively compared to actual revenue during the same period for 2016.
• Manager is working to improve signage in both garages
• South garage is being pressure washed
• Market parking garages are participating in the DSA Trick or Treat Parking Program
• Revenue from the surface parking lots remains ahead of YTD projections
Maintenance and Facilities

- The south leak at MarketFront has been fixed and waiting for dry weather to pour stair treads to the senior artist units. Sellen is on site trying to identify and fix the leak near Steinbrueck/Native Park.
- Construction continues on new Arcade and Desimone Bridge roofs.
- Processed 170 tons of garbage, 483 yds of mixed recycling, 223 yds of compost and 25 tons of fish ice melted in August

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 (e.g. commercial tenant after hours building access)
- Provided support for events including Seattle Made and Behind the Table
- Continued patrol of MarketFront residential and Western Ave

Finance and Asset Management Committee - Key Actions and Discussion

- Reviewed Financial Statements for September 2017
- Report was provided on Native American designs being sold at Pike Place Market
- Approved Proposed Resolution 17-52: Adoption of 2018 PDA Operating and Capital Projects Budget (not on Consent Agenda)
- Approved Proposed Resolution 17-53: Approval to Add New Signer on PPMPDA Bank Accounts
- Approved Proposed Resolution 17-54: Approval of Petty Cash Policies and Procedures
- Approved Proposed Resolution 17-55: Lease Proposals for October, 2017

MARKET CONNECTIONS

- Update was provided on MHC presentations regarding the removal of the Pike Place Hillclimb Skybridge and MarketFront Pavilion experimental programming
- Committee was presented a draft letter to Steve Pearce regarding Pike Pine Renaissance Project considerations
- Tenant improvements continue and investigations into the leak near Victor Steinbrueck/Native Park carry on.

EXECUTIVE DIRECTOR HIRING COMMITTEE

- Herd Freed Hartz presented a final Position Specification and marketing piece
- HFH is actively conducting candidate outreach

PDA Employee October 2017 Anniversaries:

<table>
<thead>
<tr>
<th>Years</th>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>15yrs</td>
<td>Larry</td>
<td>Maintenance</td>
</tr>
<tr>
<td>10yrs</td>
<td>Matt</td>
<td>Commercial</td>
</tr>
<tr>
<td>10yrs</td>
<td>Kyle</td>
<td>Security</td>
</tr>
<tr>
<td>10yrs</td>
<td>Japheth</td>
<td>Security</td>
</tr>
<tr>
<td>7yrs</td>
<td>Ben</td>
<td>Executive Director</td>
</tr>
<tr>
<td>6yrs</td>
<td>Kim</td>
<td>Residential</td>
</tr>
<tr>
<td>4yrs</td>
<td>Randy</td>
<td>Security</td>
</tr>
<tr>
<td>2yrs</td>
<td>Miguel</td>
<td>Security</td>
</tr>
</tbody>
</table>
METRIC 1
Commercial Sales Comparison (thru August 2017)

FOOD

MERCANTILE
Overview

Pending selection of new PDA Executive Director the PDA Leadership team, with a combined 70+ years managing day-to-day operations of the Pike Place Market, will ensure operational, program and key project continuity based on the following general outline.

Day-to-Day Operations

Pending selection of a new PDA Executive Director the PDA Leadership Team will maintain overall leadership continuity for the Pike Place Market including oversight and management of operations, commercial, finance, HR, community outreach and public relations.

During what is anticipated to be a two month interim period of November and December the Leadership Team will meet weekly to review current projects, address issues as they arise and coordinate responses to community needs as appropriate.

The Leadership Team includes:

Sabina Proto – Finance Director
Emily Crawford – Marketing Director
Steve Nelson – Operations Director
Erica Bates – HR Director
John Turnbull – Asset Management Director

Council Chair Matt Hanna may be called upon to consult with the Leadership Team as needed.

Council Committee and Full Council Staffing Support

In addition to the ongoing dedicated staffing support of PDA Executive Administrator Karin Moughamer the PDA Leadership Team will provide regular reports and staff support for all standing PDA Committees as follows:

Market Programs – Emily Crawford
Market Connections – Emily Crawford and John Turnbull
Finance and Asset Management – Sabina Proto, John Turnbull and Steve Nelson
Executive Committee – Erica Bates
Full PDA Council – All Leadership Team Members

Ad-Hoc Appeals Committee (if needed) – John Turnbull
Active Project Management

The PDA Leadership Team will carry forward all work related to current active projects as identified and delegated below. In several instances PDA Managers have been identified to assist and lead where appropriate given their involvement in efforts to date.

- **Skybridge Demo** – John Turnbull
- **Armory Way Vacation** – John Turnbull
- **Western Ave SIP** – Steve Nelson/Jeff Jarvis
- **Starbucks Trademark License Renewal** – Emily Crawford
- **Foundation Services Agreement** – PDA Council Chair Matt Hanna
- **Development Agreement Close-Out/OLW Agreement** – PDA Council Chair Matt Hanna and Vice Chair Rico Quirindongo
- **MarketFront Project Closeout** – Justine Kim/Carrie Holmes SOJ (with assistance from John Turnbull/Jennifer Maietta and Steve Nelson/Brady Morrison)
- **Orca Pass** – Community Transit – Erica Bates
- **Daystall Vendor Appeal** – (if ad-hoc committee is required) – John Turnbull
- **Hildt Licata Renewal** – John Turnbull and Emily Crawford
- **1st Avenue Streetcar Construction** – John Turnbull
- **Steinbrueck/Native Park Renovation** – Steve Nelson
- **Pike/Pine Renaissance** – Emily Crawford
- **Waterfront LID** – Sabina Proto
Section III:

Key Presentations & Supporting Documents
Approval of Services Agreement between the Pike Place Market Preservation and Development Authority and the Market Foundation
October 2017

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 (but not limited to) the preservation and expansion of the low-income residential community and the expansion of services to the public market and community; and

WHEREAS, the Market Foundation was formed in 1982 as a charitable nonprofit organization to assist the PPMPDA in fulfilling the purposes set forth in the Charter and to support the Market and the human service agencies that provide services to residents of the Market community; and

WHEREAS, in furtherance of its charitable purposes, the Foundation provides a mechanism for private individuals and entities to make tax deductible contributions to support the Market’s housing and human services programs, heritage programs and farmer and community relief programs; and

WHEREAS, the Foundation will more fully and completely maintain its own administrative functions, and the PPMPDA Council finds it is in the best interests of the PPMPDA to support this, subject to a shared understanding that the Foundation’s fundraising and other efforts will continue first and foremost to focus on the Market and the provision of social services in the Market; and

WHEREAS, the PPMPDA and the Foundation previously have entered into a Services Agreement, dated as of January 1, 2013, the latest in a series of such agreements, pursuant to which the PPMPDA has contributed certain resources and support to the Foundation, in exchange for the Foundation’s provision of fundraising services and support to the PPMPDA’s mission and to the Market, the term of which agreement runs through December 31, 2017; and

WHEREAS, the PPMPDA and the Foundation have negotiated the terms of a successor Services Agreement, a draft of which is attached hereto as Exhibit A, to improve and continue their cooperative relationship and to more particularly specify certain of its terms.

NOW, THEREFORE, BE IT RESOLVED, that the PPMPDA Council does hereby authorize the Executive Director to enter into the Services Agreement with the Market Foundation, in substantially the form attached hereto as Exhibit A.

Gloria Skouge, Secretary/Treasurer
Date

Date Approved by Council:
For:
Against:
Abstained:
SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this “Agreement”) is entered into as of this 1st day of January, 2018, by and between the Pike Place Market Preservation & Development Authority, a Washington public development authority corporation created pursuant to RCW 35.21.725 et seq. and chartered pursuant to Seattle Municipal Code Ch. 3.110 (the “PDA”), and the Market Foundation, a Washington nonprofit corporation (the “Foundation”).

RECITALS

WHEREAS, the PDA was created in 1973 by the City of Seattle, Washington (the “City”) to redevelop, own and manage Pike Place Market (the “Market”) for the purpose of preserving the historic qualities of the Market, assuring its economic viability, and promoting good management and harmonious relationships among Market users; and

WHEREAS, the PDA Charter specifies a PDA purpose to preserve and expand the Market’s residential community, especially for low-income persons; and

WHEREAS, the Charter further directs that the PDA shall promote the survival and predominance of small shops, marginal businesses, thrift shops, arts and crafts, farmers and other services essential to the functioning of the Market; and

WHEREAS, the PDA has a long history of facilitating the delivery of critical human service needs to Market residents and the Market community; and

WHEREAS, the PDA provides low and moderate income housing in Market buildings and provides below-market rate rental space in the Market to social service agencies including the Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, and Pike Market Child Care & Preschool; and

WHEREAS, the Charter recognizes that the PDA may work with other public and private parties to accomplish the stated Charter purposes; and

WHEREAS, in the early 1980s, federal funding supporting many of the PDA’s human services programs was significantly curtailed; and

WHEREAS, the Foundation was created in 1982 to assist the PDA in fulfilling the purposes set forth in the Charter, and to support the Market and the human service agencies that provide services to residents of the Market community; and

WHEREAS, the Foundation is a duly formed Washington nonprofit corporation and recognized as a charitable corporation of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, in furtherance of its charitable purposes, the Foundation provides a mechanism for private individuals and entities to make tax deductible contributions to support the Market’s housing and human services programs, heritage programs and farmer and community relief programs; and

WHEREAS, the Foundation has been successful over the years in raising significant funds to support the Market housing and human services programs through such campaigns as the annual Care for
the Market Luncheon and the Sunset Supper event, various capital campaigns to fund capital improvements to Market facilities, and by securing public and private grants; and

WHEREAS, the Foundation is governed by a board of directors independent of the PDA and maintains its own management and administrative functions; and

WHEREAS, the PDA desires the Foundation agrees to contribute more fully and completely maintain its own administrative functions, and the PDA is willing to support this, subject to a shared understanding that the Foundation’s fundraising and other efforts will continue first and foremost to focus on the Market and the provision of social services in the Market; and

WHEREAS, the PDA and the Foundation previously have entered into a Services Agreement, dated as of January 1, 2013 (the “2013 Services Agreement”), the latest in a series of such agreements, pursuant to which the PDA has contributed certain resources and support to the Foundation, in exchange for the Foundation’s agreement to provide certain fundraising services and support to the PDA’s mission and to the Market, all on the terms and subject to the conditions hereinafter set forth therein; and

WHEREAS, the term of the 2013 Services Agreement runs through December 31, 2017; and

WHEREAS, the PDA and the Foundation now desire to enter into this Agreement to improve and continue their cooperative relationship and to more particularly specify certain of its terms, all as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants in this Agreement, the parties hereto agree as follows:

1. GENERAL ROLES AND RESPONSIBILITIES:

1.1 PDA Responsibilities. The PDA has sole oversight of the operations, management and use of PDA resources, including (but not limited to) any uses of physical Market space owned, controlled or managed by the PDA. To sustain the delivery of social services to the Market community and thereby assist in fulfilling the purposes set forth in its Charter, the PDA is contracting with the Foundation for fundraising and related services pursuant to the terms of this Agreement.

1.2 Foundation Responsibilities. The Foundation performs its obligations pursuant to the terms of this Agreement and in so doing has sole oversight and management responsibility for all Foundation operations, fundraising activity, and its support of human services programs, consistent with the Foundation’s charitable purposes and the terms of this Agreement.

2. FOUNDATION COMMITMENTS AND OBLIGATIONS:

The Foundation agrees to provide the following services to support the PDA and its chartered mission:

2.1 Fundraising, Marketing and Campaigns.

2.1.1 The Foundation shall support the PDA mission and the Market by:
(a) Conducting annual fundraising campaigns to provide operations support and increase capacity for programs that benefit the residents of Market housing and for the low-income population in the downtown area and for one or more of the following Market Agencies: Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool and Heritage House.

(b) Conducting such capital campaigns, as the Foundation and the PDA agree and deem to be necessary to fund capital improvements at the Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool and low-income housing.

(c) Providing support as the Foundation and the PDA agree and deem to be appropriate for entrepreneurial enterprises including small businesses, workforce development, farmers and arts and crafters.

(d) Periodically providing grant writing assistance for the PDA, upon request by the PDA Executive Director.

(e) Assisting with capital or operating campaigns as the Foundation and the PDA agree and deem to be necessary for Market preservation and development efforts; and

(f) Focusing the Foundation’s marketing efforts primarily on promoting and increasing awareness of the Foundation and the various Market social services for which the Foundation raises money.

2.1.2 All funds raised by the Foundation net of its operating expenses and investments in the Foundation, as decided by its Board of Directors, shall be expended for Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool, Heritage House and other Market-related programs, initiatives or emerging needs agreed upon by both the PDA and the Foundation (including PCIN, but not limited to, the activities identified in Sections 2.3 and 2.4).

42.1.3 All fundraising, marketing and other campaign promotional materials shall accurately represent the agencies, significant contributors to or managing entity of the Market programs identified therein, to the extent reasonably possible given the medium and platform of the promotion.

2.1.4 The Foundation agrees to accept gifts and donations made to or for the benefit of the PDA.

12.2 Annual Needs Assessment and Recommendations

The Foundation will conduct an annual review of social service needs, including unmet and emerging needs and provide reports and recommendations to the PDA on the following annual schedule:

- FEBRUARY / MARCH - Service Provider Fund Applications, including annual reports
- APRIL / MAY - “Cut the Pie” Grant Awards
- MAY / JUNE - MFFoundation Report to PDA on Annual Grants and Emerging Needs
• SEPTEMBER-NOVEMBER - Budget allocation of PDA funds/infrastructure support
• DECEMBER - PDA Annual Plan Adoption, including emerging needs discussion.

12.3 Maintenance.

2.3.1 Market Heritage Exhibits. The Foundation shall be primarily responsible for maintaining and updating all existing Market heritage exhibits that remain for accessible for.

2.3.2 MarketFront Public Art. The Foundation shall maintain the market charms and donor hoofprints. The Foundation shall transfer its ownership of MarketFront art installations (Northwest Microcosm and Western Tapestry) free of charge within one month of the effective date of this Agreement.

12.4 Market Fresh Coupon Program. The Foundation shall coordinate the Market Fresh Coupon program to provide low-income Market residents and residents of low-income buildings near the Market with access to fresh produce from Market vendors and farmers, and endeavor to raise funding for that program in such amounts as the Foundation may deem to be appropriate.

12.5 Special Activities. The Foundation shall consider, based upon available resources, assisting the PDA with the planning and coordination of special activities from time to time.

12.6 Fundraising Benchmarks. In performing the obligations set forth in Section 12.1 above, the Foundation shall raise annually a net amount that is at least equal to the sum of: (i) the fair market value of the license for office space (premises leased pursuant to the Office Lease (defined below), based on the lease of other similar Market office space) for the same period; and (ii) any personnel expenses paid by the PDA pursuant to Section 2.2. below; and, less any Foundation funds expended to support the programs and activities described in Sections 12.3 through 12.5 above.

12.7 Accounting and Annual Report.

42.7.1 The Foundation shall establish and maintain accounting systems and segregated accounts by which to track donations, gifts, and revenue received from any and all Foundation activities conducted on behalf of the PDA or in support of the Market pursuant to this Agreement.

42.7.2 The Foundation shall provide the PDA with an annual report no later than six (6) months following March 31 of each year, which report shall include an accounting of: (i) for each fundraising event or campaigns conducted pursuant to Section 42.1, the total dollar amounts raised, identification of individual donors and associated contributions (if known as outlined in its annual report), and the associated Foundation expenditures; (ii) a description of any activities performed by the Foundation pursuant to Section 42.3, including associated Foundation expenditures; and (iii) a description of any activities performed by the Foundation pursuant to Section 42.5, including associated Foundation expenditures.

42.7.3 As part of the annual report, the Foundation shall present its proposed budget and plan for satisfying obligations under this Agreement during the upcoming year, a review of shifts in strategic goals, and any new initiatives or new programs under its consideration or proposed by the PDA.

42.7.4 At least once per year, representatives of the Foundation shall appear at a meeting of the PDA’s governing body to present the proposals submitted pursuant to Section 2.7.3.
2.7.5 The Foundation shall promptly notify the PDA of any significant budget variances, budget adjustments or new initiatives not contained in its annual report. Such notification shall be provided at a PDA meeting that may be attended by the Foundation’s Designated Observer (defined below).

2.8 Nonprofit Status.

42.8.1 The Foundation represents and warrants that it is a nonprofit corporation duly organized, validly existing and in good standing registered to conduct charitable solicitations in the State of Washington. The Foundation further represents and warrants that it is duly maintained as a 501(3)(c) tax exempt organization described in Section 501(c)(3) of the Code.

42.8.2 The Foundation shall maintain its nonprofit and federal tax-exempt status and be registered to conduct charitable solicitations at all times during the term of this Agreement.

22.9 Assumption of Administrative Responsibilities. As of the effective date of this Agreement, the Foundation shall assume responsibility at its sole cost for the following:

2.9.1 Administration of human resources, payroll, and benefits for all Foundation employees; and

2.9.2 Printing and postage.

2.10 Compliance with Leases. The Foundation shall comply with the terms of all lease agreements between the Foundation and the PDA.

3. PDA COMMITMENTS AND OBLIGATIONS:

The PDA agrees to provide the following resources to the Foundation to support the Foundation’s efforts on behalf of the PDA and the Market:

23.1 License to Use of Office Space. The PDA hereby provides shall permit the Foundation with a license to use certain office space, as described in Exhibit A attached hereto accordance with a Lease, dated May 28, 2013, by and hereinafter described as between the “PDA and the Foundation (the “Office Space”), to facilitate the Foundation’s delivery of the commitments and obligations described in Section 1 of this Agreement. Subject to the fundraising benchmarks set forth in Section 1.6, the Foundation’s license to use the office space shall be at no cost. The Foundation’s use of the Foundation Office Space shall include the Lease”), as well as the following privileges:

2.1.1 Access to and use of associated utilities, communications and computer equipment, consistent with the access and use provided to PDA employees;
2.1.2 Office support services, including but not limited to use of photo copying facilities, facsimile machines, postage, office supplies, and 3.1.1 IT support, all consistent with the access and use provided to PDA employees; and

2.1.3 Parking 3.1.2 Subject to and in accordance with Section 3.4 below, parking privileges for Foundation volunteers in PDA parking facilities and the occasional use of PDA vehicles during special events.

3.2.2 Compensation of Select Personnel.

2.2.1 Subject License to annual budget approval by the Governing Council of the PDA, the PDA shall fund the salary and benefits for the Foundation’s Executive Director, Use Marks. The benefits offered to PDA hereby grants the Foundation Executive Director shall be commensurate with the benefits offered a limited license to use PDA Marks (defined below), subject to the PDA Executive Director including reimbursement for direct business related expenses (e.g. cell phone/smart phone usage and travel expenses) PDA’s prior review and approval of such use in accordance with this Section 3.2.

2.2.2 Subject to annual budget approval by the Governing Council of the PDA, the PDA may, from time to time, fund the salary and benefits, as deemed reasonable and appropriate by the Governing Council, for additional Foundation employees. 3.2.1 The Foundation may request the use of any PDA Mark by submitting a written request to the PDA. The request shall identify all PDA Marks proposed to be used, describe the manner of their proposed use, and, if applicable, include a sample drawing, photograph or other visual depiction of the PDA Mark in the context of the proposed use. The request shall be deemed approved by the PDA, unless the PDA delivers to the Foundation a written notice of disapproval, setting forth the basis therefor, no later than sixty (60) days after the date of the request. The PDA shall not unreasonably withhold its approval of such requests, but the PDA may reject any request that it deems incompatible with the PDA Trademark Usage Guidelines attached as Exhibit J of the Lease, dated April 26, 2017, by and between the PDA as landlord and the Foundation as tenant (the “Market Commons Lease”).

3.2.2 As used herein, “PDA Marks” means (i) all intellectual property (including, without limitation, trademarks and copyrights, but excluding trade secrets) owned by or licensed to the PDA and (ii) the name, marks and any other identifying information (including visual representations in any format) of any commercial tenant, building, project or program located at or affiliated with the Market.

3.3 Fundraising Support. The PDA and the Foundation shall agree in writing on the level and cost of PDA support for small-scale

2.3 Personnel Resources.

2.3.1 For employees not covered by Section 2.2, the PDA shall, at the expense of the Foundation, include Foundation employees in the PDA payroll and benefits systems and provide Foundation employees with benefits on the same basis as provided to PDA employees.

2.3.2 The PDA shall also offer Foundation employees the opportunity to participate in PDA-sponsored employee training programs (e.g. computer systems, management systems) on the same basis as PDA employees.

2.4 Fundraising Support. Subject to the approval of the PDA Executive Director fundraising events, which approval agreement shall not be unreasonably withheld, the PDA shall
provide grant the Foundation with the following for purposes of supporting fundraising event and activities: (i) nonexclusive use of the Market name and logo; and (ii) use of Market facilities on a rent-free basis. The PDA may provide additional support for a Foundation fundraising event in accordance with an event-specific agreement to be approved by the respective governing bodies of the PDA and the Foundation.

33.4 Annual Support Payment. Following receipt of the report required by Section 2.7.2, the PDA may, in its sole discretion, provide an annual support payment to the Foundation in an amount determined by the PDA based on its review of the Foundation’s proposed budget and plan. The PDA is committed to including as part of its annual support payment, an amount equal to the salary and benefits of the Foundation’s Executive Director, but has the right to re-evaluate this commitment annually, based upon the performance of both organizations, among other factors including the needs of the Market’s social service agencies. The annual support payment shall be used by the Foundation for the purposes specified by the PDA, which purposes may include covering the costs of salary and benefits paid to one or more Foundation employees. Regardless of whether the PDA provides financial support for the purpose of covering the costs of Foundation employees, it is agreed that such persons are employees of the Foundation solely and shall not be deemed to be employees of the PDA for any purpose.

4. COORDINATION:

4.1 Designated Observers at Governing Body Meetings. The Council of the PDA and the Board of the Foundation each shall designate a member (a “Designated Observer”) to attend the full governing body meetings of the other party to this Agreement. Designated Observers shall receive reasonable notice of and shall be permitted to attend governing body meetings. In the event that a Designated Observer is unable to attend a governing board meeting, the Designated Observer shall appoint an alternate member who shall attend the governing board meeting as if he or she were a Designated Observer.

4.2 Management.

4.2.1 Decision Making Authority. The executive directors of the PDA and the Foundation, respectively, shall retain sole authority on all matters within their organization’s area of responsibility, as set forth in Section 1 and consistent with the authority delegated by the governing body of the respective organizations.

4.2.2 Standing Meetings. The executive directors of the PDA and the Foundation shall meet at least monthly to coordinate the activities of their respective organizations.

4.2.3 Dispute Resolution. Any concerns or disagreements related to the decision making of either executive director shall be elevated to the council chair of the PDA and the board president of the Foundation for review and resolution.

5. TERM AND TERMINATION:

35.1 Term. The initial term of this Agreement shall commence upon full execution on the date first set forth above and shall expire on December 31, 2022. Thereafter, the Agreement shall continue on a year-to-year basis, subject to the termination rights contained in this Section 35.

35.2 Termination. Either party may terminate this Agreement at any time in its sole discretion (a) upon thirty (30) days written notice to the other party or (b) upon fifteen (15) days written notice for any breach of a material term of the Agreement by the other party, where the breaching party
has failed to cure or otherwise eliminate the circumstance constituting the termination or breach by the end of such fifteen (15) day period.

4. INDEMNIFICATION:

4.1 PDA’s Indemnity. The PDA hereby agrees to indemnify, save harmless and defend the Foundation from any and all losses, claims, actions or damage suffered by any person or entity by reason of or resulting from any act or omission of the PDA or any of its officers, agents, employees, or invitees in connection with the PDA’s performance under this Agreement, but only to the extent such claims, actions, costs, damages or expenses are caused by the negligence of the PDA, its authorized officers, agents, employees or invitees. The indemnification provided for in this section shall survive any termination or expiration of this Agreement. This indemnification provision is the result of mutual negotiation.

4.2 Foundation’s Indemnity. The Foundation hereby agrees to indemnify, save harmless and defend the PDA from any and all losses, claims, actions or damaged suffered by any person or entity by reason of or resulting from any act or omission of the Foundation or any of its officers, agents, employees, or invitees in connection with the Foundation’s performance under this Agreement, but only to the extent such claims, actions, costs, damages or expenses are caused by the negligence of the Foundation, its authorized officers, agents, employees or invitees. The indemnification provided for in this section shall survive any termination or expiration of this Agreement. This indemnification provision is the result of mutual negotiation.

56. GENERAL PROVISIONS.

56.1 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and interpreted under the laws of the State of Washington applicable to agreements made and to be performed in Washington, exclusive of its conflict of law rules. The parties hereby irrevocably and unconditionally submit in any legal action or proceeding relating to the Agreement to the non-exclusive general jurisdiction of the courts of the State of Washington located in King County and the courts of the United States located in the Western District of Washington, and, in any such action or proceeding, consent to jurisdiction in such courts and waive any objection to the venue in such courts.

56.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

56.3 Survival. The indemnification, representations, warranties, covenants, and indemnities made in this Agreement or made in writing pursuant hereto shall survive the Closing, and any investigations of the matters covered thereby, by or on behalf of any party to whom they are made.

56.4 Indemnification. The parties shall comply with the provisions regarding accidents and indemnification set forth in the Office Lease and the Market Commons Lease.

6.4 Notices. Any notice under or relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when personally delivered, or given by machine-confirmed facsimile, or three (3) business days after a writing is deposited in the United States mail, first-class postage or other charges prepaid and registered, return receipt requested, addressed as follows:
If to the PDA: Pike Place Market Preservation & Development Authority
85 Pike Street #500
Seattle, WA 98101
Attn.: Chair, Governing Council

If to the Foundation: Pike Place Market Foundation
85 Pike Street #500
Seattle, WA 98101
Attn.: Chair, Board of Directors

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section for the giving of notice.

56.5 Binding Nature of Agreement; No Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

56.6 Entire Agreement; Waivers and Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or undertakings, written or oral, between the PDA and the Foundation, relating to the subject matter hereof, including the 2013 Services Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to supersede or alter agreements between the parties with respect to subjects other than the subject matter hereof, including (but not limited to) the Office Lease and the Market Commons Lease. The failure of any party to insist on the performance of any of the terms and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of such term, covenant or condition, but the obligations of the parties with respect thereto shall continue in full force and effect. This Agreement may be amended or supplemented only by a written instrument signed by the party against whom the amendment or supplement is sought to be enforced.

56.7 Headings. The section headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

56.8 Counterparts. This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of facsimile copies of executed signature pages shall constitute an appropriate form of delivery hereunder.

56.9 Status of PDA. The Nonprofit Foundation hereby acknowledges that the PDA is organized pursuant to Seattle Municipal Code § 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: “All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

*(the remainder of this page has been intentionally left blank)*
SIGNATURE PAGE- SERVICES AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PDA: 
PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By _____________________________

NONPROFIT FOUNDATION: 
MARKET FOUNDATION

By _____________________________
SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this “Agreement”) is entered into as of this 1st day of January, 2018, by and between the Pike Place Market Preservation & Development Authority, a Washington public development authority corporation created pursuant to RCW 35.21.725 et seq. and chartered pursuant to Seattle Municipal Code Ch. 3.110 (the “PDA”), and the Market Foundation, a Washington nonprofit corporation (the “Foundation”).

RECITALS

WHEREAS, the PDA was created in 1973 by the City of Seattle, Washington (the “City”) to redevelop, own and manage Pike Place Market (the “Market”) for the purpose of preserving the historic qualities of the Market, assuring its economic viability, and promoting good management and harmonious relationships among Market users; and

WHEREAS, the PDA Charter specifies a PDA purpose to preserve and expand the Market’s residential community, especially for low-income persons; and

WHEREAS, the Charter further directs that the PDA shall promote the survival and predominance of small shops, marginal businesses, thrift shops, arts and crafts, farmers and other services essential to the functioning of the Market; and

WHEREAS, the PDA has a long history of facilitating the delivery of critical human service needs to Market residents and the Market community; and

WHEREAS, the PDA provides low and moderate income housing in Market buildings and provides below-market rate rental space in the Market to social service agencies including the Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, and Pike Market Child Care & Preschool; and

WHEREAS, the Charter recognizes that the PDA may work with other public and private parties to accomplish the stated Charter purposes; and

WHEREAS, the Foundation was created in 1982 to assist the PDA in fulfilling the purposes set forth in the Charter, and to support the Market and the human service agencies that provide services to residents of the Market community; and

WHEREAS, the Foundation is a Washington nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, in furtherance of its charitable purposes, the Foundation provides a mechanism for private individuals and entities to make tax deductible contributions to support the Market’s housing and human services programs, heritage programs and farmer and community relief programs; and

WHEREAS, the Foundation is governed by a board of directors independent of the PDA and maintains its own management functions; and

WHEREAS, the Foundation agrees to more fully and completely maintain its own administrative functions, and the PDA is willing to support this, subject to a shared understanding that the Foundation’s fundraising and other efforts will continue first and foremost to focus on the Market and the provision of social services in the Market; and
WHEREAS, the PDA and the Foundation previously have entered into a Services Agreement, dated as of January 1, 2013 (the “2013 Services Agreement”), the latest in a series of such agreements, pursuant to which the PDA has contributed certain resources and support to the Foundation, in exchange for the Foundation’s provision of fundraising services and support to the PDA’s mission and to the Market, all on the terms set forth therein; and

WHEREAS, the term of the 2013 Services Agreement runs through December 31, 2017; and

WHEREAS, the PDA and the Foundation now desire to enter into this Agreement to improve and continue their cooperative relationship and to more particularly specify certain of its terms, all as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants in this Agreement, the parties hereto agree as follows.

1. GENERAL ROLES AND RESPONSIBILITIES:

1.1 PDA Responsibilities. The PDA has sole oversight of the operations, management and use of PDA resources, including (but not limited to) any uses of physical Market space owned, controlled or managed by the PDA. To sustain the delivery of social services to the Market community and thereby assist in fulfilling the purposes set forth in its Charter, the PDA is contracting with the Foundation for fundraising and related services pursuant to the terms of this Agreement.

1.2 Foundation Responsibilities. The Foundation performs its obligations pursuant to the terms of this Agreement and in so doing has sole oversight and management responsibility for all Foundation operations, fundraising activity, and its support of human services programs, consistent with the Foundation’s charitable purposes and the terms of this Agreement.

2. FOUNDATION COMMITMENTS AND OBLIGATIONS:

The Foundation agrees to provide the following services to support the PDA and its chartered mission:

2.1 Fundraising, Marketing and Campaigns.

2.1.1 The Foundation shall support the PDA mission and the Market by:

(a) Conducting annual fundraising campaigns to provide operations support and increase capacity for programs that benefit the residents of Market housing and for the low-income population in the downtown area and for one or more of the following Market agencies: Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool and Heritage House;

(b) Conducting such capital campaigns as the Foundation and the PDA agree and deem to be necessary to fund capital improvements at the Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool and low-income housing;
(c) Providing support as the Foundation and the PDA agree and deem to be appropriate for entrepreneurial enterprises including small businesses, workforce development, farmers and arts and crafters;

(d) Periodically providing grant writing assistance for the PDA, upon request by the PDA Executive Director;

(e) Assisting with capital or operating campaigns as the Foundation and the PDA agree and deem to be necessary for Market preservation and development efforts; and

(f) Focusing the Foundation’s marketing efforts primarily on promoting and increasing awareness of the Foundation and the various Market social services for which the Foundation raises money.

2.1.2 All funds raised by the Foundation net of its operating expenses and investments in the Foundation, as decided by its Board of Directors, shall be expended for Pike Market Medical Clinic, Pike Market Senior Center, Pike Market Food Bank, Pike Market Child Care & Preschool, Heritage House and other Market-related programs, initiatives or emerging needs agreed upon by both the PDA and the Foundation (including, but not limited to, the activities identified in Sections 2.3 and 2.4).

2.1.3 All fundraising, marketing and other campaign promotional materials shall accurately represent the agencies, significant contributors to or managing entity of the Market programs identified therein, to the extent reasonably possible given the medium and platform of the promotion.

2.1.4 The Foundation agrees to accept gifts and donations made to or for the benefit of the PDA.

2.2 Annual Needs Assessment and Recommendations. The Foundation will conduct an annual review of social service needs, including unmet and emerging needs and provide reports and recommendations to the PDA on the following annual schedule:

- FEBRUARY / MARCH - Service Provider Fund Applications, including annual reports
- MAY - “Cut the Pie” Grant Awards
- JUNE - Foundation Report to PDA on Annual Grants and Emerging Needs
- SEPTEMBER-NOVEMBER - Budget allocation of PDA funds/infrastructure support
- DECEMBER - PDA Annual Plan Adoption, including emerging needs discussion.

2.3 Maintenance.

2.3.1 Market Heritage Exhibits. The Foundation shall be primarily responsible for maintaining and updating all existing Market heritage exhibits.

2.3.2 MarketFront Public Art. The Foundation shall maintain the market charms and donor hoofprints. The Foundation shall transfer its ownership of MarketFront art installations (Northwest Microcosm and Western Tapestry) free of charge within one month of the effective date of this Agreement.
2.4 **Market Fresh Coupon Program.** The Foundation shall coordinate the Market Fresh Coupon program to provide low-income Market residents and residents of low-income buildings near the Market with access to fresh produce from Market vendors and farmers, and endeavor to raise funding for that program in such amounts as the Foundation may deem to be appropriate.

2.5 **Special Activities.** The Foundation shall consider, based upon available resources, assisting the PDA with the planning and coordination of special activities from time to time.

2.6 **Fundraising Benchmarks.** In performing the obligations set forth in Section 2.1 above, the Foundation shall raise annually a net amount that is at least equal to the fair market value of the premises leased pursuant to the Office Lease (defined below), based on the lease of other similar Market office space for the same period, less any Foundation funds expended to support the programs and activities described in Sections 2.3 through 2.5 above.

2.7 **Accounting and Annual Report.**

2.7.1 The Foundation shall establish and maintain accounting systems and segregated accounts by which to track donations, gifts, and revenue received from any and all Foundation activities conducted on behalf of the PDA or in support of the Market pursuant to this Agreement.

2.7.2 The Foundation shall provide the PDA with an annual report no later than September 30 of each year, which report shall include an accounting of: (i) for each fundraising event or campaigns conducted pursuant to Section 2.1, the total dollar amounts raised, identification of individual donors and associated contributions (as outlined in its annual report), and the associated Foundation expenditures; (ii) a description of any activities performed by the Foundation pursuant to Section 2.3, including associated Foundation expenditures; and (iii) a description of any activities performed by the Foundation pursuant to Section 2.5, including associated Foundation expenditures.

2.7.3 As part of the annual report, the Foundation shall present its proposed budget and plan for satisfying obligations under this Agreement during the upcoming year, a review of shifts in strategic goals, and any new initiatives or new programs under its consideration or proposed by the PDA.

2.7.4 At least once per year, representatives of the Foundation shall appear at a meeting of the PDA’s governing body to present the proposals submitted pursuant to Section 2.7.3.

2.7.5 The Foundation shall promptly notify the PDA of any significant budget variances, budget adjustments or new initiatives not contained in its annual report. Such notification shall be provided at a PDA meeting that may be attended by the Foundation’s Designated Observer (defined below).

2.8 **Nonprofit Status.**

2.8.1 The Foundation represents and warrants that it is a nonprofit corporation duly organized, validly existing and registered to conduct charitable solicitations in the State of Washington. The Foundation further represents and warrants that it is an organization described in Section 501(c)(3) of the Code.

2.8.2 The Foundation shall maintain its nonprofit and federal tax-exempt status and be registered to conduct charitable solicitations at all times during the term of this Agreement.
2.9 Assumption of Administrative Responsibilities. As of the effective date of this Agreement, the Foundation shall assume responsibility at its sole cost for the following:

2.9.1 Administration of human resources, payroll, and benefits for all Foundation employees; and

2.9.2 Printing and postage.

2.10 Compliance with Leases. The Foundation shall comply with the terms of all lease agreements between the Foundation and the PDA.

3. PDA COMMITMENTS AND OBLIGATIONS:

The PDA agrees to provide the following resources to the Foundation to support the Foundation’s efforts on behalf of the PDA and the Market:

3.1 Use of Office Space. The PDA shall permit the Foundation to use certain office space in accordance with a Lease, dated May 28, 2013, by and between the PDA and the Foundation (the “Office Lease”), as well as the following:

3.1.1 IT support consistent with the access and use provided to PDA employees; and

3.1.2 Subject to and in accordance with Section 3.4 below, parking privileges for Foundation volunteers in PDA parking facilities and the occasional use of PDA vehicles during special events.

3.2 License to Use Marks. The PDA hereby grants the Foundation a limited license to use PDA Marks (defined below), subject to the PDA’s prior review and approval of such use in accordance with this Section 3.2.

3.2.1 The Foundation may request the use of any PDA Mark by submitting a written request to the PDA. The request shall identify all PDA Marks proposed to be used, describe the manner of their proposed use, and, if applicable, include a sample drawing, photograph or other visual depiction of the PDA Mark in the context of the proposed use. The request shall be deemed approved by the PDA, unless the PDA delivers to the Foundation a written notice of disapproval, setting forth the basis therefor, no later than sixty (60) days after the date of the request. The PDA shall not unreasonably withhold its approval of such requests, but the PDA may reject any request that it deems incompatible with the PDA Trademark Usage Guidelines attached as Exhibit J of the Lease, dated April 26, 2017, by and between the PDA as landlord and the Foundation as tenant (the “Market Commons Lease”).

3.2.2 As used herein, “PDA Marks” means (i) all intellectual property (including, without limitation, trademarks and copyrights, but excluding trade secrets) owned by or licensed to the PDA and (ii) the name, marks and any other identifying information (including visual representations in any format) of any commercial tenant, building, project or program located at or affiliated with the Market.

3.3 Fundraising Support. The PDA and the Foundation shall agree in writing on the level and cost of PDA support for small-scale Foundation fundraising events, which agreement shall grant the Foundation (i) nonexclusive use of the Market name and logo; and (ii) use of Market facilities on a rent-free basis. The PDA may provide additional support for a Foundation fundraising event in accordance
with an event-specific agreement to be approved by the respective governing bodies of the PDA and the Foundation.

3.4 Annual Support Payment. Following receipt of the report required by Section 2.7.2, the PDA may, in its sole discretion, provide an annual support payment to the Foundation in an amount determined by the PDA based on its review of the Foundation’s proposed budget and plan. The PDA is committed to including as part of its annual support payment, an amount equal to the salary and benefits of the Foundation’s Executive Director, but has the right to re-evaluate this commitment annually, based upon the performance of both organizations, among other factors including the needs of the Market’s social service agencies. The annual support payment shall be used by the Foundation for the purposes specified by the PDA, which purposes may include covering the costs of salary and benefits paid to one or more Foundation employees. Regardless of whether the PDA provides financial support for the purpose of covering the costs of Foundation employees, it is agreed that such persons are employees of the Foundation solely and shall not be deemed to be employees of the PDA for any purpose.

4. COORDINATION:

4.1 Designated Observers at Governing Body Meetings. The Council of the PDA and the Board of the Foundation each shall designate a member (a “Designated Observer”) to attend the full governing body meetings of the other party to this Agreement. Designated Observers shall receive reasonable notice of and shall be permitted to attend governing body meetings. In the event that a Designated Observer is unable to attend a governing board meeting, the Designated Observer shall appoint an alternate member who shall attend the governing board meeting as if he or she were a Designated Observer.

4.2 Management.

4.2.1 Decision Making Authority. The executive directors of the PDA and the Foundation, respectively, shall retain sole authority on all matters within their organization’s area of responsibility, as set forth in Section 1 and consistent with the authority delegated by the governing body of the respective organizations.

4.2.2 Standing Meetings. The executive directors of the PDA and the Foundation shall meet at least monthly to coordinate the activities of their respective organizations.

4.2.3 Dispute Resolution. Any concerns or disagreements related to the decision making of either executive director shall be elevated to the council chair of the PDA and the board president of the Foundation for review and resolution.

5. TERM AND TERMINATION:

5.1 Term. The term of this Agreement shall commence on the date first set forth above and shall expire on December 31, 2022. Thereafter, the Agreement shall continue on a year-to-year basis, subject to the termination rights contained in this Section 5.

5.2 Termination. Either party may terminate this Agreement at any time in its sole discretion (a) upon thirty (30) days written notice to the other party or (b) upon fifteen (15) days written notice for any breach of a material term of the Agreement by the other party, where the breaching party has failed to cure or otherwise eliminate the circumstance constituting the breach by the end of such fifteen (15) day period.
6. GENERAL PROVISIONS.

6.1 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and interpreted under the laws of the State of Washington applicable to agreements made and to be performed in Washington, exclusive of its conflict of law rules. The parties hereby irrevocably and unconditionally submit in any legal action or proceeding relating to the Agreement to the non-exclusive general jurisdiction of the courts of the State of Washington located in King County and the courts of the United States located in the Western District of Washington, and, in any such action or proceeding, consent to jurisdiction in such courts and waive any objection to the venue in such courts.

6.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

6.3 Indemnification. The parties shall comply with the provisions regarding accidents and indemnification set forth in the Office Lease and the Market Commons Lease.

6.4 Notices. Except as otherwise provided herein, any notice under or relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when personally delivered, or given by machine-confirmed facsimile, or three (3) business days after a writing is deposited in the United States mail, first-class postage or other charges prepaid and registered, return receipt requested, addressed as follows:

If to the PDA: Pike Place Market Preservation & Development Authority 85 Pike Street #500 Seattle, WA 98101 Attn.: Chair, Governing Council

If to the Foundation: Pike Place Market Foundation 85 Pike Street #500 Seattle, WA 98101 Attn.: Chair, Board of Directors

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section for the giving of notice.

6.5 Binding Nature of Agreement; No Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

6.6 Entire Agreement; Waivers and Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or undertakings, written or oral, between the PDA and the Foundation, relating to the subject matter hereof, including the 2013 Services Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to supersede or alter agreements between the parties with respect to subjects other than the subject matter hereof, including (but not limited to) the Office Lease and the Market Commons Lease. The failure of any party to insist on the performance of any of the terms and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of such term, covenant or condition, but the obligations of the parties with respect thereto shall continue in full force and effect. This Agreement may be amended or supplemented only by a
written instrument signed by the party against whom the amendment or supplement is sought to be enforced.

6.7 **Headings.** The section headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

6.8 **Counterparts.** This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of facsimile copies of executed signature pages shall constitute an appropriate form of delivery hereunder.

6.9 **Status of PDA.** The Foundation hereby acknowledges that the PDA is organized pursuant to Seattle Municipal Code § 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: “All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

*(the remainder of this page has been intentionally left blank)*
SIGNATURE PAGE- SERVICES AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PDA: PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By ________________________________

FOUNDATION: MARKET FOUNDATION

By ________________________________
PROPOSED RESOLUTION 17-57

Approval of the Market Commons 6 Month Operations and Programming Plan
October 2017

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 (but not limited to) the preservation and expansion of the low-income residential community and the expansion of services to the public market and community; and

WHEREAS, the Market Foundation was formed in 1982 as a charitable nonprofit organization to assist the PPMPDA in fulfilling the purposes set forth in the Charter and to support the Market and the human service agencies that provide services to residents of the Market community; and

WHEREAS, in furtherance of its charitable purposes, the Foundation provides a mechanism for private individuals and entities to make tax deductible contributions to support the Market’s housing and human services programs, heritage programs and farmer and community relief programs; and

WHEREAS, in April 2017 the PDA Council approved a new lease for the Market Commons, a neighborhood center located on Western Avenue in the southeast corner of the MarketFront, one condition of the lease was review and approval of an Operations and Programming Plan for the upcoming six month on or before October 31 and April 30 of each year; and,

WHEREAS, the Foundation presented an initial draft Operations and Programming Plan on September 15, 2017 which has been reviewed and amended to reflect PDA Council and Staff comments; and,

NOW, THEREFORE, BE IT RESOLVED, that the PPMPDA Council does hereby approve the Market Commons 6 Month Operations and Programming Plan as attached hereto as Exhibit A.

Gloria Skouge, Secretary/Treasurer

Date

Date Approved by Council:
For:
Against:
Abstained:
The Market Commons
6 Month Operations and Programming Plan

As originally outlined in the Operations Plan presented to the PDA Council in 2014, and using data from the Comprehensive Needs Assessment conducted in 2014, as well as follow-up outreach efforts in 2016, the Foundation has outlined 4 Programming Priorities for The Market Commons:

1. **Resource Desk** - Connect clients to resources, establish continuing relationships with clients, develop buy-in from influencers, and establish relationships with service providers.

2. **Expand Current Programs** - Increase participation in existing programs, provide marketing and outreach for existing Market services and programs, and establish relationships with groups not traditionally served by existing Market services.

3. **Supplemental Programs** – Increase exposure to new/expanded audience, support new and innovative programs, target issue areas as trends and gaps emerge, and establish relationships with non-Market service providers to provide wider array of programs.

4. **Community Building** - Build cross-community relationships, build neighborhood identity, engage Market community members in supporting and sustaining their community, and provide space to gather and programmatic support for groups that do not have a space of their own in the Market.

The Needs Assessment and follow up surveys have also shown that there are significant gaps in service in 5 issue areas:

*Health, Personhood, Employment Readiness, Housing, Food Security*

Our goal is to continue to be a resource to both connect clients to resources in these areas, as well as offer activities and programs that address these issue areas directly. An added benefit of the Market Commons is the ability to alleviate some time/workload from the service organizations in the market through the resource desk and other programming support.

**Launch Phase**

With the delays in construction of the large MarketFront Project, and delays in our Tenant Improvement due to slab conditions and HVAC control panel issues, we are just now soft opening the Commons. We are planning a full launch of services in October, including the launch of a new granting stream (Community Impact Fund) to promote and create the opportunity for people and organizations to innovate, try new or expand current programming to better respond to community needs.
The following plan outlines our Launch Phase, October 2017 – March 2018 including our plans for gathering data to evaluate the launch phase against our program goals. Launch Phase evaluation will inform the program planning for this second six month period.

Staffing during the **Launch Phase** includes two positions – the Market Commons Manager (Crystal Dixon) and The Market Commons Coordinator (Velma Chaney), who reports directly to the Market Commons Manager. The coordinator is currently focusing 100% of her time on executing the customer service elements in The Market Commons, including the Resource Desk, Program and Activities assistance and Safety Net. This position is a full-time temporary position until the end of December 2017. The position is funded by the Foundation via an outside private grant intended for startup costs. We will be assessing its function in Dec. 2017.

The Market Commons Manager spent 80% of her time prior to mid-Sept. 2017 creating the physical structure of the Commons and 20% of her time building the community engagement and programming activities to launch the Commons. During the launch phase, 100% of the manager’s time will be spent on the four stated objectives: Outreach, Evaluation, Community Engagement and facilitating the use of the Community Impact Fund. This is critical work that will make The Market Commons successful in meeting its established goals.

Although we have only been open a month, it is clear that a consistent person staffing the Resource Desk is extremely valuable in building relationships with our community. We have also learned that both roles spend a significant amount of time interacting with the people coming to the Commons and the idea of having only one person available for customers and one person building programming is not a sustainable plan for fulfilling the mission of The Market Commons. In addition, for security reasons, it is also valuable to have two people staffing the Commons.

<table>
<thead>
<tr>
<th>Launch Phase</th>
<th>Social Service Program Priorities:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sep 2017 - March 2018</strong></td>
<td>1. Resource Desk: This is the main point of contact for connecting people with the services they need.</td>
</tr>
<tr>
<td></td>
<td>a. Staffing: Market Commons Coordinator</td>
</tr>
<tr>
<td></td>
<td>b. Hours: Monday – Friday, 9am – 4pm, 35 hours/week</td>
</tr>
<tr>
<td></td>
<td>c. Tracking: Total # of Inquires, Inquires by Type, Total # of Referrals</td>
</tr>
<tr>
<td></td>
<td>d. % of time assigned for Resource Desk – 50%</td>
</tr>
<tr>
<td></td>
<td>2. Programs and Activities [see attached calendar for specific programming]:</td>
</tr>
<tr>
<td></td>
<td>a. Staffing: Market Commons Coordinator</td>
</tr>
<tr>
<td></td>
<td>b. Hours: Programs Scheduled Monday – Friday, between 8am - 5pm, minimum 30 hours/month (Can be scheduled outside of general hours based on activity type)</td>
</tr>
<tr>
<td></td>
<td>c. Tracking: Total number of hours programmed, total number of participants, issue area addressed, number of organizations partnered with and which kind of agency, if program was completely new or already offered in Market, if they used any Community Impact Funds for the program</td>
</tr>
<tr>
<td></td>
<td>d. % of time assigned for program and activities assistance – 40%</td>
</tr>
<tr>
<td></td>
<td>3. Safety Net Assistance:</td>
</tr>
<tr>
<td></td>
<td>a. The Safety Net is an existing program; The PPMF is moving the initial point of contact for the client to the Commons, requests will be evaluated on a rolling review. This role does not raise the funds for the Safety Net, its sole responsibility is deploying the funds to people in need.</td>
</tr>
<tr>
<td></td>
<td>b. Staffing: Market Commons Coordinator</td>
</tr>
</tbody>
</table>
c. Timing: Monthly Report Generation, Quarterly Review
d. Tracking: Total number of activities/programs funded, total number of applicants, type of request by issue area, follow up evaluation
e. % of time assigned for Safety Net Assistance – 10%

Operations, Outreach and Strategy Development:

4. Outreach and Communications:
   a. Staffing: Market Commons Manager
   b. Timing: Monthly Report Generation, Quarterly Review
c. Goals and Tracking: Identify and develop partnerships for specific referrals, establish and execute Communications Strategy to promote internal programming and participation in external programs, establish calendar of periodic surveys for specific populations, track number of existing and new partner agencies, and track survey data back to original programming priorities.
   d. % of time assigned for Outreach and Communications – 25%

5. Continued Evaluation of Community Needs:
   a. Staffing: Market Commons Manager
   b. Timing: Monthly Report Generation, Quarterly Review
c. Goals and Tracking : Continued Programmatic Evaluation against original priorities, develop dashboard, use data from client inquiries to plan programming for the next quarter, develop supplemental programming priorities via inquiry data, CIF data, and information from partner agencies on issues facing specific populations and help plan pilot programs with identified service providers.
   d. % of time assigned for Evaluation of Community Needs – 25%

6. Community Engagement & Strategy Development:
   a. Staffing: Market Commons Manager
   b. Timing: Monthly Report Generation, Quarterly Review
c. Goals and Tracking: Develop new plan for Giving Tree outreach and gift collection, establish partnerships for drop off sites, Food Access and VISTA Grant management and coordination will move to the Commons, within the Food Access program, the access points for Fresh Bucks, Market Bucks will be housed within the Commons, as well as outreach and distribution of eligibility materials. Other community engagement efforts such as potential new lines of volunteer engagement for work within the Commons programs, as well as for partner agencies, and the subsequent tracking and participation, will also be launched from The Market Commons.
   d. Directing the work of an Americorp Vista Volunteer scheduled to begin work Nov. 2017, who will be assisting the Market Commons Manager in developing partnerships and strategy
   e. % of time assigned for Community Engagement – 25%

7. Community Impact Fund (“CIF”):
   a. This is a new fund set up by the PPMF using funding earned through a portion of the Capital Campaign to allow small grants to be awarded throughout the year outside of Cut the Pie to inspire community based programming. Amounts will be small and geared to help increase programming offered at the Market Commons. This role does not raise the funds for the CIF, its sole responsibility is deploying the funds to inspire programming.
   b. Staffing: Market Commons Manager
   c. Timing: Launch Fund in October, rolling review
d. Tracking: Total number of activities/programs funded, total number of applicants, type of request by issue area, follow up evaluation, analysis of what requests weren’t funded and why
   e. % of time assigned for Community Impact Fund – 25%
Section IV:

Consent Agenda Items
Historic Soup N’ Salad Sign for the Smithsonian National Museum of American History
October 2017

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, Pike Place Market is represented on the Smithsonian National History of American History’s “Kitchen Cabinet” and provides a voice for the Market in the Food History exhibit in Washington D.C.; and,

WHEREAS, Pike Place Market is recognized as a significant cultural treasure and deserves representation in the National Museum of American History; and,

WHEREAS, the National Museum of American History has expressed a desire to showcase the Soup N’ Salad sign in the Food History exhibit and to add the sign to the Smithsonian’s permanent collection, where it will be cared for and displayed for the enjoyment of the public; and,

WHEREAS, the Utopian, Vegetarian and Plutocrat lunch offerings illustrate the ethos of the era during which the Market was saved, and the value of the democratic values of the Market as we know it today.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council grant in its entirety the 1970s era Soup N’ Salad sign to the Smithsonian’s permanent collection of the National Museum of American History.

Gloria Skouge, Secretary/Treasurer

Date

PROPOSED RESOLUTION: 17-51
Approval to Add New Signer on PPMPDA Bank Accounts
October 2017

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 PDA has to make changes on the Signature Authority;

NOW THEREFORE, BE IT RESOLVED, that Ben Franz-Knight will be removed from and Erica Bates, the Director of Human Resources, will be added to the list of the authorized signers on the following list of bank accounts to honor and pay checks or other appropriated orders for the payment or withdrawal of money in the name of Pike Place Market Preservation and Development Authority (PPMPDA) and the organizations PDA manages:

**Bank of America Merrill Lynch:**
- PDA Operating Account
- PDA Payroll Account
- PC1 Revenue Fund
- HUD Depository Account
- Sanitary Market Replacement Reserves
- In Trust for Residents
- Low Income Housing Reserve
- Pine Residential Revenue Fund
- SNAP Program
  - Account # ******019
  - Account # ******001
  - Account # ******023
  - Account # ******518
  - Account # ******534
  - Account # ******320
  - Account # ******940
  - Account # ******301
  - Account # ******040

**US Bank – Corporate Trust Accounts:**
- 2015 Special Obligation and Refunding Bonds Series A Debt Service Fund A
- 2015 Special Obligation and Refunding Bonds Series B Debt Service Fund
  - Account # SEA PIK15B
  - Account # SEAPIKREF15

**U.S. Bank:**
- WASH LLC Operating Account
- WASH LLC Operating Reserve Account
- WASH LLC Replacement Reserve Account
- WASH LLC Tenant Security Deposit Account
  - Account # ******011
  - Account # ******052
  - Account # ******045
  - Account # ******029

**PPM QB2:**
- Operating Account
- SIF Asset MGMT Fee Reserve
- LIIF Asset MGMT Fee Reserve
- KITSAP County Asset MGMT Reserve
  - Account # ******083
  - Account # ******984
  - Account # ******976
  - Account # ******992

**PPM QB3:**
- Operating Account
- Fee and Expense Reserve Account
  - Account # ******003
  - Account # ******971
**Home Street Bank**  
LASALLE SENIOR HOUSING LLC Operating Account  
Account #: *****167  
LASALLE SENIOR HOUSING LLC Operating Reserve Account  
Account #: *****419  
LASALLE SENIOR HOUSING LLC Replacement Reserve Account  
Account #: *****385  
LASALLE SENIOR HOUSING LLC Security Deposit Account  
Account #: *****988  
LASALLE SENIOR HOUSING LLC Special Purpose Reserve  
Account #: *****988  

**State of Washington Local Government Investment Pool:**  
L.G.I.P. - PPMPDA  
Account #: 1755

and

**Business Credit Card with Bank of America Merrill Lynch**

BE IT FURTHER RESOLVED, that the following persons are duly designated to authorize deposits and withdrawals of funds for the above listed accounts:

(a) **Checks up to $250.00:** Any one of the following: Sabina Proto (Director of Finance) alone, Erica Bates (Director of Human Resources) alone, John Turnbull (Director of Asset Management) alone.

(b) **Checks over $250.00:** Any two of the following:
   - Sabina Proto, Erica Bates, John Turnbull

All signatories are reminded, especially those who are co-signing checks, to verify that the check is completely filled out and the purpose of the check is clearly known before signing, including, and not limited to:

- Against what invoice is the check being drawn?
- To satisfy what obligation is the check being written?
- Is the amount of the check appropriate to its purpose?
- For what reason are monies being transferred between accounts?

The Market relies on the diligence of its check signatories.

These public funds are deposited in accordance with laws of the State of Washington. This authority revokes all previous authorities for these accounts, and shall continue in force until notice in writing of its revocation shall have been received by said bank.

____________________________________  ____________________________
Gloria Skouge, Secretary/Treasurer  Date

**Date Approved by Council:**

For:  
Opposed:  
Abstained:
PROPOSED RESOLUTION 17-54

Approval of Petty Cash Policies and Procedures
October 2017

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 PDA has an established Petty Cash Policy and Procedure and is seeking a periodic review and confirmation of the Petty Cash Policy and Procedures by the Council.

NOW, THEREFORE, BE IT RESOLVED the PPMPDA Council does hereby approve the Petty Cash Policies and Procedures attached as Exhibit A.

____________________________________  _________________________
Gloria Skouge, Secretary/Treasurer                        Date

Date Approved by Council:

For:  
Opposed:  
Abstained:
PETTY CASH PIKE PLACE MARKET PDA
Policies and Procedures

The PDA council has authorized the establishment and maintenance of Pike Place Market Petty Cash fund for use in instances when it is impractical to make disbursement by check,

Petty Cash
Location: Accounting Office
Approved amount of Petty Cash fund: $250
Cash purchases allowed $25 or less, unless approved by the Executive Director
Custodian: Howard Daniel
Accounting Manager: Jay Schalow

Procedures

<table>
<thead>
<tr>
<th>Used when an employee is requested to make a cash purchase of $25 or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Petty Cash is generally used for miscellaneous purposes and supply items when there is not time to place an order through our standard ordering procedure</td>
</tr>
<tr>
<td>• $25 limit unless approved by Executive or Finance Director</td>
</tr>
<tr>
<td>• Request Petty Cash slip from the Custodian</td>
</tr>
<tr>
<td>• Fill out Petty Cash slip with an amount, description and code</td>
</tr>
<tr>
<td>• Petty Cash slips must have authorized approval (signed by a supervisor, manager, or director)</td>
</tr>
<tr>
<td>• Petty Cash must also be signed by the person who receives the cash</td>
</tr>
<tr>
<td>• If the purchase has not been made, Custodian will provide the cash per the amount stated on the form; employee will make the purchase and must bring the receipt and the change.</td>
</tr>
<tr>
<td>• If the purchase has already been made, the employee must attach the receipt to petty cash slip and Custodian will process the cash reimbursement</td>
</tr>
<tr>
<td>• Petty Cash must be reconciled by the Custodian every time there is use of Petty Cash</td>
</tr>
<tr>
<td>• Accounting Manager must reconcile the Petty Cash as part of the month-end procedures, or every time he feels necessary</td>
</tr>
<tr>
<td>• Petty Cash replenishment may be done any time is necessary; it must be requested by the Custodian, approved by the Accounting Manager and authorized by Director of Finance or Executive Director</td>
</tr>
<tr>
<td>• A complete replenishment of the Petty Cash must be done at the end of each month</td>
</tr>
</tbody>
</table>
## Lease Proposals
### OCTOBER 2017

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Tastings Cameron &amp; Phyllis Fries</td>
<td>One (1) Year</td>
<td>November 9, 2017</td>
</tr>
<tr>
<td>Daily Dozen Donuts (Retail) Barbara Elza</td>
<td>Five (5) Years</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>Daily Dozen Donuts (Office) Barbara Elza</td>
<td>Five (5) Years</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>Taj Mahal Rani Dhinra</td>
<td>Two (2) Years</td>
<td>November 1, 2017</td>
</tr>
</tbody>
</table>

_____________________________
Gloria Skouge, Secretary/Treasurer   Date

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

New Business Items
Adoption of the 2018 PDA Operating and Capital Projects Budgets
October 2017

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 excess 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 2018 Proposed Budget; and has recommended adoption of the 2018 Budgets; and

WHEREAS, the 2018 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2018 based on the 2017 Final Operating Statements.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council does hereby adopt the 2018 PDA Operating and Capital Budgets as outlined in the 2018 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.

Date Approved by Council:
For:
Against:
Abstained:

Gloria Skouge, Secretary/Treasurer

Date
2018
Operating & Capital
Budget

Proposed by Pike Place Market PDA Staff
October 17, 2017
2018 BUDGET

Submitted to the Pike Place Market PDA Council
October 17, 2017

Prepared by:

Ben Franz-Knight
John Turnbull
Sabina Proto
Steve Nelson
Erica Bates
Emily Crawford
Lillian Sherman
PDA Staff

Executive Director
Director of Asset Management
Director of Finance
Director of Operations
Director of Human Resources
Director of Communications & Marketing
Executive Director, Market Foundation
TABLE OF CONTENTS

Section I  2018 Budget Schedule
Section II  2018 Budget Overview
Section III  2018 PDA Operating Budget
# 2018 Budget Review and Approval Schedule

<table>
<thead>
<tr>
<th>Date / Time / Location</th>
<th>Participants</th>
<th>Activity</th>
</tr>
</thead>
</table>
| **Tuesday** 8/22
4:00 PM - 6:00 PM The Classroom | Finance and Asset Management Committee & Staff | **PDA Finance and Asset Management Committee Regular Meeting**  
Budget discussion, goals, and direction with Finance and Asset Management Committee members. |

| **Monday** 9/11
4:30 PM - 5:30 PM The Classroom | PDA Staff & Community | **Community Budget Meeting**  
PDA staff will give an overview of 2018 programs, discuss the opportunities and challenges that will effect the 2018 budget, and hear the public's ideas and comments on Market needs that effect the budget. |

| **Tuesday** 9/19
3:00 PM - 6:00 PM The Classroom | Finance and Asset Management Committee & Staff | **PDA Finance and Asset Management Committee Regular Meeting**  
Presentation of 2018 Proposed Final Budget. |

| **Wednesday** 9/27
4:30 PM - 5:30 PM Elliott Bay Room | Finance and Asset Management Committee Community Staff | **Special Finance and Asset Management Committee Meeting Budget Discussion & Public Comments**  
Finance Committee members and staff will discuss recommended changes to the 2018 Budget as presented to the FAM Committee on 9/19/17. Committee will also hold public hearing for tenants and public to ask questions, make comments, or offer suggestions on 2018 Proposed Budget. |

| **Tuesday** 10/17
4:00 PM - 6:00 PM The Classroom | Finance and Asset Management Committee Community Staff | **PDA Finance and Asset Management Committee Regular Meeting**  
Additional public comment, and report on public dialogue feedback; Committee discussion and direction provided to PDA staff for recommended changes to the 2018 Proposed Budget; Committee adopts final recommended 2018 Budget and Budget resolutions for consideration by Full Council. |

| **Thursday** 10/26
4:00 PM - 6:00 PM The Classroom | PDA Council Staff | **Regular PDA Council Meeting**  
Full PDA Council reviews Finance & Asset Management Committee recommendations and adopts 2018 Final Budget. |
The Pike Place Market Preservation and Development Authority
2018 Operating and Capital Budgets

The Pike Place Market Preservation and Development Authority (PDA) is a non-profit public corporation chartered by the City of Seattle in 1973. As a public trustee, the PDA serves as the manager and steward of the city’s historic Public Market Center. The PDA’s mission and charter purposes are:

- **Preserving** the traditional character and uses of the Public Market;
- **Renewing**, rehabilitating, preserving, restoring and developing structures and open spaces in and around the Market Historical District;
- **Continuing** the opportunity for Public Market farmers, merchants, residents, shoppers and visitors to carry on traditional market activities;
- **Initiating** programs to expand food retailing in the District, especially the sale of local farm produce;
- **Providing** goods, services and housing to low and moderate income people;
- **Promoting** small-owner operated businesses that have the opportunity to thrive in a unique community where producers meet and interact with consumers;
- **Considering** the views of the public and the Market community in establishing policies, programs and budgets to further the preservation objectives of the Market.

**Introduction**

The 2018 Budget reflects a measured approach to revenue growth and projected sales and maintains a core focus on the maintenance and management of the Markets existing programs and services. With the completion of the new MarketFront project, 2018 is a year to refine existing programs and operations while incorporating this new section of the Market.

2018 budget priorities include:

- Operations – Continued support of quality security, parking and facilities efforts
- Farm and Daystall – Active recruitment of new farmers, artists and crafters and growth of the night market

- Marketing – Increase efforts on farm, food retailing, specialty foods and independent businesses

- Management – Oversight of growth and additional needs for the MarketFront

- Preservation – Appropriate Capital Budget and maintenance program allocations to ensure preservation of existing assets

- Residential – Continued focus on delivering high level of service and resident support and integration of MarketFront apartments

The completion of MarketFront has provided 40 new low-income housing units, 300 new parking spaces, approx. 10,000 sq. ft. of new enclosed retail space, a weather protected plaza canopy for daystall tables, demonstration areas and events with approx. 30,000 sq. ft. of new public open space. This new building requires expansion and growth in several key operational areas as well as increased oversight from current PDA management staff.

The Pike Place Market continues to demonstrate economic growth with diverse revenue sources that meet and/or exceed local and national trends. Revenue projections for 2018 reflect thoughtful analysis of historic trends and actual performance in recent years.

With a continued focus on the health of the Market within the Historic District, it will also be important to stay engaged with projects adjacent to the Market. In 2018 this will include renovations of Steinbrueck Park/Native Park, design development for the Overlook Walk and Building B and Center City Connector Streetcar progress.

The 2018 Budget ensures that we are supporting all existing programs and meeting all current operational needs while also carefully integrating the MarketFront building into the rest of the Pike Place Market.

### 2018 Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$19,546,664</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$14,694,628</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1,934,168</td>
</tr>
<tr>
<td>Designated Reserves and Pension</td>
<td>$345,164</td>
</tr>
<tr>
<td>Net Surplus</td>
<td>$2,572,704</td>
</tr>
</tbody>
</table>

The 2018 Budget was developed through a process that started with a detailed review of all operational needs and forecasting for revenue and expense growth. Multiple internal tests were applied to cost centers and revenue projections including soliciting estimates from vendors and
service providers and reviewing annualized actuals and prior year performance. Following rough budget projections, we engaged in a series of internal manager meetings, departmental discussions and one-on-one analysis with managers and directors to prioritize based on need, growth potential and opportunities for improvement. We also conducted multiple PDA Finance & Asset Management Committee meetings and Community Budget Meetings. The proposed budget incorporates the thoughtful dialogue and recommended changes that were generated during the budget review process.

**REVENUE**

Generally, revenue is expected to be $725,049 higher in 2018 when compared to the budget amounts for 2017.

Commercial tenant revenue represents nearly 62.6% of our total revenue and is most affected by economic conditions. The business health of the Market has seen remarkable growth over the last few years. Commercial revenue projections expected steady growth through 2018, however, the rate of increase is not expected to be as dramatic as annual increases seen from 2012-2016.

Residential revenue is projected to be higher in 2018 compared to 2017; this is mostly due to the modest rate increases for the market rate apartments and the upgrade of Stewart House rents. Western Avenue Senior Housing LLC is not part of this budget.

Farm and Daystall revenue projections reflect no increases for 2018. We continue to actively recruit to increase the number of crafts and farmers in the Market.

Parking Revenue reflects a very conservative increase. Blanchard and Lenora Lots will continue to be operational until the third quarter of 2018 at which point they will be closed for demolition of the viaduct.

Our approach is to remain conservative and comply with all restrictions and regulations for public organizations.

**OPERATING EXPENSES**

Expenses are budgeted to be higher in 2018 mostly due to adding operations for the new MarketFront building and a new three year labor contract. The total count of FTE (full time employees) is 109, which is 4 less compared to 2017, and we have proposed a wage increase for all PDA staff. Utilities expenses are expected to increase during 2018 due to rate increases and operations of the new building.

The proposed 2018 budget achieves a net surplus before capital spending, maintains an adequate operating reserve and projects a modest reserve contribution.
DEBT SERVICE AND RESERVES

Debt service and reserves are fixed obligations with the exception of the PDA employee pension contribution. This is a discretionary expenditure subject to the parameters outlined in the pension document. The contribution proposed in the 2018 budget will be confirmed after the final 2017 operating results are available. In June 2015, the PDA issued its own special obligation PDA 2015 Series A and B Bonds. A portion of the bond proceeds were used to refund some existing PDA debt with the remainder of the bond proceeds designated for the MarketFront construction. PDA plans to pay off the principal amount of 2015 Series B Bonds at the end of 2018.

The PDA will continue to make payments to City of Seattle for the PDA 2009 Bond until 2021.

CAPITAL PROJECTS

The PDA capital projects budget represents ongoing capital work on our properties. These projects will be funded from PDA operations and the CRRF (Capital Repair and Replacement Fund.) The capital projects program proposed for 2018 includes projects from the 2013 Capital Needs Assessment Study, necessary repairs identified through routine inspections of Market systems and buildings, carry-over projects from 2017 and new proposed improvements to Market systems and/or buildings.

2018 BUDGET REVENUE

The Pike Place Market PDA generates rental revenues from commercial, residential and daystall tenants, parking fees from the Public Market Parking Garage and surface lots, Events Spaces and miscellaneous programs and investment income as outlined below.

Commercial

Commercial revenue consists of base rent, percent rent, Common Area Charges (CAC), direct utility reimbursements, and other miscellaneous charges.

Base rent consists of rents generated from retail and office leases. The majority of retail and office tenants are on multi-year leases with annual increases based on the Consumer Price Index or 3%, whichever is higher. The PDA operates 235,000 sq. ft. of commercial space, averaging nearly full occupancy. It is rare for a tenant to not exercise a renewal option, thus many businesses have been in continuous operation for decades. When a vacancy opens, the PDA selects among applicants who must be owner-operated, first time ventures to keep the traditions of the Market as an incubator of family run, independent enterprise. Of retail businesses, about a third are traditional food vendors, a third restaurants and dining and a third selling specialty products and services.

Commercial rents are negotiated based on location, size of space and type of business. The PDA sets base rents relatively low to maintain affordability of spaces for new businesses with
moderate sales goals. Although there is a large difference between the high and low rents, of the roughly 230 commercial spaces, the average cost of rental charges is about 12% of reported sales. Full rental occupancy (98%) is expected in 2018. This includes approximately 10,000 sq. ft. of retail and restaurant space in the new MarketFront which opened in mid-2017.

Sales-based percentage rent is a component that is based on tenant sales and calculated against a monthly base rent payment. Percentage rents vary by type of business with 6% of sales a standard. The PDA commercial rent structure is very dependent on percentage rent which generates as much income as base rent. High performing retail tenants will pay significant percentage rent in addition to base rent, although their cost of rent as a proportion of sales will remain low. The forecast of percentage rent for 2018 is based on a 3% increase over 2017 projections. Additional revenue will be generated in 2018 as several major tenants begin to pay percentage following extensive investment in on-site improvements to their business. No significant percentage rent income is projected from MarketFront tenants until 2019 after those businesses become established.

Common area charges are assessed to retail tenants to recover the cost of operations related to the support of common space associated with retail areas such as utilities, insurance, real estate taxes, facility operations, security, maintenance and marketing. The Market has minimal real estate taxes. Its operating costs are quite high given the high proportion of common space, hallways, courtyards and public facilities for the 15 million visitors a year. The total common area, including the new MarketFront Plaza, is nearly equal to that of leasable retail space.

Operating costs for commercial common areas are about $7 a square foot for utilities and additional $20 a square foot for maintenance, security, insurance, marketing and facility services. A surcharge of 61% of base rent is charged to commercial tenants to recover the cost of utilities and a portion of these other expenses; this charge is budgeted to remain unchanged for 2018. Many tenants are also billed for water and electrical consumption used in the course of business, either directly paid to the utility company or through a utility charge determined by a central sub metering system. Utility rates for electric, water and sewer from the City of Seattle increase annually with these costs passed on to tenants.

The PDA does not recover the full costs of these services through common area charges; this is in order to keep general rents paid by commercial tenants at a sustainable level for their businesses. The balance of operating costs is covered in part by percentage rent received from the most successful businesses.

In 2018 we will be merging events income into commercial revenue with approximately $124,000 in retail, office, event rentals and event site-use fees from spaces formerly managed by the events program.

Residential

The PDA owns or operates 440 apartments, a combination of rent subsidized, low-income housing tax credits, and market rate units. The majority of units are designated for occupancy by the elderly and low-income. Residential revenue represents market rate rents paid by tenants and HUD subsidized tenant rents (tenants pay 30% of their income), laundry fees, and miscellaneous charges. Many of these apartments are occupied by employees and business tenants.
We continue to adjust market rent rates annually to reflect general rent increases in Seattle and will be nearing an average of $2.50 per square foot for studios and one-bedrooms. Notable rent increases in 2018 are related to increased contract rents for the Stewart House and an adjustment of rents in Livingston Baker building. While rents throughout Seattle are increasing, it is important for the PDA to preserve affordable work force housing in the downtown area. As a general guide, market rate units are priced to meet the affordability standards for residents with less than Seattle median income. HUD usually approved minor rent increases of 1% to 2% in contract rents for 130 subsidized units in the LaSalle, Stewart House and Market House Apartments. We also continue to rent about 40 apartments to those receiving rent vouchers from Seattle Housing Authority.

In 2017 the PDA opened the 40 unit Western Avenue Senior Housing for low and very low income persons aged 55 and over. In 2014, the PDA acquired ownership of the Heritage House assisted living facility for seniors, located above the Public Market Garage on Western Avenue. The facility is operated by Providence Housing on a not-for-profit basis and continues to be managed directly by them under a long term lease.

The PDA maintains waiting lists and there is strong demand for housing in the Market neighborhood. The vacancy allowance averages 4% across the properties and reflects the time it takes to qualify tenants and make small repairs to prepare vacant units for occupancy.

**Daystall**

Daystall revenue represents the collected charges for the crafts day table rents, storage and locker unit charges, and permits fees.

There are a total of 192 inside table spaces plus 25 outside “slabs” and 17 new tables in the MarketFront pavilion. Each day after daystalls are rented to farmers, remaining spaces are rented for the day to crafts vendors.

Projected income for 2018 is based upon attendance patterns in the last 3 years. During this time we have averaged revenues at $720,000 per year (relatively constant with 3% rate increases offset by attrition and reduced daily attendance). We have been actively increasing our recruitment efforts to find new craft vendors to replace those moving on. Attrition averages about 15 to 20 permits a year due to retirement or business reasons, with an assumption that with new recruitment, we will have an average of 200 active permits throughout the year.

Modest increases (3%) to daystall rates are being contemplated consistent with prior years. We will be examining the rate structure and attendance requirements in more detail in 2018 as part of the review of daystall rules during the last year of the current Hildt-Lacata Agreement.
Farm

The PDA operates several farmer-to-consumer direct sales programs including the traditional day table space at Pike Place, supplemental street vending spaces for farmers selling food as well as the five remote markets held weekly during the summer. In 2017, 77 farmers and seven artisanal food vendors participated in these markets. Due to the warm and dry spring, farm attendance was evident earlier in the year than usual and continued through the summer despite a challenging drought. Farmers participating at remote markets reported higher sales compared to last year.

The PDA helps many farmers by renting on site cooler storage to hold product overnight.

Parking

The Garage and Surface Parking revenue represents all receipts from daily and monthly parking fees. We proactively manage our parking to ensure accessibly to short-term parking by carefully tracking volume, duration of stay and revenue. Based on demand and season we adjust monthly and daily rates as needed. We anticipate that revenue will increase during 2018 for the garages, with decreases in surface parking due to loss of both the Lenora and Blanchard lots for the last three to four months of 2018.

Market Foundation

The PPMF has funded the Low Income Food Programs for years. Since 2015, it was re-imagined and integrated with the Food Access Program. We have since seen a marked increase in use and redemption rates. The Foundation will continue to support this effort with $25,000 in funding for 2018.

Miscellaneous Revenue

Miscellaneous revenues are received through security contracts, management fees, investment earnings, filming contracts, and licensing fees; the majority is interest earnings on the PDA reserves. We have seen a moderate increase on the interest rates during 2017 and anticipate the same during the coming year. We invest our surplus fund in the Local Government Investment Pool (LGIP). Being a government agency we are restricted as to our investment options to FDIC insured banks and government securities.

2018 BUDGET EXPENSES

Operations expenses include security, maintenance, facilities, utilities, insurance, and property management services and represent approximately 76% of the total budgeted expenses for 2018. Management and administrative expenses represent 14% and marketing, farm and other
programmatic expenses represent 10% of our total expenses. Departments and 2018 programs are described as follows:

**Property Management**

**Commercial**

The Commercial Property Management Department consists of four full-time employees; the department manager, two property managers, and a lease administrator. The position of lease administrator will be redefined in 2018 to include coordination of revenue from event rooms and the pavilion in addition to regular administration of lease renewals, monthly account adjustments and coordination of tenant issues with other departments.

The department acts as the primary liaison to over 230 commercial tenants who occupy approximately 369,500 square feet (220,000 leasable) of retail space. Responsibilities include new tenant recruitment and development, lease administration, negotiations of new lease terms and conditions, lease document and applicable amendments preparation, renegotiation of existing leases coming to term, and establishment of tenant and customer service standards.

The department also oversees administration of rent increases, enforcement of all lease provisions, covenants and conditions, and tenant assistance with the application process for the Market Historical Commission (MHC).

**Residential**

The Residential Property Management Department consists of nine full-time employees: the department manager, compliance specialist, four building managers and three assistants to assist with daily cleaning and unit turnovers. Each of the building managers receives ongoing training for HUD procedures and fair housing requirements.

The residential staff manages and cares for 380 units of the PDA managed housing that are market-rate, and low-income HUD subsidized and tax credit housing. Staff additionally ensures that the buildings stay within HUD compliance and other regulatory agreements. The PDA is the contracted manager for the LaSalle and the new Western Avenue Senior Housing and is reimbursed an allocated portion of the department’s expenses by these entities.

The HUD regulations in subsidized housing require a very specialized knowledge base, annual income recertification of each tenant, regular training updates as well as regulatory updates. The work of the Residential Department in Market buildings extends beyond building management and includes tenant programs and support services. In 2018 we reflect this additional level of service by including in the budget a line item for Residential Social Service Assistance, contracted through the Pike Market Senior Center.
Daystall and Farm

The Daystall and Farm Departments consist of six full-time employees who are responsible for managing the 200 farm and craft tables rented daily to permit holders as well as managing the farm program activities and events. In addition they oversee permitting of over 400 Buskers.

Daystalls

Three full-time staff keep the daily market functional 362 days a year, from early set up to late afternoon. Primarily they work on assignment of craft tables, relationships with vendors and general Market Master operations concerning performers, and Daystall rules enforcement. In recent years the PDA has modified the Daystall rules to provide more opportunities for new vendors with quality arts and crafts products as senior members of the community retire or reduce their frequency of attendance. The department also sponsors a series of business seminars each year that help vendors professionalize their business management and promotional skills.

Farm

The Farm program has a permanent staff of three – the program manager who assists with Market Master duties, the farmer outreach coordinator which coordinates services for and recruitment of farmers selling at Pike Place Market and the CSA/ Market food basket manager. Staff is responsible for recruiting new farmers and carrying out inspections to verify compliance with the rules in craft production and farm. Additionally, they assist the Daystall Manager with oversight and administration of rules for performers and annual review of Daystall Rules and Regulations each year.

In 2018 we will focus remote markets on one per day, Tuesday through Friday, in the downtown Seattle area. These include proven locations at South Lake Union, City Hall, First Hill and the Denny Regrade. Annual sales at these locations will be in the range of $900,000.

Three seasonal interns and several volunteer/student internships assist with the management of remote markets during the summer and the summer CSA program. Financial assistance from Market Foundation helps fund support and promotion of farm programs for low-income shoppers such as Farm Days on Fridays, Saturdays and Sundays, WIC/SFMNP/SNAP/Debit programs (including SNAP matching), and organize distribution and redemption of Market Fresh Coupons.

The Daystall and Farm staff are also responsible, in cooperation with the Marketing and Communications Department, for events including the annual Flower Festival, Behind the Table and other related events as requested.

Since 2015, Farm staff operated a modified CSA program that aggregated produce from our farmers for sale through a weekly subscription to agency partners and PDA staff. In 2017 an average of 180 bags of fresh produce per week were delivered to select employers in the Downtown area and several family food and nutrition programs. The cost of the program are recovered from customer fees and grants for discounts to low income clients.
Parking

The Parking Department consists of four full-time employees and manages the Market Parking Garage that operates 19 hours per day. The Parking Department is responsible for operating the PC1 South and MarketFront garages. Services will continue to be provided by Facilities, Maintenance, Accounting and IT departments. We have also projected a decrease in surface parking expenses due to the permanent closing of the Lenora and Blanchard lots in the third quarter.

Operations

Facilities

The Facilities Department consists of 29 full-time employees.

The Facilities staff provides 24-hour cleaning with environmentally safe products of the inside and outside spaces of the Pike Place Market. They are responsible for providing a clean and safe environment for more than 15 million visitors, as well as merchants and residents who live, shop and do business in the Market each year. Additionally, facilities staff maintains the lighting, landscaping, garbage and recycling needs of the Market. This includes dumping more than four million pounds of garbage down the garbage chute each year, recycling in excess of 1.6 million pounds of compostable waste, 440,000 pounds of glass, 500,000 pounds of cardboard, 20,000 gallons of cooking oil and 420,000 pounds of mixed paper, cans and plastic. Facilities staff also recycles all of the expired fluorescent lighting, appliances and electronics generated in the common and residential areas of the Market.

Security

The Security Department consists of 24 full-time employees. The uniformed security officers provide 24-hour security and safety services within the Historic District, interacting with and monitoring the safety of customers, staff, tenants, and residents. There are generally five officers on duty per shift, with some additional seasonal staffing during the summer months. The PDA works closely with the Seattle Police and Seattle Fire Departments for purposes of emergency preparedness and response. They also provide training to PDA staff, tenants, residents, and community members in security and emergency response protocols. Security officers are often the first responders in emergency and off-hour situations, both property and people related. They are the designated contact for all Market calls during non-office hours.

Maintenance

The Maintenance Department is budgeted for eleven full-time employees. The Maintenance staff maintains and repairs the PDA’s buildings, with emphasis on preventative maintenance including fire and life safety, building repairs, and painting. Additionally, they oversee the elevator, HVAC (Heating Ventilation and Cooling), fire alarm monitoring and other maintenance contracts, as well as the central plant HVAC system and cooler maintenance contracts. The Maintenance department works closely with the Capital Projects department to coordinate in-house and contracted maintenance and capital projects. Maintenance staff is responsible for the
rehabilitation of the 440 residential units after they become vacant, to prepare them for new tenants.

The Maintenance staff also manages the operation of the new systems installed in the Market through renovation which have required different skill sets and technical certifications and licenses, such as boiler and electrician licenses and training in electronic HVAC controls.

The Maintenance Department administers the Fats, Oils, and Grease (FOG) inspection program which performs weekly inspections of the 50 plus grease traps to insure Seattle City code compliance is being adhered to. This is coupled with monthly inspections of Kitchen Hood Exhausts operated in and throughout the Market.

**Capital Projects**

The Capital Projects Department includes one full-time employee who, along with the Director of Operations, manages the PDA’s ongoing capital program.

The PDA Capital Projects manager is responsible for managing and overseeing the budgeted capital projects planned for 2018 and Tenant Improvement projects as applicable. The manager is responsible for the design and bidding process when applicable, the scope, schedule, and budget for each project, oversees the contractor and maintains the contract process and files in order to comply with PDA policies and public works contracting. The manager works in conjunction with the maintenance staff to coordinate the timeline and efficiency of both maintenance and capital projects.

**Utilities**

Utility expenses include the costs of electricity, water/sewer, recycling, garbage, and pest control for the tenants and common areas. We track and analyze utility consumption for tenants using utility bills and priority metering system software and EPS’s Portfolio Manager Programs. Conservation efforts are important year round. As we have reduced electrical consumption with greater use of LED lights, we will continue to focus attention on improving water conservation. The price of basic utility services used by the Market continues to rise. The PDA continues to identify means of reducing demand on utilities through better conservation and maintenance practices. We also encourage tenants to conserve as much as they can by closely tracking their utility consumption and passing on cost savings when they require less service. Utility consumption is tracked closely on a very detailed level and this information is used to ensure that conservation measures are kept in place.

Budget projections for utilities are based on actual consumption trends projected for the following year, with adjustments for known rate increases. During 2017 the PDA began operations in the MarketFront and additional utility costs related to that property are estimated, as we do not yet have a good history on costs for that property.
Insurance

Our annual insurance renewal is May 1. The 2018 budget reflects actual rates through April 30 and for the remainder of 2018 we are budgeting insurance costs to be 10% higher than actual rates for 2017. Primary coverage is for property damage and liability to protect the Market’s properties in the event of earthquake, fire, and personal damage lawsuits. During first year of 2017, MarketFront was included under the Builders’ Risk which is categorized as construction costs. For 2018 the insurance costs for MarketFront are part of the operating expenses.

Due to a number of natural disasters nationwide, we anticipate that insurance rates will increase more in 2018 compared to prior years.

Administration

Management

The Management Department consists of five full-time employees.

The Executive Director and Department Directors work with the PDA Council to develop and implement the strategic goals of the Market. They provide information to the PDA Council for their work in developing policy and decision-making.

The Management team oversees all departments within the PDA and represents the Market in various capacities throughout the City and downtown community. They work on all issues within the various departments and develop department direction and annual work plans.

Finance

The Finance Department consists of four full-time employees. The Finance Department is responsible for the overall accounting, tenant billing, and disbursements for the PDA’s revenues and operating expenses, as well as for the LaSalle Senior Housing LLC and Western Avenue Senior Housing LLC. They oversee the yearly independent audit, the State audit, the LaSalle Senior Housing LLC and WASH LLC audits, and the audits for QALICB(s). The Finance Department prepares financial reports for management, the PDA Council and lenders as well as the annual PDA operating budget.

In addition, the Finance Department oversees compliance with the PDA’s debt requirements, tax credit financing requirements, and federal and state grant requirements, tax returns and all other government reporting requirements.

Office Administration and Human Resources

The Office Administration and Human Resources departments consist of four full-time staff.

The Office Administration staff manages the daily office needs, reception, meeting minutes recording, committee packages preparation and payroll functions. Office Admin answers or directs all public inquiry received at the main PDA office and provides administrative support to all other PDA staff.
The Human Resources staff is responsible for planning and overseeing employee hiring and terminations, employee benefit programs, training and recognition, employee safety programs, union negotiations, as well as responding to all employee-related issues and concerns.

**Information Systems**

The Information Systems Department consists of two full-time employees who manage the PDA’s computer systems and communications infrastructure, as well as providing technical support for staff.

**Marketing and Communications**

The Marketing and Communications Department of the PDA brings the brand message of Pike Place Market to a wide array of audiences through advertising, public relations, education programs, digital and social media, and internal communication strategies.

The department of four staff members focuses on promoting the meet the producer ethic, fresh produce, small independent businesses, artisan foods and high quality specialty foods. The farm, craft, and commercial businesses are promoted year-round through marketing and public relations efforts. An annual visitors guide, farm and holiday advertising campaign and special events will engage the Market’s more than 15 million visitors.

Leveraging the Market’s significant assets online – four successful social media platforms, a website, blog and video channel – will continue to be a cornerstone of our annual marketing plan as we promote the Market year-round.

Additional brand stewardship includes the protection of the Pike Place Market registered trademarks and management of commercial film and photography productions. These efforts generate revenue for the PDA.

The Education Program educates more than 2,000 students and reaches 46% of all Seattle Public Schools elementary or K-8 schools. This program is administered with one staff member and relies heavily on volunteers.

Internally, staff works to keep tenants, residents, visitors and PDA employees informed of Market news through a community newsletter, online event calendar, tenant alerts and coordination with Market social service organizations and partners.

In the coming year, the department will focus marketing and PR efforts on farm, food retailing, specialty foods and independent businesses. Special events, such as Daffodil Day, Farmers Market Opening Day, Magic in the Market and others, will provide engagement opportunities with visitors.

A digital book project celebrating the Market and delving into the operations of the Market is underway and will be published in 2018.
*Market Foundation – budget will be updated based on the renewal of the services contract between PDA and Market Foundation.
## 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018 Proposed Budget</th>
<th>Council Changes</th>
<th>2018 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Rent</td>
<td>4,148,357</td>
<td>4,355,935</td>
<td>4,355,935</td>
<td></td>
</tr>
<tr>
<td>Percent Rent</td>
<td>4,252,728</td>
<td>4,615,824</td>
<td>4,615,824</td>
<td></td>
</tr>
<tr>
<td>Common Area Charges</td>
<td>2,148,304</td>
<td>2,221,631</td>
<td>2,221,631</td>
<td></td>
</tr>
<tr>
<td>Direct Utilities / Other</td>
<td>833,200</td>
<td>784,800</td>
<td>784,800</td>
<td></td>
</tr>
<tr>
<td>Tenant Reimbursement-net tax</td>
<td>10,100</td>
<td>6,740</td>
<td>6,740</td>
<td></td>
</tr>
<tr>
<td>Storage</td>
<td>135,222</td>
<td>133,288</td>
<td>133,288</td>
<td></td>
</tr>
<tr>
<td>Cooler</td>
<td>46,942</td>
<td>46,097</td>
<td>46,097</td>
<td></td>
</tr>
<tr>
<td>Other Rental Income</td>
<td>-</td>
<td>51,000</td>
<td>51,000</td>
<td></td>
</tr>
<tr>
<td>Late Fees / Service Charges</td>
<td>22,000</td>
<td>26,200</td>
<td>26,200</td>
<td></td>
</tr>
<tr>
<td><strong>Total Commercial Revenue</strong></td>
<td>11,586,853</td>
<td>12,241,515</td>
<td>-</td>
<td>12,241,515</td>
</tr>
<tr>
<td><strong>Residential Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Rent (net of vacancy)</td>
<td>2,765,166</td>
<td>2,951,496</td>
<td>2,951,496</td>
<td></td>
</tr>
<tr>
<td>Maintenance Services</td>
<td>10,000</td>
<td>5,000</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Storage</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td>Rental Screening</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Late Fees-Service Charges</td>
<td>4,000</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>Laundry - net tax</td>
<td>18,248</td>
<td>15,296</td>
<td>15,296</td>
<td></td>
</tr>
<tr>
<td><strong>Total Residential Revenue</strong></td>
<td>2,814,614</td>
<td>2,991,992</td>
<td>-</td>
<td>2,991,992</td>
</tr>
<tr>
<td><strong>QB2 (NET)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QALICB Share of Revenue from Corner, Sanitary,</td>
<td>(6,545,181)</td>
<td>(984,360)</td>
<td>(984,360)</td>
<td></td>
</tr>
<tr>
<td>Econom, Triangle, Stewart, Soames</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement from QB2</td>
<td>5,891,973</td>
<td>877,492</td>
<td>877,492</td>
<td></td>
</tr>
<tr>
<td>Investment Income from Investment Funds</td>
<td>641,208</td>
<td>106,868</td>
<td>106,868</td>
<td></td>
</tr>
<tr>
<td><strong>Total QB2</strong></td>
<td>(12,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>QB3 (NET)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master Lease Payment to QB3</td>
<td>(370,000)</td>
<td>(381,100)</td>
<td>(381,100)</td>
<td></td>
</tr>
<tr>
<td>Reimbursement from QB3</td>
<td>277,130</td>
<td>279,015</td>
<td>279,015</td>
<td></td>
</tr>
<tr>
<td>Investment Income from Investment Fund</td>
<td>73,134</td>
<td>73,134</td>
<td>73,134</td>
<td></td>
</tr>
<tr>
<td><strong>Total QB3</strong></td>
<td>(19,736)</td>
<td>(28,951)</td>
<td>-</td>
<td>(28,951)</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>2017 REVISED BUDGET</td>
<td>2018 PROPOSED BUDGET</td>
<td>Council Changes</td>
<td>2018 ADOPTED BUDGET</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------</td>
<td>----------------------</td>
<td>-----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>DAYSTALL REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Craft</td>
<td>731,200</td>
<td>721,200</td>
<td>721,200</td>
<td></td>
</tr>
<tr>
<td>Locker Rent</td>
<td>71,000</td>
<td>82,000</td>
<td>82,000</td>
<td></td>
</tr>
<tr>
<td>Permit Revenue</td>
<td>20,950</td>
<td>20,400</td>
<td>20,400</td>
<td></td>
</tr>
<tr>
<td>Late Fee - Rent</td>
<td>15,000</td>
<td>14,000</td>
<td>14,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL DAYSTALL REVENUE</strong></td>
<td>838,150</td>
<td>837,600</td>
<td>-</td>
<td>837,600</td>
</tr>
<tr>
<td><strong>FARM REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily Farmers</td>
<td>248,000</td>
<td>245,000</td>
<td>245,000</td>
<td></td>
</tr>
<tr>
<td>Remote Markets</td>
<td>50,000</td>
<td>55,000</td>
<td>55,000</td>
<td></td>
</tr>
<tr>
<td>Farm Storage</td>
<td>15,000</td>
<td>16,000</td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td>Farm Permits</td>
<td>3,150</td>
<td>3,325</td>
<td>3,325</td>
<td></td>
</tr>
<tr>
<td>Produce Bag Sales</td>
<td>2,500</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2017-2018 SCBG</td>
<td>27,500</td>
<td>27,500</td>
<td>27,500</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FARM REVENUE</strong></td>
<td>346,150</td>
<td>346,825</td>
<td>-</td>
<td>346,825</td>
</tr>
<tr>
<td><strong>SURFACE PARKING REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surface Parking - net tax</td>
<td>340,320</td>
<td>224,415</td>
<td>224,415</td>
<td></td>
</tr>
<tr>
<td>City Share of Revenues</td>
<td>(154,363)</td>
<td>(98,100)</td>
<td>(98,100)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SURFACE PARKING REVENUE</strong></td>
<td>185,957</td>
<td>126,315</td>
<td>-</td>
<td>126,315</td>
</tr>
<tr>
<td><strong>GARAGE REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Garage - net of taxes</td>
<td>2,486,953</td>
<td>2,591,190</td>
<td>2,591,190</td>
<td></td>
</tr>
<tr>
<td>Parking Reimbursement</td>
<td>16,500</td>
<td>17,500</td>
<td>17,500</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL GARAGE REVENUE</strong></td>
<td>2,503,453</td>
<td>2,608,690</td>
<td>-</td>
<td>2,608,690</td>
</tr>
<tr>
<td><strong>EVENTS REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events Revenue net of taxes</td>
<td>126,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EVENT REVENUE</strong></td>
<td>126,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>MARKET FOUNDATION REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution - Food Programs</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL MARKET FOUNDATION REVENUE</strong></td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
</tr>
</tbody>
</table>
# 2018 PROPOSED PDA OPERATING BUDGET

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 REVISED BUDGET</th>
<th>2018 PROPOSED BUDGET</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISCELLANEOUS REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card Revenue</td>
<td>-</td>
<td>1,700</td>
<td></td>
<td>1,700</td>
</tr>
<tr>
<td>Security Service Contracts</td>
<td>51,963</td>
<td>66,656</td>
<td></td>
<td>66,656</td>
</tr>
<tr>
<td>Management Fee -LAS LLC</td>
<td>88,385</td>
<td>90,085</td>
<td></td>
<td>90,085</td>
</tr>
<tr>
<td>Management Fee WASH LLC</td>
<td>17,356</td>
<td>18,000</td>
<td></td>
<td>18,000</td>
</tr>
<tr>
<td>Investment / Interest Income</td>
<td>93,280</td>
<td>115,310</td>
<td></td>
<td>115,310</td>
</tr>
<tr>
<td>Constituency Revenue</td>
<td>200</td>
<td>220</td>
<td></td>
<td>220</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>60,500</td>
<td>5,100</td>
<td></td>
<td>5,100</td>
</tr>
<tr>
<td>Rummage Hall-net of taxes</td>
<td>5,876</td>
<td>7,640</td>
<td></td>
<td>7,640</td>
</tr>
<tr>
<td>Keys and Access Cards (net of taxes)</td>
<td>2,937</td>
<td>3,157</td>
<td></td>
<td>3,157</td>
</tr>
<tr>
<td>Filming / Licensing</td>
<td>25,000</td>
<td>15,000</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>Trademark / Royalties</td>
<td>70,000</td>
<td>65,000</td>
<td></td>
<td>65,000</td>
</tr>
<tr>
<td>Market Tours (net of taxes)</td>
<td>1,477</td>
<td>9,810</td>
<td></td>
<td>9,810</td>
</tr>
</tbody>
</table>

**TOTAL MISC REVENUE** | 416,974 | 397,678 | - | 397,678 |

**TOTAL ALL REVENUE** | 18,821,615 | 19,546,664 | - | 19,546,664 |
# 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 REVISED BUDGET</th>
<th>2018 PROPOSED BUDGET</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses - Commercial</td>
<td>345,525</td>
<td>375,642</td>
<td></td>
<td>375,642</td>
</tr>
<tr>
<td>Metro &amp; MID Fees</td>
<td>9,000</td>
<td>14,000</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>Taxes - Property</td>
<td>11,100</td>
<td>28,000</td>
<td></td>
<td>28,000</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>6,700</td>
<td>3,170</td>
<td></td>
<td>3,170</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>10,000</td>
<td>15,000</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>Tenant Consulting and Recruitment</td>
<td>2,500</td>
<td>12,500</td>
<td></td>
<td>12,500</td>
</tr>
<tr>
<td>Advertising Vacancies</td>
<td>300</td>
<td>300</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Legal Expense</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,000</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Periodicals / Dues</td>
<td>500</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Tenant Claims</td>
<td>5,000</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Tenant Reimbursement</td>
<td>7,000</td>
<td>7,000</td>
<td></td>
<td>7,000</td>
</tr>
<tr>
<td>Signs - Repair &amp; Replacement</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td><strong>TOTAL COMMERCIAL EXPENSE</strong></td>
<td><strong>411,625</strong></td>
<td><strong>476,612</strong></td>
<td></td>
<td><strong>476,612</strong></td>
</tr>
</tbody>
</table>

# Residential Expenses

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses - Residential</td>
<td>665,741</td>
<td>685,226</td>
<td>685,226</td>
</tr>
<tr>
<td>Parking Garage Expense</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>R&amp;M - Misc. Contracts</td>
<td>45,000</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Building Internet Access</td>
<td>2,500</td>
<td>3,200</td>
<td>3,200</td>
</tr>
<tr>
<td>Reimbursements - LaSalle Senior Housing</td>
<td>(76,745)</td>
<td>(80,847)</td>
<td>(80,847)</td>
</tr>
<tr>
<td>Reimbursements - Staffing WASH</td>
<td>(73,910)</td>
<td>(76,866)</td>
<td>(76,866)</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>1,106</td>
<td>1,076</td>
<td>1,076</td>
</tr>
<tr>
<td>Taxes-Property</td>
<td>4,013</td>
<td>4,587</td>
<td>4,587</td>
</tr>
<tr>
<td>Bad Debt - Residential</td>
<td>20,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Credit Reference - Residential</td>
<td>3,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Consulting</td>
<td>2,500</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Legal Expense</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Tenant Retention/Relation Expense/Social Services</td>
<td>5,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Advertising - Vacancies</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Supplies</td>
<td>7,200</td>
<td>4,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>
# 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 Revised Budget</th>
<th>2018 PDA Staff Proposed Budget</th>
<th>Council Changes</th>
<th>2018 ADOPTED Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniforms</td>
<td>8,000</td>
<td>10,100</td>
<td></td>
<td>10,100</td>
</tr>
<tr>
<td>Periodicals/Dues</td>
<td>2,400</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Resident Advocate</td>
<td>81,775</td>
<td>111,774</td>
<td></td>
<td>111,774</td>
</tr>
<tr>
<td><strong>TOTAL RESIDENTIAL EXPENSE</strong></td>
<td>702,680</td>
<td>737,350</td>
<td></td>
<td>737,350</td>
</tr>
</tbody>
</table>

## Day Stall Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses - Day Stall</td>
<td>230,435</td>
<td>240,465</td>
<td></td>
<td>240,465</td>
</tr>
<tr>
<td>Garage Parking Expense</td>
<td>300</td>
<td>300</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Screening Inspections</td>
<td>450</td>
<td>500</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>20,000</td>
<td>18,695</td>
<td></td>
<td>18,695</td>
</tr>
<tr>
<td>Bad Debt - Day Stall</td>
<td>2,000</td>
<td>1,500</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>Legal Expense</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Craft Recruitment &amp; Retention</td>
<td>14,000</td>
<td>15,300</td>
<td></td>
<td>15,300</td>
</tr>
<tr>
<td>Day Stall Events</td>
<td>3,500</td>
<td>4,000</td>
<td></td>
<td>4,000</td>
</tr>
<tr>
<td>Holiday Promotions</td>
<td>2,500</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Day Stall Program Materials</td>
<td>500</td>
<td>750</td>
<td></td>
<td>750</td>
</tr>
<tr>
<td><strong>TOTAL DAYSTALL EXPENSE</strong></td>
<td>274,685</td>
<td>287,510</td>
<td></td>
<td>287,510</td>
</tr>
</tbody>
</table>

## Surface Parking

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes - Property</td>
<td>3,000</td>
<td>1,065</td>
<td></td>
<td>1,065</td>
</tr>
<tr>
<td>Management Fee</td>
<td>76,140</td>
<td>51,888</td>
<td></td>
<td>51,888</td>
</tr>
<tr>
<td><strong>TOTAL SURFACE PARKING EXPENSE</strong></td>
<td>79,140</td>
<td>52,953</td>
<td></td>
<td>52,953</td>
</tr>
</tbody>
</table>

## Garage Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses - Garage</td>
<td>248,139</td>
<td>266,884</td>
<td></td>
<td>266,884</td>
</tr>
<tr>
<td>Misc Contract Services</td>
<td>75,000</td>
<td>78,000</td>
<td></td>
<td>78,000</td>
</tr>
<tr>
<td>Annual Contract Services</td>
<td>22,800</td>
<td>22,000</td>
<td></td>
<td>22,000</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,000</td>
<td>6,000</td>
<td></td>
<td>6,000</td>
</tr>
<tr>
<td>Permits &amp; Inspections</td>
<td>2,400</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Business License</td>
<td>1,500</td>
<td>1,500</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>Metro &amp; MID Fees</td>
<td>15,000</td>
<td>8,719</td>
<td></td>
<td>8,719</td>
</tr>
<tr>
<td>Taxes - Other</td>
<td>26,339</td>
<td>19,065</td>
<td></td>
<td>19,065</td>
</tr>
<tr>
<td>Supplies</td>
<td>26,500</td>
<td>14,000</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>Credit Card Fees and Bank Charges</td>
<td>74,750</td>
<td>88,200</td>
<td></td>
<td>88,200</td>
</tr>
<tr>
<td>Signs</td>
<td>500</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Contract - Uniforms</td>
<td>4,000</td>
<td>4,000</td>
<td></td>
<td>4,000</td>
</tr>
<tr>
<td><strong>TOTAL GARAGE EXPENSES</strong></td>
<td>502,928</td>
<td>511,368</td>
<td></td>
<td>511,368</td>
</tr>
</tbody>
</table>
## 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Revised Budget</th>
<th>2018 Proposed Budget</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Facilities Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expense-Facilities</td>
<td>1,601,935</td>
<td>1,709,219</td>
<td></td>
<td>1,709,219</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>24,200</td>
<td>24,000</td>
<td></td>
<td>24,000</td>
</tr>
<tr>
<td>Annual Contract Services and Uniforms</td>
<td>75,500</td>
<td>91,500</td>
<td></td>
<td>91,500</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>(22,788)</td>
<td>(41,358)</td>
<td></td>
<td>(41,358)</td>
</tr>
<tr>
<td>Supplies</td>
<td>262,940</td>
<td>224,100</td>
<td></td>
<td>224,100</td>
</tr>
<tr>
<td>Small Tools &amp; Equipment</td>
<td>13,000</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Facilities Expense</strong></td>
<td>1,954,787</td>
<td>2,012,461</td>
<td></td>
<td>2,012,461</td>
</tr>
<tr>
<td><strong>Security Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expenses-Security</td>
<td>1,491,923</td>
<td>1,674,990</td>
<td></td>
<td>1,674,990</td>
</tr>
<tr>
<td>Misc R&amp;M Contract Services</td>
<td>4,500</td>
<td>4,500</td>
<td></td>
<td>4,500</td>
</tr>
<tr>
<td>Annual Contract Services</td>
<td>2,100</td>
<td>2,200</td>
<td></td>
<td>2,200</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>(15,060)</td>
<td>(15,662)</td>
<td></td>
<td>(15,662)</td>
</tr>
<tr>
<td>Supplies and Uniforms</td>
<td>57,500</td>
<td>48,000</td>
<td></td>
<td>48,000</td>
</tr>
<tr>
<td>Small Tools &amp; Equipment</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total Security Expense</strong></td>
<td>1,543,963</td>
<td>1,717,028</td>
<td></td>
<td>1,717,028</td>
</tr>
<tr>
<td><strong>Maintenance Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expenses-Maintenance</td>
<td>922,297</td>
<td>962,641</td>
<td></td>
<td>962,641</td>
</tr>
<tr>
<td>R&amp;M Contract Services</td>
<td>136,000</td>
<td>128,500</td>
<td></td>
<td>128,500</td>
</tr>
<tr>
<td>Annual Contract Services</td>
<td>93,000</td>
<td>106,000</td>
<td></td>
<td>106,000</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>(36,600)</td>
<td>(42,469)</td>
<td></td>
<td>(42,469)</td>
</tr>
<tr>
<td>Supplies and Uniforms</td>
<td>91,000</td>
<td>94,500</td>
<td></td>
<td>94,500</td>
</tr>
<tr>
<td>Small Tools &amp; Equipment</td>
<td>3,500</td>
<td>3,500</td>
<td></td>
<td>3,500</td>
</tr>
<tr>
<td>Truck Expense</td>
<td>4,300</td>
<td>4,500</td>
<td></td>
<td>4,500</td>
</tr>
<tr>
<td><strong>Total Maintenance Expense</strong></td>
<td>1,213,497</td>
<td>1,257,172</td>
<td></td>
<td>1,257,172</td>
</tr>
<tr>
<td><strong>Capital &amp; Development Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Expense-Capital</td>
<td>161,577</td>
<td>106,993</td>
<td></td>
<td>106,993</td>
</tr>
<tr>
<td><strong>Total Capital Management Expense</strong></td>
<td>161,577</td>
<td>106,993</td>
<td></td>
<td>106,993</td>
</tr>
<tr>
<td><strong>Utility Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>1,100,200</td>
<td>1,133,206</td>
<td></td>
<td>1,133,206</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>1,055,597</td>
<td>1,120,640</td>
<td></td>
<td>1,120,640</td>
</tr>
<tr>
<td>Recycling</td>
<td>198,900</td>
<td>207,670</td>
<td></td>
<td>207,670</td>
</tr>
</tbody>
</table>
# 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Revised Budget</th>
<th>2018 Proposed Budget</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas - Commercial</td>
<td>36,000</td>
<td>45,000</td>
<td>45,000</td>
<td></td>
</tr>
<tr>
<td>Garbage - Dumpsters</td>
<td>565,000</td>
<td>590,400</td>
<td>590,400</td>
<td></td>
</tr>
<tr>
<td>Pest Control</td>
<td>84,000</td>
<td>96,000</td>
<td>96,000</td>
<td></td>
</tr>
<tr>
<td>Bed Bug Pest Control</td>
<td>55,000</td>
<td>68,000</td>
<td>68,000</td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td>8,400</td>
<td>12,000</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL UTILITY EXPENSE</strong></td>
<td>3,103,097</td>
<td>3,272,916</td>
<td>-</td>
<td>3,272,916</td>
</tr>
</tbody>
</table>

## Insurance Expenses

| Insurance                  | 485,281            | 684,000              | 684,000        |
| Insurance Claims           | 6,000              | 6,000                | 6,000          |
| **TOTAL INSURANCE EXPENSE**| 491,281            | 690,000              | -              | 690,000            |

## Management Expenses

| Payroll Expenses-Management | 855,474            | 863,586              | 863,586        |
| Consulting                 | 30,000             | 80,000               | 80,000         |
| Legal                      | 50,000             | 60,000               | 60,000         |
| Periodicals/Dues           | 1,500              | 1,500                | 1,500          |
| Miscellaneous              | 7,000              | 7,000                | 7,000          |
| Council Expenses           | 4,000              | 4,000                | 4,000          |
| **TOTAL MANAGEMENT EXPENSE**| 947,974            | 1,016,086            | -              | 1,016,086          |

## Finance Expenses

| Payroll Expenses-Finance    | 345,059            | 322,223              | 322,223        |
| Audit Expense              | 58,000             | 70,000               | 70,000         |
| Consulting Expense         | 1,500              | 3,000                | 3,000          |
| Bank Charges               | 1,700              | 4,100                | 4,100          |
| Periodicals and Dues       | 500                | 500                  | 500            |
| **TOTAL FINANCE EXPENSE**  | 406,759            | 399,823              | -              | 399,823            |

## Office Administration Expenses

| Payroll Expenses - Office Admin | 359,778            | 395,095              | 395,095        |
| R&M - Office Equipment        | 2,000              | 2,000                | 2,000          |
| Contract - Office Equipment   | 32,000             | 33,000               | 33,000         |
| Delivery Services             | 1,500              | 500                  | 500            |
| Telephone                     | 39,500             | 43,000               | 43,000         |
| Office Operations             | 16,000             | 17,000               | 17,000         |
| Supplies                      | 42,500             | 42,500               | 42,500         |
### 2018 PROPOSED PDA OPERATING BUDGET

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 REVISED BUDGET</th>
<th>2018 PROPOSED BUDGET</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituency</td>
<td>7,000</td>
<td>7,000</td>
<td></td>
<td>7,000</td>
</tr>
<tr>
<td>Community Employee Relations</td>
<td>1,500</td>
<td>1,500</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>250</td>
<td>250</td>
<td></td>
<td>250</td>
</tr>
<tr>
<td>Postage</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td><strong>TOTAL OFFICE ADMIN EXPENSE</strong></td>
<td>517,028</td>
<td>556,845</td>
<td>-</td>
<td>556,845</td>
</tr>
</tbody>
</table>

### HUMAN RESOURCES EXPENSES

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Development &amp; Training</td>
<td>56,000</td>
<td>57,500</td>
<td></td>
<td>57,500</td>
</tr>
<tr>
<td>Service Fees - Employee Benefits</td>
<td>11,300</td>
<td>11,300</td>
<td></td>
<td>11,300</td>
</tr>
<tr>
<td>Transit Expense</td>
<td>60,000</td>
<td>60,000</td>
<td></td>
<td>60,000</td>
</tr>
<tr>
<td>Contract - Payroll Service</td>
<td>51,000</td>
<td>52,000</td>
<td></td>
<td>52,000</td>
</tr>
<tr>
<td>Consulting</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Legal</td>
<td>20,000</td>
<td>17,000</td>
<td></td>
<td>17,000</td>
</tr>
<tr>
<td>New Hire Expense</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Periodicals/Dues</td>
<td>500</td>
<td>500</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td><strong>TOTAL HUMAN RESOURCES EXPENSE</strong></td>
<td>204,800</td>
<td>204,300</td>
<td>-</td>
<td>204,300</td>
</tr>
</tbody>
</table>

### INFORMATION SYSTEMS

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses-Info Systems</td>
<td>203,914</td>
<td>193,447</td>
<td></td>
<td>193,447</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>2,400</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Contract Services - Annual</td>
<td>52,000</td>
<td>52,500</td>
<td></td>
<td>52,500</td>
</tr>
<tr>
<td>Contract - Internet Service</td>
<td>6,800</td>
<td>8,000</td>
<td></td>
<td>8,000</td>
</tr>
<tr>
<td>Contract- Software Subscriptions</td>
<td>11,000</td>
<td>13,000</td>
<td></td>
<td>13,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>18,200</td>
<td>17,000</td>
<td></td>
<td>17,000</td>
</tr>
<tr>
<td>Periodicals &amp; Dues</td>
<td>300</td>
<td>300</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td><strong>TOTAL INFORMATION SYSTEMS EXPENSE</strong></td>
<td>294,614</td>
<td>286,247</td>
<td>-</td>
<td>286,247</td>
</tr>
</tbody>
</table>

### MARKETING AND COMMUNICATIONS

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses-Marketing</td>
<td>373,341</td>
<td>364,967</td>
<td></td>
<td>364,967</td>
</tr>
<tr>
<td>Re Team Expenses</td>
<td>3,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Legal</td>
<td>5,000</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Periodicals / Dues</td>
<td>2,500</td>
<td>2,500</td>
<td></td>
<td>2,500</td>
</tr>
<tr>
<td>Volunteers</td>
<td>650</td>
<td>500</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>Volunteer Parking Expense</td>
<td>2,300</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Website</td>
<td>5,500</td>
<td>6,000</td>
<td></td>
<td>6,000</td>
</tr>
<tr>
<td>Marketing, Agency Fee, and PR</td>
<td>235,000</td>
<td>220,000</td>
<td></td>
<td>220,000</td>
</tr>
<tr>
<td>Co-Op Advertising</td>
<td>10,000</td>
<td>15,000</td>
<td></td>
<td>15,000</td>
</tr>
</tbody>
</table>
# 2018 Proposed PDA Operating Budget

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 REVISED BUDGET</th>
<th>2018 PROPOSED BUDGET</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Program</td>
<td>5,000</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>12,000</td>
<td>12,000</td>
<td></td>
<td>12,000</td>
</tr>
<tr>
<td>Marketing Events and Promotions</td>
<td>84,350</td>
<td>53,000</td>
<td></td>
<td>53,000</td>
</tr>
<tr>
<td>PR - Public Info Materials</td>
<td>52,000</td>
<td>45,000</td>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,800</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td><strong>TOTAL MARKETING EXPENSE</strong></td>
<td>792,441</td>
<td>734,967</td>
<td></td>
<td>734,967</td>
</tr>
</tbody>
</table>

## Farm / Farmer's Market Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>Council Changes</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses - Farm Program</td>
<td>217,034</td>
<td>221,137</td>
<td></td>
<td>221,137</td>
</tr>
<tr>
<td>Travel and Parking</td>
<td>1,250</td>
<td>1,250</td>
<td></td>
<td>1,250</td>
</tr>
<tr>
<td>Farmers Market Program</td>
<td>71,200</td>
<td>63,500</td>
<td></td>
<td>63,500</td>
</tr>
<tr>
<td>Inspections</td>
<td>2,000</td>
<td>1,500</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Farm Truck</td>
<td>500</td>
<td>750</td>
<td></td>
<td>750</td>
</tr>
<tr>
<td>PR / Outreach</td>
<td>2,000</td>
<td>3,000</td>
<td></td>
<td>3,000</td>
</tr>
<tr>
<td>Farm Focused Events</td>
<td>3,000</td>
<td>8,500</td>
<td></td>
<td>8,500</td>
</tr>
<tr>
<td>Coupons and Incentives Program</td>
<td>24,500</td>
<td>25,700</td>
<td></td>
<td>25,700</td>
</tr>
<tr>
<td>Farm Development &amp; Support Program</td>
<td>14,500</td>
<td>15,500</td>
<td></td>
<td>15,500</td>
</tr>
<tr>
<td>Total CSA Net</td>
<td>(2,000)</td>
<td>(4,840)</td>
<td></td>
<td>(4,840)</td>
</tr>
<tr>
<td><strong>TOTAL FARM PROGRAM EXPENSE</strong></td>
<td>334,984</td>
<td>336,997</td>
<td></td>
<td>336,997</td>
</tr>
</tbody>
</table>

## Events and Programs

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses</td>
<td>152,217</td>
<td></td>
</tr>
<tr>
<td>Events Operating Expenses</td>
<td>73,700</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COMMUNITY EVENTS AND PROGRAMS</strong></td>
<td>225,917</td>
<td></td>
</tr>
</tbody>
</table>

## Market Foundation Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll - Market Foundation</td>
<td>218,480</td>
<td></td>
</tr>
<tr>
<td>Garage Parking Expense</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Training</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Volunteer Program</td>
<td>5,000</td>
<td>7,000</td>
</tr>
<tr>
<td>High Stall Coupons Redemption</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Periodical Dues</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>The Market Commons</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL MARKET FOUNDATION EXPENSE</strong></td>
<td>264,980</td>
<td>37,000</td>
</tr>
</tbody>
</table>

## Total Expenses

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>14,428,757</td>
<td>14,694,628</td>
<td></td>
<td>14,694,628</td>
</tr>
</tbody>
</table>
## 2018 PROPOSED PDA OPERATING BUDGET

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 REVISED BUDGET</th>
<th>2018 PROPOSED BUDGET</th>
<th>Council Changes</th>
<th>2018 ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>18,821,615</td>
<td>19,546,664</td>
<td>-</td>
<td>19,546,664</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>14,428,757</td>
<td>14,694,628</td>
<td>-</td>
<td>14,694,628</td>
</tr>
<tr>
<td>GROSS BALANCE</td>
<td>4,392,858</td>
<td>4,852,036</td>
<td>-</td>
<td>4,852,036</td>
</tr>
</tbody>
</table>

### DEBT SERVICE

| Bond Payment - PDA   | 474,416             | 480,168              | -              | 480,168             |
| 2015 PDA Bond        | 1,452,250           | 1,454,000            | -              | 1,454,000           |
| TOTAL DEBT SERVICE   | 1,926,666           | 1,934,168            | -              | 1,934,168           |

### DESIGNATED RESERVES and PENSION CONTRIBUTION

| Pension Contribution | 345,000             | 345,000              | -              | 345,000             |
| LIH Interest Earned  | 164                 | 164                  | -              | 164                 |
| Minimum Operating Reserve | -                   | -                    | -              | -                   |
| TOTAL DESIGNATED RESERVES | 345,164             | 345,164              | -              | 345,164             |

### NET RESULTS after Debt Service and Designated Reserves

| NET RESULTS after Debt Service and Designated Reserves | 2,121,028 | 2,572,704 | - | 2,572,704 |

### CONTRIBUTION TO CRRF

| Net Operating Result f Contributed to CRRF | 2,121,028 | 2,572,704 | - | 2,572,704 |

### BUDGET SPENDING FOR CAPITAL PROJECTS

|                               | 1,700,000 | 1,600,000 | - | 1,600,000 |
### 2018 Proposed Operating Budget

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2017 Approved Budget</th>
<th>2017 Actual Annualized Budget</th>
<th>2018 Proposed Budget</th>
<th>2018 Other</th>
<th>2018 Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MARKET FOUNDATION REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>357200-00 Low Income Residents Fresh Produce Coupon Contribution</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total Contribution - Food Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td><strong>TOTAL MARKET FNDTN REVENUE</strong></td>
<td>25,000</td>
<td>-</td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
</tbody>
</table>

### MARKET FOUNDATION EXPENSES

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Annual Support Payment</th>
<th>Per Section 2.7.2 in service agreement:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>- 183,451</td>
<td></td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>- 18,345</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>- 16,684</td>
<td></td>
</tr>
<tr>
<td>System Support</td>
<td>5,000</td>
<td>added technology: quickbooks + consulting to set up the system</td>
</tr>
<tr>
<td><strong>Total Market Commons</strong></td>
<td>223,480</td>
<td></td>
</tr>
<tr>
<td>457003-03 Garage Parking Expense</td>
<td>5,000</td>
<td>- 5,000</td>
</tr>
<tr>
<td>457004-00 Training</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>457005-00 Volunteer Program</td>
<td>5,000</td>
<td>- 7,000</td>
</tr>
<tr>
<td>457006-00 Resident Advocate</td>
<td>81,775</td>
<td>-</td>
</tr>
<tr>
<td>457010-00 Highstall Coupons Redemption</td>
<td>25,000</td>
<td>- 25,000</td>
</tr>
<tr>
<td>457049-00 Periodicals/Dues</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>457051-00 The Market Commons</td>
<td>8,000</td>
<td>- 10,000</td>
</tr>
<tr>
<td><strong>Total Market Foundation Expenses</strong></td>
<td>346,755</td>
<td>- 270,480</td>
</tr>
</tbody>
</table>
PDA Council Retreat Agenda
November 1, 2017 – Elliott Bay Room

11:00am  Welcome – Matt Hanna, Council Chair
         ▪  Approval of Agenda
         ▪  Public Comment

11:10am  Closed Session
         Discussion and Selection of Executive Director Semi-Finalists (Closed Session Per RCW 42.30.110(1)(i)) –
         Rico Quirindongo, Executive Director Hiring Committee Chair

12:15pm  Open Session and Break

12:30pm  Working Lunch/Council Nomination Process – Matt Hanna

1:00pm   PDA’s Role in Business Support/Incubation for Current and Future Commercial Tenants – Matt Hanna and
         Jennifer Maietta

2:00pm   Break

2:15pm   Farm and Food System Innovations – Amanda Oborne, Ecotrust

2:45pm   Sammamish Farm Lease Management, Role of the PDA – Zack Cook and Leigh Newman-Bell, PDA

3:15pm   Discussion of 2018 Strategic Issues – Matt Hanna
         ▪  Draft Proposed Resolution 17-XX: Adoption of the Strategic Planning Issues for 2018

3:45pm   Public Comment

3:55pm   Closing – Matt Hanna

4:00pm   Adjournment – Matt Hanna
Section VI:

PDA Committee Minutes
Market Programs Committee Meeting Minutes

Pike Place Market Preservation and Development Authority (PDA)
Tuesday, October 3rd, 2017
4:00 p.m. to 6:00 p.m.
The Classroom

Committee Members Present: Betty Halfon, Mark Brady, David Ghoddousi, Paul Neal, Colleen Bowman, Gloria Skouge

Other Council Members Present:

Staff Present: Ben Franz-Knight, Emily Crawford, Aliya Lewis, Kalyn Kinomoto, Justin Huguet, Scott Davies, Karin Moughamer

Others Present: Chris Scott, Howard Aller, Jerry Baroh

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

I. Administration
A. Approval of the Agenda
   The agenda was approved by acclamation.
   
   Colleen Bowman entered the meeting at 4:01 pm.
   Paul Neal entered the meeting at 4:05 pm.

B. Approval of the September 12th, 2017 Market Programs Committee Meeting Minutes
   The September 12th, 2017 Minutes were approved by acclamation.

II. Announcements and Community Comments
   None.

III. Programs and Marketing Director’s Report
   Emily Crawford began her report by noting a visit on September 15th from Blue Thunder, Blitz and several Sea Gals. This was in partnership with Visit Seattle to promote the new free WiFi that’s at the Visitors booth. The event was covered by KING, KOMO and Q13. There are several upcoming Marketing and Daystall events. This Sunday the Pike Market Child Care is hosting their annual Walk for Kids to support tuition assistance at the child care. The walk will end with a celebration and live band, The Not-Its, either on the MarketFront Plaza or Atrium due to potential rain. The walk starts at 8:30 am at the playground. On October 14th Seattle Made is partnering with the Daystall team to bring local producers to the Market and highlight Market vendors that are part of Seattle Made. Q13 will be at the Market tomorrow to highlight that event. Behind the Table is October 20th to support the Community Safety Net and is being...
hosted by the Market Foundation with assistance from David Dickinson and Justin Huguet. Tickets are $40 and proceeds go to Community Safety Net.

The Marketing team is busy preparing for Magic in the Market on November 25th and on December 8th the Market will be co-producing an event with the National Museum of American History to explore the history of craft brewing in the Pacific Northwest as part of their American Beer History Initiative. The event will be hosted on the Atrium floor and Atrium Kitchen. NMAH is bringing a panel of four speakers and moderated by the American Beer History Initiative program director.

Emily Crawford wrapped up the report by highlighting press clippings, including the story written by Rebekah Denn that was featured in the Washington Post that has a circulation of 300,000, the ad value was about $3,000 and publicity value of $8,000. Ben Franz-Knight talked about why this article is one of his favorite MarketFront article, noting it was his hope to have an article in a prominent, national publication that talked about the project and the technical aspects of how the Market works. There were also clippings from Coastal Living and Martha Stewart Living (circulation of 2.1 million and an ad value of $400,000.)

Lastly Emily is working on the Holiday 2017 media plan and is talking with Maintenance, David Dickinson and Zack Cook about a potential event titled “Stockings and Stuffers.”

Betty Halfon noted the placement of the Pike Place Market sign on Sunday Night Football and inquired if the PDA should seek royalties. Ben Franz-Knight discussed the tremendous advertising value of that placement.

IV. Reports and Discussion Items
A. Holiday Update
Justin Huguet provided an update on the creative for the online Holiday Gift Guide. The creative is a holiday themed, winter landscape and built into the existing signage are categories for people to click on, such as Handcrafted, Stocking Stuffers, Farm Fresh. The site is being designed in a responsive style, depending on what type of device you are using, meaning it will be viewed in landscape for a desktop or stacked for a mobile device.

David Ghoddousi asked for clarification on the headline titles and what you can expect when you click on them. Justin Huguet explained that when you click on a category you will be taken to a page with images of the different products that can be found in the Market that fall under that category. The different categories include: Handcrafted, Chow Down, Farm Fresh, Stocking Stuffers, Deck Your Shelves, Bundle Up, and Worldly Wonders. An email was sent to Market tenants and businesses to submit gifts for the guide and within 24 hours 30 gifts have been submitted.

Paul Neal asked where the individual links take the visitor. Justin responded that if someone clicks on “Handcrafted” it takes them to a landing page with a thumbnail image of the product, a title, description, location of the shop and a price. People can then add that item to a shopping list. The goal is to encourage people to explore online and then visit the Market and get people excited about their visit. The shopping list will generate a Market map and pop-out maps will be included to show the lower levels of the Market. The location pins will not be exact but will be very close to the business.
Paul Neal asked if the merchants will get a report back on how many people have selected items from their store. Justin believes that with Google analytics he should be able to track that information.

Colleen Bowman suggested including businesses that offer gift cards, such as restaurants.

Betty Halfon asked to ensure that the website includes language that notes the pin location is near or around but not the exact location.

Justin concluded by saying a beta version of the site will be ready on Monday and he looks forward to sharing the next version soon. The URL is still to be determined.

Emily Crawford added that parking will be included on the site so that it’s a tool to help people plan their visit and make the most of their journey. There will be a way to start a journey either by foot or by the parking garage. In addition, the site will allow the Market to leverage walking guides that have already been created.

Mark Brady suggested a parking discount by visiting the site, noting that a lot down the street is offering $3 per hour. Ben Franz-Knight commented the goal through the end of the year is to bolster parking revenue and believes parking is priced affordably.

David Ghoddousi asked how the parking garages are advertised on the website. Emily Crawford stated that parking is one of the most visited pages on the website. On the Holiday Gift Guide website there will be a link to parking. Ben Franz-Knight added Market parking is also part of the City Easy Park system as well as prominently featured in parking advertising sponsored by the Downtown Seattle Association.

Mark Brady asked if there is going to be any major construction along Western Avenue through the holidays. Ben Franz-Knight doesn’t think construction will get north of University Street along Western Ave during the holidays but he will check.

Paul Neal asked what the overarching idea is and concept is for creating the online Holiday Gift Guide. Emily Crawford provided background, including helping people remove the barriers from shopping at the Market, help them find the gifts they are looking for, and have the knowledge and plan in place to create a memorable Market experience. The goal is to get people to shop at the Market, not shop online.

Paul Neal asked where else this website would be advertised. Emily responded the link will be shared with Market partners, including Visit Seattle and DSA. Justin Huguet added the website will be highlighted on digital ads and social media posts. Paul asked if the target audience is different for the holidays than during the farm season. Emily believes they are similar but will look into it.

Paul Neal asked if there are activity objectives tied to this campaign. Emily Crawford responded she will be looking at the Click Thru Rate (CTR) and site views. Ben Franz-Knight noted it difficult to quantify sales through a campaign. Paul added it would be great to get anecdotal feedback from merchants.
Betty Halfon suggested sending out a survey to merchants to gather metrics and traffic that came through the website.

Colleen Bowman asked how the shuffle of the crafters will be handled on the map. Emily Crawford suggested listing the days that crafts people usually sell and visitors might need to search the Desimone Bridge or North Arcade. Ben Franz-Knight suggested including language such as “Can’t find a vendor? Contact the Marketmaster” and provide the front desk phone number.

Mark Brady recommended updating signage around the Market.

Howard Aller believes the lower level maps are confusing and as represented in the draft they are 180 degrees flipped.

B. Market Budget 2018 Overview
Emily Crawford reviewed the proposed 2018 Marketing Budget expenses, noting that there were expense in 2017 designated for MarketFront that have been removed in 2018. For instance, the Marketing Agency Fee and PR category has been reduced by $15,000 because the PDA Council had provided funds in 2017 for a light rail wrap to promote MarketFront. Also, in Market Events and Promotions, there is a $30,000 reduction. Those funds were used for MarketFront grand opening and a community party in April. Equipment has also been reduced.

Ben Franz-Knight noted that Ray Ishii, Chair of Finance & Asset Management, wanted to ensure, due to some large reductions, the Market Programs Committee had the opportunity to review and ask questions.

Colleen Bowman asked if Emily Crawford is comfortable with the allocation of funds for photography. Emily responded that photography comes out of Public Info Materials category and $2,000-5,000 is budgeted annually for photography. That amount seems to serve the Market well.

Paul Neal asked if there is a budget for data analytics. Emily Crawford responded that data analytics comes out of Marketing Agency Fee and PR. The Market works with Merlino Media Group who analyzes marketing data for the PDA. There is not a separate budget for Market research. Paul further stated he is interested in knowing about physical traffic in the Market. Emily responded that does not exist, however, there are pedestrian counters at various access points around the Market. A behavioral study was conducted a number of years ago related to the Farmers Markets and Emily offered to share that with Paul.

David Ghoddusi added there are sales reports for merchants and Betty Halfon noted that data is included in full Council packets.

David Ghoddusi would like to see metrics tied directly to new initiatives, such as increased signage along Western.
Mark Brady noted the cost associated with pedestrian counters. Ben Franz-Knight commented on the benefit of those counters which have shown Market attendance to be in the 15-16 million visitors per year and information on where people are entering the Market.

V. Action Items


Ben Franz-Knight provided history on the relationship with the Smithsonian, noting that the state auditor has approved this grant. Ben Franz-Knight introduced Proposed Resolution 17-51 that 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, Pike Place Market is represented on the Smithsonian National History of American History’s “Kitchen Cabinet” and provides a voice for the Market in the Food History exhibit in Washington D.C.; and,

WHEREAS, Pike Place Market is recognized as a significant cultural treasure and deserves representation in the National Museum of American History; and,

WHEREAS, the National Museum of American History has expressed a desire to showcase the Soup N’ Salad sign in the Food History exhibit and to add the sign to the Smithsonian’s permanent collection, where it will be cared for and displayed for the enjoyment of the public; and,

WHEREAS, the Utopian, Vegetarian and Plutocrat lunch offerings illustrate the ethos of the era during which the Market was saved, and the value of the democratic values of the Market as we know it today.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council grant in its entirety the 1970s era Soup N’ Salad sign to the Smithsonian’s permanent collection of the National Museum of American History.

David Ghoddousi moved the motion and Gloria Skouge seconded the motion.

David Ghoddousi asked about how it will be displayed and what other items from the Market will be on display. Ben Franz-Knight responded that half will be on display while the other half is housed in their collections. The sign is the only object and believes the curators will work with the Market to develop the label content. The Smithsonian likes this sign because it captures the essence of the Market and the equitability of all people. They wanted an object that came from the period of saving the Market and highlighted political activism during the 60s and 70s.
Colleen Bowman asked how the sign has been on display in the Salish Room. Ben Franz-Knight believes about three years but it’s been in storage at least three decades.

Betty Halfon commented she likes this sign because it’s not a sign that is on current public display.

Emily Crawford added that she’s in conversations with the Smithsonian, and if approved by Council, there could be some media around the grant during the December 8th event.

For: Betty Halfon, Mark Brady, David Ghoddousi, Paul Neal, Colleen Bowman, and Gloria Skouge  
Against: 0  
Abstain: 0

The proposed resolution passed by a vote of 6-0-0.

VI. **Resolutions to be added to Consent Agenda**  

VII. **Public Comment**  
Howard Aller commented on the inclusion of the Great Wheel in the online holiday gift guide and doesn’t believe it needs to be shown off by the Market.

Chris Scott noted there are a lot of outdated hand-painted signs around the Market and he suggested conducting a survey to identify those signs.

VIII. **Concerns of Committee Members**  
None.

IX. **Adjournment**  
The meeting was adjourned at 4:57 p.m. by Betty Halfon, Chair

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

Wednesday, October 4th, 2017
4:00 p.m. to 5:00 p.m.
Elliott Bay Room

Committee Members Present: Rico Quirindongo (Chair), Gloria Skouge, Mark Brady, Colleen Bowman, Jim Savitt, Matt Hanna

Other Council Members Present:

Staff/Consultants Present: Fred Pabst, Aliya Lewis

Others Present: Howard Aller, Bob Messina, Joan Paulson, Chris Scott

The meeting was called to order at 4:04 pm by Rico Quirindongo, Chair.

I. Administration
   A. Approval of the Agenda
      A Friendly amendment was made to the agenda correcting the imbedded times after which the agenda was approved by acclamation.

   B. Approval of the September 27th, 2017 Executive Director Hiring Committee Meeting Minutes
      The September 27th, 2017 Minutes were approved by acclamation.

II. Announcements and Community Comments
    None.

III. Review Formatted Position Specification
     Fred Pabst briefly noted candidate outreach, the need for updated contact information and that the input received for the position specifications. Pabst opened the floor for the committee to state any comments or concerns on stakeholder outreach.

     Rico Quirindongo noted a number discrepancy on the contact information for stakeholders at the Market.

     There was discussion about the number discrepancy and contact information updates that followed.

IV. Report on Candidate Outreach
    Fred Pabst reported on the proactive style Herd Freed Hartz (HFH) takes in regards to preliminary candidate outreach and noted that preliminary interviews have been scheduled for next week. Pabst handed out a copy of the position statement to the committee and public. This
version of the position statement has been updated with inputs and edits received and that the printed version is not the best reflection of how it will appear online.

Matt Hanna suggested taking some time to read the full document.

Rico Quirindongo asked for the meeting to resume at 4:20 p.m.

Howard Aller remarked that a man by the name of Mike Smith had been contacted by Herd Freed Hartz and that there is some type of missed connection.

Fred Pabst noted that the situation will be figured out.

Rico Quirindongo resumed the meeting and suggested several edits to the document, including removal of the Seattle Weekly link and spelling out Emotional Quotient (EQ).

There was a discussion on layout, syntax and grammatical revisions to the document that followed.

Rico Quirindongo posed a procedural question around approval.

Fred Pabst stated that he is comfortable with using a draft of the position statement until it is formalized and that the timeline for candidate outreach is moving along well.

Rico Quirindongo asked Aliya Lewis to send out a revised version of the position to the committee once it has been updated by Fred Pabst.

Mark Brady stated that he would like to see a cutoff date.

There was a discussion that followed.

V. Community Comments

Chris Scott asked if the hyperlink is a direct link to the Constituency website instead of a link to the blurb on the Pike Place Market website.

Fred Pabst noted that he would confirm that for Chris Scott.

Bob Messina suggested including something about the aquarium at the base of the Pike St Hillclimb with the overlook walk on page 5.

Joan Paulson noted several punctuation edits, additions to text, order of priorities, and the history of the Market.

Howard Aller noted several syntax and grammar edits.

There was a discussion on the importance of edits to the position statement and the proper time to address proposed revisions.

Jim Savitt suggested Rico take the edits and do what he wish with them.
VI. Adjournment
The meeting was adjourned at 4:47 p.m. by Rico Quirindongo, Chair.

Meeting minutes submitted by:
Aliya Lewis, Communications & Marketing Coordinator
Market Connections Committee Meeting Minutes

Monday, October 16, 2017
4:00 p.m. to 6:00 p.m.
Classroom

Committee Members Present: Rico Quirindongo, Colleen Bowman, Gloria Skouge, Mark Brady

Other Council Members Present:

Staff/Consultants Present: Justine Kim, Carrie Holmes, Emily Crawford, Ben Franz-Knight, Karin Moughamer, Clover Thurk

Others Present: Howard Aller, Bob Messina, Joan Paulson

The meeting was called to order at 4:03 pm by Rico Quirindongo, Chair.

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

   B. Approval of the Market Connections Committee September 13th, 2017 Minutes
      The September 13th, 2017 meeting minutes were approved by acclamation.

II. Announcements and Community Comments
    None.

III. Reports & Discussion Items
    A. Market Historical Commission Skybridge and Pavilion Use Update
       Ben Franz-Knight briefed the Committee on the presentation to the Market Historical Commission on experimental pavilion use and skybridge removal. MHC granted the PDA’s request to experiment on programming on the MarketFront pavilion for a year. There was a deeper discussion on the events use and concern of potential displacement of daystall. MHC asked for an update on special event usage in three to four months. Within that three to four month window there is lots of flexibility to experiment with timing. John Turnbull will put some thought into percentage of time that pavilion space can be used, especially when displacement of existing activity occurs. The Commission acknowledged that the pavilion could be utilized more Monday – Thursday and noted the peak daystall usage is Friday – Sunday.

       MHC approved use for Chief Seattle Club and asked the design for the table be presented to the design review committee.

       The PDA will move forward with an application for the above uses and Franz-Knight doesn’t anticipate any issues with the approval.
Ben Franz-Knight continued with an update on the skybridge removal. The PDA will move forward with an application to MHC for demolition. John Turnbull is investigating some additional engineering work. A column may need to be added to the west side of the street because the bridge may be supporting a portion of the landing structure. MKA is assisting in an evaluation of the structure.

Colleen Bowman added that she attended the MHC meeting and noted a presentation provided on the new residential building being built on First and Pike Street. Colleen suggested the City Manager attend an upcoming PDA Council meeting.

B. Review of Draft Letter to Pike Pine Renaissance Project
Ben Franz-Knight reviewed the one-page draft letter to Steve Pearce, highlighting three key points that were identified during the September Committee meeting. First, and most significant, is the request the City pays attention to not appropriate too much of the Market’s identity in integrating the urban fabric on the east side of Pike and First Ave and to help approve the visitors sense of arrival to the Market. Second, ensure or maintain the flexibility for loading activity on both Pike and Pine. Lastly, the letter asks the City coordinates both construction and planning with the First Ave Streetcar.

Colleen Bowman suggested adding language to address potential street closures and request the PDA is part of those conversations. She would appreciate if Devin McComb and Jim Savitt could receive a copy of this draft letter.

C. MarketFront General Report and Update
Justine Kim provided an update on tenant improvements at MarketFront. Old Stove Brewery is 70% complete and equipment operations will begin in mid-November with the goal of being open by the end of the year. Some elements may continue into 2018. Little Fish has just reworked their mechanical system, putting them behind schedule. With regards to closeout, all of the ____ materials have been received and are just watching for the substantial completion date that will cue the one year warranty period which is end of January for residential and March 20th for garage and commercial. Justine recommended scheduling a walk thru with maintenance, and maybe John Turnbull, to capture all the warranty items that need to be highlighted one month prior to expiration.

Justine continued with an update on the two leaks. The south side leak has been repaired and are waiting for a dry day to pour the concrete stair tread leading down to the residential units. The leak at the north end is still being investigated and she is keeping an eye on it.

Ben Franz-Knight provided an update on the discussions with the City regarding the sliver of Armory Way vacation and the $780,000 bill based on the value of the property. The appraisal was completed absent any consideration of the Development Agreement or easements and covenants recorded in perpetuity on the property itself for public access and parking. An argument has been drafted that he believes ties a line from the Development Agreement thru the vacation petition process that will allow the City staff to waive the fees. The land use attorney found the original petition application which was signed by the head of SDOT at the time. Worse case the PDA would go back to the Waterfront Committee with a closeout report on the project and include some legislation cleaning up a couple of components, mainly the
cooling tower obligations, connections to the future roadway, stairways, and the vacation permit fee component. Franz-Knight believes that won’t be necessary and he’s hopeful this conversation will continue at the administrative level over the next week and a half. In his absence, John Turnbull will continue the conversation.

Rico Quirindongo asked if closeout of the project should be presented to City Council in any case.

Ben Franz-Knight responded possibly, but that City Council has a full agenda, so he wouldn’t want to do it unnecessarily.

Colleen Bowman asked why and when the vacation became an issue and when it will be resolved. Ben Franz-Knight responded it became an issue when the bill for $780,000 was received.

IV. Action Items and Reports
None.

V. Items for the Consent Agenda
None.

VI. Public Comment
None.

VII. Concerns of Committee Members
Mark Brady asked if the PDA is covered until they find the leak above Little Fish. Justine Kim stated yes, the PDA is covered since the leak was discovered within a year. Identifying the problem can take more than a year but it was still have to be fixed.

VIII. Adjournment
The meeting was adjourned at 4:25 p.m. by Rico Quirindongo, Chair

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

Tuesday, October 17th, 2017
4:00 p.m. to 6:00 p.m.
Classroom

Committee Members Present: Ray Ishii, Gloria Skouge, Paul Neal, David Ghoddousi, Devin McComb

Other Council Members Present: Mark Brady

Staff/Consultants Present: Elsie Janson, Jay Schalow, Jennifer Maietta, Ben Franz-Knight, Sabina Proto, Karin Moughamer, Clover Thurk

Others Present: Bob Messina, Howard Aller, Abraham Dairi, Elizabeth Coppinger, Lindy Gaylord

The meeting was called to order at 4:02 pm by Ray Ishii, Chair.

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

      Devin McComb entered the meeting at 4:12 pm

   B. Approval of the Finance & Asset Management Committee September 19th, 2017 Minutes
      The September 19th, 2017 meeting minutes were approved by acclamation.

II. Announcements and Community Comments
    Bob Messina commented that the sequoia tree along Western Avenue appears to be dying and wonders if it is covered under warranty. Ray Ishii asked Ben Franz-Knight to look into this and Ben responded the PDA complied with SDOT requirements to plant in public right-of-way space, however, PSE tore up the curb in that area and it’s believed that work may have damaged the root ball for that tree. There is a claim in with PSE.

III. Reports & Discussion Items
    A. PDA Budget Presentation for 2018
       Ben Franz-Knight reviewed the Proposed 2018 Budget, highlighting key elements of the narrative page by page. The 2018 budget is conservative with moderate revenue growth. This draft budget does not include numbers for the Market Foundation which will result in an allocation of a certain amount or an amendment at full council.

       Revenue is expected to grow by $725,049 in 2018, compared to 2017 budget. Growth is projected in commercial and residential while farm and daystall are projected to remain flat. Parking revenue reflects a conservative increase.
Operating expenses are budgeted to be higher in 2018 mostly due to adding operations for the new MarketFront building, insurance, and a new three year labor contract.

The proposed budget achieves a net surplus before capital spending, maintains an adequate operating reserve and projects a modest reserve contribution.

Regarding debt service, the PDA expects to pay off the principal amount of 2015 Series B Bonds at the end of 2018. The PDA 2009 Bond will be paid off in 2021.

Commercial revenue is estimated at 3% growth. Regarding residential, the PDA owns or operates 440 apartments, including 60 apartments in Heritage House, which the PDA owns but does not operate. Ben noted this is a property that possibly has about five years of useful life left in substantial building components and will need to be watched in the future.

Parking revenue is estimated conservatively, noting the loss of the Lenora and Blanchard surface lots in the third quarter of 2018.

Ben Franz-Knight continued by reviewing expenses. With regards to residential there is a line item for outreach and support to residents in the Market, through a contract with the Senior Center. The Farm Program will continue to focus on remote markets, the drivers of increased profitability. In addition, the Wednesday Market will change slightly, moving it from Pike Place to the MarketFront Pavilion.

The biggest change in Operations expenses comes from the new three year labor agreement. Capital Projects funds are reduced from 2017, mainly due to the amount of work that can be handled and processed at the Market, which varies between $1.6-1.8 million. Insurance is anticipated to increase due to numerous natural disasters in the US.

In the Market Department, the majority of expenses are related to staffing in order to support the successful marketing platforms, such as social media. Education programs remain in the budget and Franz-Knight discussed the conversations around growth of the program, which is currently at capacity. Lastly, a digital book project celebrating the Market and delving into the operations of the Market is underway and will be published in 2018.

Ben Franz-Knight concluded with the Operating Budget totals, noting the Net Results after Debt Service and Contribution to CRRF will change based on the Market Foundation Services Agreement.

| Total Revenue | $19,546,664 |
| Total Expenses | $14,694,628 |
| Total Debt Service | $1,934,168 |
| Net Results after Debt Service | $2,572,704 |
| Contribution to CRRF | $2,572,704 |

Capital Projects Spending $1,600,000

i. Proposed Resolution 17-52: Adoption of the 2018 PDA Operating and Capital Projects Budgets 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 excess 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 2018 Proposed Budget; and has recommended adoption of the 2018 Budgets; and

WHEREAS, the 2018 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2018 based on the 2017 Final Operating Statements.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council does hereby adopt the 2018 PDA Operating and Capital Budgets as outlined in the 2018 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.

David Ghoddousi moved the proposed resolution and Gloria Skouge seconded the motion.

David Ghoddousi thanked staff for all the work put into this process.

Ben Franz-Knight updated the Council that there will be an amendment at full council to include the Market Foundation budgeted expenses.

Ray Ishii noted $265,000 was allocated to the Market Foundation in 2017.

Ray Ishii asked what the amount of the Series B Bonds is. Sabina Proto responded $4.5 million.

For: Paul Neal, David Ghoddousi, Devin McComb, Ray Ishii and Gloria Skouge
Against: 0
Abstain: 0

Proposed Resolution 17-52 passed by a vote of 5-0-0.

B. Review of the Financial Statements for September 2017

Sabina Proto shared some financial accomplishments Ben Franz-Knight has achieved over the last seven years, including:

- In 2010 when Ben started, total fixed assets for PDA and its government units was $90 million; for the end of September 2017 total fixed assets for PDA and its government units is $217 million, so during seven year period, there is an increase of $127 million.
- In 2019, the total annual revenue was $13 million. In 2017 the expected annual revenue is $18.8 million.
- Under an enormous amount of constructions, and disruptions, and moving things around, we will still manage to contribute to CRRF $15 million during seven years, compared to $12.4 million during 2000-2010.
- The PDA contributed $2.4 million in pension plan compared to only $900,000 for period 2000-2010.
- Completed levy construction phase 2, 3, and 4.
- Designed and completed construction MarketFront project all the way.
- Managed the process of paying off or refinancing seven bonds, mortgages, and loans
- Managed the process of issuing 2015 PDA Bonds ($24 million) with a credit rating of A-.
• Managed two New Market Tax Credit financings, QB2 and QB3 and one LITC. Set up three new organizations, approved seven new loan documents, and many complex agreements and contracts related to these deals.
• Closed two existing NMTC (LaSalle Commercial NMTC and QB1) – closed four loans and all the legal and IRS documentation related to the closing.

Some statistics:
- Number of checks signed by Ben: 45,000
- Total amount of payments approved by Ben: $235,000,000
- Number of resolutions processed by Ben: 603
- Number of contracts approved by Ben (renewed and new): approx. 550
- Number of audits approved by Ben: 54
- Number of Budgets approved by Ben: eight and four revisions
- Total of meeting hours (finance related): approx. 2500

Sabina concluded with a personal and heartfelt goodbye, thanking Ben Franz-Knight for his leadership, guidance, and trust and for being a champion for women and diversity in the workplace.

Sabina Proto continued by discussing the financial statements for September 2017, stating the PDA is in good financial standing with expenses continuing to trend at or below budget projections. Commercial revenue is trending above budget. Daystall is under budget mainly because of the reduced attendance which was impacted by the cold weather during the first half of the year and some attritions. Parking revenue continues to be below 2017 budget projections, though following mid-year adjustments in July is trending positively compared to actual revenue during the same period for 2016. We are up to date on all payment obligations, debt services, pension fund contributions and are on track to meet 2017 budget contribution to the CRRF.

Total revenue YTD was $14,226,416, under budget by 0.9%. Total operating expenses YTD is $10,506,126, under budget by 4.2%. Net result after Debt Service and Reserves was $1,930,163, which is $341,118 over budget. The PDA is up to date with all debt payments and annual contribution to the Pension Plan and on track for 2017 budgeted contribution to CRRF.

Sabina continued by noting commercial revenue is over budget by $60,738 (up in Base Rent Retail, Common Area and Percent Rent.) Residential revenue is slightly under budget. Daystall revenue is under budget in all categories. The negative balance will be reduced considerably when we receive the second half of Specialty Crop Block Grant. Surface revenue is over budget while garage revenue is under budget by $190,419. We continue to watch parking revenue very closely and a new parking manager has been hired. Miscellaneous revenue is over budget in security contracts, investment incomes, and under budget in filming revenue. Operating expenses is over budget in commercial, garage, security, and insurance. Percent rent is $40,157 over budget.

Ray Ishii asked if MarketFront had been formally closed out and if the retainer for Sellen is still on the books. Ben Franz-Knight responded no, there are still tenant improvements in Little Fish,
which may go into March 2018. The retainer will be closed out soon as Sellen is not performing tenant improvements.

Ray Ishii asked if the PDA will need to dip into the CRRF to cover MarketFront expenses. Sabina Proto and Ben Franz-Knight did not think so. Tenant improvements are covered in 2017 budget and there is still roughly $200,000 in contingency funds.

David Ghoddousi asked when those tenants will need to pay rent again. Ben Franz-Knight responded it varies with each lease, but the majority of rent and percentage rent will be realized in 2018.

Devin McComb asked about the list of warranty items at MarketFront. Ben Franz-Knight responded those are tracked at the Market Connections Committee.

1. Checking Account Activity Report
   Sabina Proto handed the Checking Account Activity Report to Karin Moughamer.

C. Report on Native American Designs Being Sold in Pike Place Market
   Ben Franz-Knight shared his findings on Native American designs sold in Pike Place Market, a copy of which was provided in the meeting packet. He summarized that there are two leasehold tenants that focus almost exclusively on Native American art and design: Ravens Nest Treasures and Eighth Generation. Ravens Nest sources from Native Northwest based in Vancouver, B.C., which purchases designs from Native American Artists for reproduction on products and gift items. Eighth Generation sells items designed and made by Native American artists. It is the first Native-owned company to produce wool blankets. There is one daystall artists, Harmony Ross (Tlingit Tribe), sells her artwork in the Market.

   Ben Franz-Knight shared two actions taken by the Federal Trade Commission related to selling and misrepresentation of Native American Art in Seattle.

   He concluded by stating PDA staff found no evidence of stolen Native designs or stolen Native artifacts being sold in the Pike Place Market.

IV. Action Items

A. Proposed Resolution 17-53: Approval to Add New Signer on PPMPDA Bank Accounts
   Sabina Proto introduced proposed resolution 17-53 which states that:

   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 PDA has to make changes on the Signature Authority;

   NOW THEREFORE, BE IT RESOLVED, that Ben Franz-Knight will be removed from and Erica Bates, the Director of Human Resources, will be added to the list of the authorized signers on the
following list of bank accounts to honor and pay checks or other appropriated orders for the payment or withdrawal of money in the name of Pike Place Market Preservation and Development Authority (PPMPDA) and the organizations PDA manages:

<table>
<thead>
<tr>
<th>Bank of America Merrill Lynch:</th>
<th>Account #</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDA Operating Account</td>
<td>*****019</td>
</tr>
<tr>
<td>PDA Payroll Account</td>
<td>*****001</td>
</tr>
<tr>
<td>PC1 Revenue Fund</td>
<td>*****023</td>
</tr>
<tr>
<td>HUD Depository Account</td>
<td>*****518</td>
</tr>
<tr>
<td>Sanitary Market Replacement Reserves</td>
<td>*****534</td>
</tr>
<tr>
<td>In Trust for Residents</td>
<td>*****320</td>
</tr>
<tr>
<td>Low Income Housing Reserve</td>
<td>*****940</td>
</tr>
<tr>
<td>Pine Residential Revenue Fund</td>
<td>*****301</td>
</tr>
<tr>
<td>SNAP Program</td>
<td>*****040</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US Bank – Corporate Trust Accounts:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Special Obligation and Refunding Bonds Series A</td>
<td>SEAPIKREF15</td>
</tr>
<tr>
<td>Debt Service Fund A</td>
<td></td>
</tr>
<tr>
<td>2015 Special Obligation and Refunding Bonds Series B</td>
<td>SEA PIK15B</td>
</tr>
<tr>
<td>Debt Service Fund B</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. Bank:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WASH LLC Operating Account</td>
<td>*****011</td>
</tr>
<tr>
<td>WASH LLC Operating Reserve Account</td>
<td>*****052</td>
</tr>
<tr>
<td>WASH LLC Replacement Reserve Account</td>
<td>*****045</td>
</tr>
<tr>
<td>WASH LLC Tenant Security Deposit Account</td>
<td>*****029</td>
</tr>
<tr>
<td>PPM QB2 Operating Account</td>
<td>*****083</td>
</tr>
<tr>
<td>PPM QB2 SIF Asset MGMT Fee Reserve</td>
<td>*****984</td>
</tr>
<tr>
<td>PPM QB2 LIIF Asset MGMT Fee Reserve</td>
<td>*****976</td>
</tr>
<tr>
<td>PPM QB2 KITSAP County Asset MGMT Reserve</td>
<td>*****992</td>
</tr>
<tr>
<td>PPM QB3 Operating Account</td>
<td>*****003</td>
</tr>
<tr>
<td>PPM QB3 Fee and Expense Reserve Account</td>
<td>*****071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home Street Bank</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LASALLE SENIOR HOUSING LLC Operating Account</td>
<td>*****167</td>
</tr>
<tr>
<td>LASALLE SENIOR HOUSING LLC Operating Reserve Account</td>
<td>*****419</td>
</tr>
<tr>
<td>LASALLE SERNIOR HOUSING LLC Replacement Reserve Account</td>
<td>*****385</td>
</tr>
<tr>
<td>LASALLE SENIOR HOUSING LLC Security Deposit Account</td>
<td>*****985</td>
</tr>
<tr>
<td>LASALLE SENIOR HOUSING LLC Special Purpose Reserve</td>
<td>*****988</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State of Washington Local Government Investment Pool:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>L.G.I.P. - PPMPDA</td>
<td>1755</td>
</tr>
</tbody>
</table>

and

Business Credit Card with Bank of America Merrill Lynch
BE IT FURTHER RESOLVED, that the following persons are duly designated to authorize deposits and withdrawals of funds for the above listed accounts:

(a) Checks up to $250.00: Any one of the following: Sabina Proto (Director of Finance) alone, Erica Bates (Director of Human Resources) alone, John Turnbull (Director of Asset Management) alone.

(b) Checks over $250.00: Any two of the following:
   - Sabina Proto, Erica Bates, John Turnbull

All signatories are reminded, especially those who are co-signing checks, to verify that the check is completely filled out and the purpose of the check is clearly known before signing, including, and not limited to:

- Against what invoice is the check being drawn?
- To satisfy what obligation is the check being written?
- Is the amount of the check appropriate to its purpose?
- For what reason are monies being transferred between accounts?

The Market relies on the diligence of its check signatories.

These public funds are deposited in accordance with laws of the State of Washington. This authority revokes all previous authorities for these accounts, and shall continue in force until notice in writing of its revocation shall have been received by said bank.

David Ghoddousi moved the proposed resolution and Gloria Skouge seconded the motion.

For: Paul Neal, David Ghoddousi, Devin McComb, Ray Ishii, and Gloria Skouge
Against: 0
Abstain: 0

Proposed Resolution 17-53 passed by a vote of 5-0-0.

B. Proposed Resolution 17-54: Approval of Petty Cash Policies and Procedures
Sabina Proto introduced proposed resolution 17-53 which states that:

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 PDA has an established Petty Cash Policy and Procedure and is seeking a periodic review and confirmation of the Petty Cash Policy and Procedures by the Council.
NOW, THEREFORE, BE IT RESOLVED the PPMPDA Council does hereby approve the Petty Cash Policies and Procedures attached as Exhibit A.

Gloria Skouge moved the proposed resolution and David Ghoddousi seconded the motion.

David Ghoddousi asked what the total amount of the petty cash is. Sabina Proto responded $250.

For: Paul Neal, David Ghoddousi, Devin McComb, Ray Ishii, and Gloria Skouge  
Against: 0  
Abstain: 0

Proposed Resolution 17-54 passed by a vote of 5-0-0.

V. Property Management  
A. Residential Property Management Report  
Elsie Janson provided the residential property report there have been eight move-ins in the last two weeks. There have been several evictions over the last three weeks, even after working really hard with the tenants. Residential is fully staffed and revenue is doing well.

Ray Ishii asked about openings in MarketFront and if they have been filled. Ben Franz-Knight said not yet and a few things are being worked out with different unit, however, but PDA staff are in compliance with maintaining close communications. Elsie Janson added they are in the process of certifying future tenants.

VI. Public Comment  
None.

VII. Closed Session  
The Committee Chair stated that the committee would go into closed session at 4:52 p.m. to discuss the property management report and return into open session at approximately 5:22 p.m.

The committee entered into closed session at 4:53 p.m.

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

B. Review of Lease Proposals  
   i. Lease Review – Hardship Request for Bohemia Therapeutic Massage, 1517 First Avenue  
   ii. New Tenant – Northwest Tastings, 1501 Pike Place #527  
   iii. Lease Renewal – Daily Dozen Donuts, 94 Pike Street #6  
   iv. Lease Renewal – Daily Dozen Donuts, 94 Pike Street #330  
   v. Lease Renewal – Taj Mahal, 1501 Pike Place #513

C. Review of Delinquency Report  
   i. Vacancy Report  
   ii. Current Lease Negotiations
The committee entered into open session at 5:29 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

A. Proposed Resolution 17-55: Lease Proposals – October 2017

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Term</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Tastings</td>
<td>One (1) Year</td>
<td>November 9, 2017</td>
</tr>
<tr>
<td>Cameron &amp; Phyllis Fries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>daily Dozen Donuts (Retail)</td>
<td>Five (5) Years</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>Barbara Elza</td>
<td></td>
<td></td>
</tr>
<tr>
<td>daily Dozen Donuts (Office)</td>
<td>Five (5) Years</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>Barbara Elza</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taj Mahal</td>
<td>Two (2) Years</td>
<td>November 1, 2017</td>
</tr>
<tr>
<td>Rani Dhingra</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

David Ghoddousi moved the proposed resolution and Devin McComb seconded the motion.

For: Paul Neal, David Ghoddousi, Devin McComb, Ray Ishii, and Gloria Skouge
Against: 0
Abstain: 0

Proposed Resolution 17-55 passed by a vote of 5-0-0.

IX. Resolutions to be added to the Consent Agenda

- Proposed Resolution 17-53: Approval to Add New Signer on PPMPDA Bank Accounts
- Proposed Resolution 17-54: Approval of Petty Cash Policies and Procedures
- Proposed Resolution 17-55: Lease Proposals – October 2017

X. Concerns of Committee Members

Ray Ishii expressed his appreciation for Ben Franz-Knight’s service to the Pike Place Market and PDA over the last seven years, noting how smoothly the PDA operates given its complexity.

XI. Adjournment

The meeting was adjourned at 5:31 p.m. by Ray Ishii, Chair

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Wednesday, October 18th, 2017
4:30 p.m. to 5:45 p.m.
Goodwin Library

Committee Members Present: Matt Hanna (Chair), Ray Ishii, Rico Quirindongo, David Ghoddousi, Betty Halfon, and Gloria Skouge

Other Council Members Present: Mark Brady

Staff Present: Karin Moughamer

Others Present: Howard Aller, Elizabeth Coppinger

The meeting was called to order at 4:31 p.m. by Matt Hanna, Chair.

I. Administration
   A. Approval of the Agenda
      Matt Hanna proposed reordering the order of the Committee Chair Reports to be: Market Programs, FAM, Market Connections, and Executive Director Hiring Committee. The agenda was approved as amended by Acclamation.

   B. Approval of the September 20th, 2017 Executive Committee Meeting Minutes
      The September 20th, 2017 Executive Committee Meeting Minutes were approved by Acclamation.

II. Announcements and Community Comments
    Howard Aller mentioned his comments during the previous meeting on returning to general use the shaded areas on First Avenue. Howard referenced a conversation with Ben Franz-Knight in which he said the new Executive Director will need to address this. In his own research Howard determined it is no longer required by state liquor control board that people who serve alcohol have to have permanent fences. In addition he spoke with Heather at Historic Commission and Howard will be speaking to Historic Commission so that on new leases they make sure fencing is temporary. Howard noted a conversation with Jennifer at the PDA who said that this topic will need to go through the new ED and Council for approval to alter lease language. He concluded by saying there is no way to remove permanent fencing that is already in place.

    Elizabeth Coppinger, a Market Foundation Board member, has been working on the Services Agreement with the PDA. She thanked the Council for their work on the Services Agreement and noted it’s been a real learning experience and has learned a lot about the PDA and the processes. She hopes that the PDA better understands the Foundation a little better. She looks forward to continuing to work together and it’s gratifying to see it come together.

III. Council Chair’s Report
    Matt Hanna provided an update on the Market Foundation Services Agreement. Related to the Services Agreement is a budget proposal and request of the PDA to allocate funds to the Foundation,
as has been the historic practice. Matt Hanna suggested that at full Council someone will need to move the Proposed Resolution to pass the budget and then someone, possibly Matt, will move to amend the resolution to include the Foundation proposal.

Matt Hanna requested the budget proposal be included in the Council packet. They are asking for the salary of the Executive Director and salary of the Market Coordinator and some items are lower or eliminated resulting in a decrease from last year.

In addition Matt asked for the Services Agreement to be included in the full Council packet.

Matt Hanna continued by reporting on conversations between he, Ben, Rico, and Marshall Foster at Office of the Waterfront to close out the MarketFront Development Agreement with the City. Marshall Foster believes the PDA is 98.9% there but there are a few items to follow-up on, in particular to enter into negotiations with the City to consider a role in the Overlook Walk and the larger waterfront project. That opened a preliminary discussion on what that could look like with the PDA. Friends of the Waterfront has an interest in programming and operating the Overlook Walk but there is discussion on whether they are best suited for the maintenance and operations aspects. He noted however there is only so much that can be discussed prior to the elections, as things will most likely change. The goal for the PDA is to participate so that the Overlook Walk is a well-functioning and healthy area next to MarketFront.

Matt Hanna provided an update on Ben Franz-Knight staying on as interim ED. Due to real and perceived conflicts of interest, Ben’s last day will be October 27th. Ben is open to coming back as a consultant to help with the transition once a new ED has started.

David Ghoddousi asked if hiring Ben Franz-Knight as a consultant is in the 2018 budget. Matt Hanna believes there will be funds for consulting services that could support that expenditure.

David Ghoddousi asked if there has been any additional conversations about elevator service at Overlook Walk, noting his concern for only having one elevator servicing MarketFront to Overlook Walk. Having two elevators next to each other is important so that when one goes down there is still a working elevator. Matt Hanna said that is part of the conversation with Office of the Waterfront.

A. Review and Approval of PDA Council Retreat Agenda
Matt Hanna tabled this topic until full Council.

IV. Committee Chair’s Report
A. Market Programs
Betty Halfon provided an update on the Market Programs Committee meeting, noting the holiday events and gift guide currently being created by Justin Huguet. Betty reviewed October programs and recent earned and unearned media.

There was a discussion about the future of Behind the Table.

B. Finance & Asset Management
Ray Ishii noted the passing of Proposed Resolution 17-52, adoption of the budget, which passed unanimously, even without the Foundation numbers. The financial statements for September were reviewed, noting not a lot of change from previous reports, including the parking revenue shortfall. Ray mentioned the report prepared by Ben Franz-Knight on Native American Designs sold in Pike
Place Market. He reviewed the Lease Proposals. Proposed Resolutions 17-53, 17-54 and 17-55 were added to Consent Agenda.

David Ghoddousi and Ray Ishii shared some of the statistics Sabina Proto shared on Ben Franz-Knight’s financial accomplishments.

Betty Halfon asked if advertising focused on parking would help the parking garage revenue shortfall.

A conversation continued discussing the parking revenue 2017 projections, mid-year budget adjustments, and potential year-end revenue total.

Matt Hanna noted that one of the reasons the city contributed funds to the MarketFront parking garage was due to the loss of City parking once the viaduct comes down. Matt also believes the payoff for the garage won’t be realized until after the viaduct comes down in 2019.

Betty Halfon asked when access to the parking garage through the west entrances would be closed and wants to ensure it doesn’t happen during the busiest months at the Market, especially if First Avenue Streetcar construction occurs at the same time. Ray Ishii stated it’s an ongoing conversation Ben Franz-Knight has been having with the City.

C. Market Connections
Rico Quirindongo updated the Committee on the short meeting that included the MHC briefing and general approval for the removal of the skybridge and experimental programming to take place on the MarketFront pavilion. In addition, a draft letter regarding the Pike Pine Renaissance was reviewed and Justine Kim attended to provide MarketFront updates, including an update on tenant improvements and warranty walk thru.

Matt Hanna asked about the status of Jarr Bar (Little Fish). Mark Brady believes it’s slated to open in March, 2018.

Rico Quirindongo noted his suggestion to present MarketFront closeout to City Council in 2018.

David Ghoddousi asked about the leak above Little Fish and if Sellen is responsible and what the timeline is. Rico Quirindongo believes it’s under warranty and they have until March to fix.

D. Executive Director Hiring Committee
Rico Quirindongo noted there was no meeting this week. The next meeting is October 25th and HFH is getting good responses to the job profile. PDA staff is working to get the job profile up on the website.

V. Executive Director’s Report
Matt Hanna reviewed the transition plan Ben Franz-Knight provided for Committee review. PDA leadership staff are stepping up and he is not concerned about the gap in ED leadership.

David Ghoddousi commented his approval of having more than one staff person assigned to the Active Project Management list.

Ray Ishii asked is staff is ok with this plan. Matt Hanna stated that Ben Franz-Knight has been working with staff and they are aware of the plan. Ray Ishii clarified that Matt Hanna is in charge to make executive decisions should that need arise. Matt Hanna said yes.
Rico Quirindongo asked for clarification that all leadership team members will attend full Council in November and December. Matt Hanna responded that is the expectation. Rico also asked if there would be discussion on the transition plan at full Council. Matt responded it’s probably a good idea and asked to have that topic added under New Business.

Betty Halfon gave a vote of confidence to the PDA leadership team.

Rico Quirindongo added the Council is committed to filing that vacancy as quickly as possible.

VI. Closed Session
The Committee Chair stated that the committee would go into closed session at 5:22 p.m. to discuss the draft Market Foundation Services Agreement and return into open session at approximately 5:42 p.m.

The committee entered into closed session at 5:23 p.m.

The committee entered into open session at 5:52 p.m.

The committee discussed the pending Market Foundation Services Agreement during the closed session.

VII. Action Items

Proposed Resolution 17-56: Approval of Services Agreement between the Pike Place Market PDA and the Pike Place Market Foundation.

A draft resolution was not provided to the Committee. However, Matt Hanna opened the floor to approve the Draft Services Agreement between the Pike Place Market PDA and the Pike Place Market Foundation.

Betty Halfon moved the proposed resolution and Rico Quirindongo seconded the motion.

Approve: Matt Hanna, Betty Halfon, Rico Quirindongo, David Ghoddousi and Gloria Skouge
Against: 0
Abstain: Ray Ishii

The Draft Services Agreement passed with a vote of 5-0-1

VIII. Public Comment

None.

IX. Concerns of Committee Members

Betty Halfon commented on her frustration with the PDA phone system. Every time she calls it goes straight to voicemail and asks her to punch in the extension number or staff name. If she got the wrong name it asks to retype in numbers or letters, however, it sends her to the same, wrong, extension. She stated she would like someone answering the phones.

David Ghoddousi agreed that the phone system is not the easiest to navigate.
Matt Hanna asked Betty to talk with Ben Franz-Knight about the phone glitch. In addition, she asked Betty to raise the issue in January for the new ED's consideration.

Rico Quirindongo stated that what the Council does during the gap in November and December, and into the first quarter of 2018, matters a great deal. The Council needs to maintain the charge during the interim and during the next five months the Council may have more working responsibilities.

Matt Hanna, and Rico Quirindongo agreed, the Council needs to be more alert.

Rico Quirindongo added that a conversation does need to take place about the plan for when the Market is hemmed in by First Avenue Streetcar construction and viaduct removal. He noted that there will be a new SDOT director and absent an Executive Director, the Council will need to be in front of the City loudly and consistently. One Center City is a place where that can happen but it also needs to happen in council chambers and special meetings the Council should call.

Ray Ishii asked for clarification on whether staff will step into roles Ben Franz-Knight has served, such as meetings with City departments.

Matt Hanna believes that anything that pops up between now and the hiring of the new ED should be discussed by the Council – either at full Council meeting, Committee meetings, or through individual conversations – to determine the best course of action.

Betty Halfon is concerned how the Market is going to help small business during times of stress, such as major downtown construction. What it the Council doing to help marginal businesses – the farmers and crafts people.

Matt Hanna asked to add 10 minutes under New Business at full Council to discuss the retreat agenda.

David Ghoddousi believes it's a good idea to present MarketFront closeout to City Council.

X. Adjournment
The meeting was adjourned at 6:03 p.m. by Matt Hanna, Chair.

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

Financials & Additional Enclosures
Summary

The PDA is in good financial standing with expenses continuing to trend at or below budget projections. Commercial revenue is trending above budget. Daystall revenue is under budget mainly because of the reduced attendance which was impacted by the cold weather during the first half of the year and some attritions. Parking revenue continues to be below 2017 budget projections, though following mid-year adjustments in July is trending positively compared to actual revenue during the same period for 2016. We are up to date on all payment obligations, debt services, pension fund contributions and are on track to meet the 2017 budget contribution to the CRRF.

Balance Sheet Notes:

Page 1:

Current assets – Reduced mostly in Unrestricted Cash.

Designated Cash – Increase is related to monthly budgeted contribution to CRRF.

Restricted Cash – Increase reflects the monthly contribution to the Debt Service Accounts for 2015 PDA Bonds.

Fixed Assets – Reflects a modest increase from the construction costs of ongoing PDA Capital Projects and MarketFront project closeout efforts.

Current Liabilities – Decreased mostly in Accounts Payable (refer to the decrease of Unrestricted Cash)

Long Term Debt – Decrease is due to monthly payment of 2009 PDA bond.

Net Position – Current Year Operating Result $2,905,091

Non-Operating Revenue related to MarketFront transactions $4,425,673
**Page 2:**

**Accounts Receivable Activity Report** – Increased overall slightly from the prior month. None of our AR is of any concern regarding delinquencies.

**Page 3:**

**PDA Operating Statement Notes:**

Total Revenue YTD through September 30, 2017 was $14,226,416, under budget by 0.9% ($122,769).

Total Operating Expense YTD was $10,506,126, under budget by 4.2% ($463,902).

Net Result after Debt Service and Reserves was $1,930,163, which is $341,118 over budget.

We are up to date with all debt payments and annual contributions to Pension Plan.

We are on track for 2017 budgeted contribution to CRRF.

**Page 4:**

Footnotes on the Operating Statement

**Commercial Revenue** is over budget by $60,738; it’s up in Base Rent Retail, Common Area and Percent Rent.

**Residential Revenue** is slightly under budget; Rent revenue is over budget, Laundry and Other are under budget.

**Daystall Revenue** is under budget in all categories. The negative variance will be reduced considerably when we receive the second half of Specialty Crop Block Grant.

**Page 5:**

**Surface Revenue** net of City Share is over budget. We anticipated that Lenora and Blanchard would be operational for a portion of 2017, in reality it will continue to operate until 3rd quarter of 2018.

**Garage Revenue** is under budget by $190,419. We continue to watch parking revenue very closely and hired a new Parking Manager in September.

**Miscellaneous Revenue** is over budget in Security Contracts, investment income, and under budget in filming revenue.
Page 6:

Operating Expenses: over budget  (1) Commercial – due to some bad debt, and increase on MID Fees, Property Tax(surcharge fees), (2)Garage due to Salaries, (3)Security due to new pay rates after the renewal of Union Contract, (4) Insurance due to trending; it will be reduced considerably after the allocation of a portion to WASH LLC.

Page 7:

Percent Rent spreadsheet- Percent Rent was $40,157 over budget.

Page 8:

Section 1 states that the balance of the Capital Replacement Reserve, which was $9.9 MM for end of September 30, 2017.

Section 2 provides a reconciliation of Operating Result on Operating Statement and Current Year Result on the Balance Sheet.

Page 9:

Capital Projects Report provides the status and YTD spending on different Capital Project we are working on, (excluding MarketFront and Levy).
PIKE PLACE MARKET PDA
BALANCE SHEET
September 30, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>LIABILITIES &amp; CAPITAL</th>
<th>Current Month</th>
<th>Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Cash</td>
<td>2,295,357</td>
<td>3,325,465</td>
<td>Accounts Payable</td>
<td>910,708</td>
<td>1,973,810</td>
</tr>
<tr>
<td>Rental Accounts Receivable</td>
<td>260,178</td>
<td>247,424</td>
<td>Current Portion - L.T Debt</td>
<td>635,000</td>
<td>635,000</td>
</tr>
<tr>
<td>Misc Accounts Receivable</td>
<td>2,056,463</td>
<td>2,014,652</td>
<td>Interest Payable Accrued</td>
<td>411,479</td>
<td>312,542</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>356,703</td>
<td>405,864</td>
<td>Accrued Payroll, Vacation &amp; Taxes</td>
<td>485,644</td>
<td>537,002</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>4,968,701</td>
<td>5,993,405</td>
<td>Accrued Business Taxes</td>
<td>82,148</td>
<td>86,690</td>
</tr>
<tr>
<td>Designated Cash &amp; Equivalents</td>
<td>21,335,261</td>
<td>21,125,189</td>
<td>Security Deposits</td>
<td>417,208</td>
<td>414,427</td>
</tr>
<tr>
<td>Restricted Cash &amp; Equivalents</td>
<td>6,455,277</td>
<td>6,329,678</td>
<td>Parking Agreement Due To City</td>
<td>18,320</td>
<td>14,850</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other Liabilities</td>
<td>2,694,716</td>
<td>2,735,127</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Uncarried WSDOT revenue</td>
<td>4,318,895</td>
<td>4,364,766</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Current Liabilities</td>
<td>9,974,118</td>
<td>11,074,214</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td>Long Term Debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>5,268,168</td>
<td>5,268,168</td>
<td>2009 PDA Refunding Bonds</td>
<td>1,713,010</td>
<td>1,746,522</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>85,463,958</td>
<td>85,463,958</td>
<td>2015 Bond Series A and B</td>
<td>23,745,000</td>
<td>23,745,000</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>47,736,283</td>
<td>47,622,994</td>
<td>Premium on 2015 Bond Series</td>
<td>2,206,294</td>
<td>2,206,294</td>
</tr>
<tr>
<td>Parking Garage</td>
<td>10,411,687</td>
<td>10,411,687</td>
<td>N/P City of Seattle - Creamery Lot</td>
<td>455,000</td>
<td>455,000</td>
</tr>
<tr>
<td>Market Buildings</td>
<td>32,740,575</td>
<td>32,740,575</td>
<td>QB2 Deferred Master Lease Payment</td>
<td>22,927,991</td>
<td>22,927,991</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,128,827</td>
<td>1,128,827</td>
<td>QB3 Deferred Master Lease Payment</td>
<td>9,711,325</td>
<td>9,711,325</td>
</tr>
<tr>
<td>Total Fixed Assets</td>
<td>182,749,498</td>
<td>182,636,299</td>
<td>Current Portion - Long Term Debt</td>
<td>(635,000)</td>
<td>(635,000)</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(39,805,510)</td>
<td>(39,805,510)</td>
<td>Total Long Term Debt</td>
<td>6,012,3629</td>
<td>6,157,132</td>
</tr>
<tr>
<td>Total Net Fixed Assets</td>
<td>142,943,988</td>
<td>142,830,699</td>
<td>Total Liabilities</td>
<td>70,097,738</td>
<td>71,231,346</td>
</tr>
<tr>
<td>Long Term Receivable &amp; Investments</td>
<td>32,958,386</td>
<td>32,958,386</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td>Contributed Capital</td>
<td>11,818,935</td>
<td>11,818,935</td>
</tr>
<tr>
<td>Financing Lease</td>
<td>2,814,727</td>
<td>2,814,727</td>
<td>Prior Years' Results</td>
<td>122,229,103</td>
<td>122,229,103</td>
</tr>
<tr>
<td>Contributions To LSH LLC and WASH LLC</td>
<td>200</td>
<td>200</td>
<td>Current Year Result</td>
<td>2,902,091</td>
<td>2,397,532</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>2,814,927</td>
<td>2,814,927</td>
<td>Non-Operating Revenues</td>
<td>4,325,673</td>
<td>4,375,368</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>211,476,540</td>
<td>212,052,284</td>
<td>Net Operating Capital</td>
<td>141,378,802</td>
<td>140,820,938</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND CAPITAL</td>
<td>211,476,540</td>
<td>212,052,284</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note 1  
Accounts Receivable

<table>
<thead>
<tr>
<th>Category</th>
<th>Previous Month Balance</th>
<th>Total Current Charges</th>
<th>Total Current Receipts</th>
<th>Current Month Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Revenue</td>
<td>97,676</td>
<td>1,161,564</td>
<td>1,156,118</td>
<td>103,122</td>
</tr>
<tr>
<td>Day Stall Revenue</td>
<td>124,713</td>
<td>122,505</td>
<td>110,097</td>
<td>137,121</td>
</tr>
<tr>
<td>Residential Rent (excluding HUD)</td>
<td>18,546</td>
<td>210,675</td>
<td>207,335</td>
<td>21,886</td>
</tr>
<tr>
<td>HUD Subsidy</td>
<td>6,185</td>
<td>101,896</td>
<td>110,032</td>
<td>11,951</td>
</tr>
<tr>
<td>Total</td>
<td>247,120</td>
<td>1,596,640</td>
<td>1,583,582</td>
<td>260,178</td>
</tr>
</tbody>
</table>
### PIKE PLACE MARKET PDA - OPERATING BUDGET COMPARISON STATEMENT

**Period Ending September 30, 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>Current YTD Actual</th>
<th>Current YTD Budget</th>
<th>Variance</th>
<th>Variance %</th>
<th>Current MONTH Actual</th>
<th>Current MONTH Budget</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>8,756,853</td>
<td>8,696,115</td>
<td>60,738</td>
<td>0.7%</td>
<td>1,108,307</td>
<td>1,171,049</td>
<td>11,596,853</td>
</tr>
<tr>
<td>Net Result-PPM QALICB2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Net Result-PPM QALICB3</td>
<td>(33,100)</td>
<td>(14,799)</td>
<td>(18,301)</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>(19,736)</td>
</tr>
<tr>
<td>Residential</td>
<td>2,086,312</td>
<td>2,087,944</td>
<td>(1,632)</td>
<td>-0.1%</td>
<td>245,394</td>
<td>243,602</td>
<td>2,814,614</td>
</tr>
<tr>
<td>Daystarl</td>
<td>875,169</td>
<td>908,645</td>
<td>(33,476)</td>
<td>-3.7%</td>
<td>124,967</td>
<td>127,715</td>
<td>1,184,300</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>146,616</td>
<td>139,466</td>
<td>7,150</td>
<td>5.1%</td>
<td>10,382</td>
<td>15,495</td>
<td>185,957</td>
</tr>
<tr>
<td>Garage</td>
<td>1,884,484</td>
<td>2,074,903</td>
<td>(190,419)</td>
<td>-9.2%</td>
<td>234,689</td>
<td>261,568</td>
<td>2,503,453</td>
</tr>
<tr>
<td>Events</td>
<td>135,940</td>
<td>126,200</td>
<td>9,740</td>
<td>7.7%</td>
<td>8,421</td>
<td>-</td>
<td>126,200</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
<td>0%</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>349,142</td>
<td>305,717</td>
<td>43,425</td>
<td>14.2%</td>
<td>40,753</td>
<td>23,723</td>
<td>416,974</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>14,226,416</td>
<td>14,349,185</td>
<td>(122,769)</td>
<td>-0.9%</td>
<td>1,797,913</td>
<td>1,868,152</td>
<td>18,821,615</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Management</td>
<td>986,645</td>
<td>987,479</td>
<td>834</td>
<td>0.1%</td>
<td>94,843</td>
<td>108,238</td>
<td>1,307,215</td>
</tr>
<tr>
<td>Parking</td>
<td>439,339</td>
<td>436,326</td>
<td>(3,013)</td>
<td>-0.7%</td>
<td>58,684</td>
<td>42,697</td>
<td>582,068</td>
</tr>
<tr>
<td>Operations</td>
<td>3,561,107</td>
<td>3,666,092</td>
<td>(104,985)</td>
<td>2.9%</td>
<td>447,916</td>
<td>401,907</td>
<td>4,873,824</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,138,566</td>
<td>2,363,000</td>
<td>(224,434)</td>
<td>9.5%</td>
<td>244,878</td>
<td>318,831</td>
<td>3,103,097</td>
</tr>
<tr>
<td>Insurance</td>
<td>387,158</td>
<td>355,860</td>
<td>(31,298)</td>
<td>-8.8%</td>
<td>47,334</td>
<td>46,140</td>
<td>491,281</td>
</tr>
<tr>
<td>Administration</td>
<td>1,766,137</td>
<td>1,832,241</td>
<td>66,104</td>
<td>3.6%</td>
<td>168,922</td>
<td>178,943</td>
<td>2,371,175</td>
</tr>
<tr>
<td>Marketing &amp; Programs</td>
<td>1,227,174</td>
<td>1,329,030</td>
<td>(101,856)</td>
<td>7.7%</td>
<td>121,752</td>
<td>153,800</td>
<td>1,700,097</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>10,506,126</td>
<td>10,970,028</td>
<td>463,902</td>
<td>4.2%</td>
<td>1,184,329</td>
<td>1,250,556</td>
<td>14,428,757</td>
</tr>
<tr>
<td><strong>NET OPERATING RESULTS</strong></td>
<td>3,720,290</td>
<td>3,379,157</td>
<td>341,133</td>
<td>10.1%</td>
<td>613,584</td>
<td>617,596</td>
<td>4,392,858</td>
</tr>
<tr>
<td><strong>DEBT SERVICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Principal and Interest Payment PDA</td>
<td>355,806</td>
<td>355,806</td>
<td>-</td>
<td>0.0%</td>
<td>39,534</td>
<td>39,534</td>
<td>474,416</td>
</tr>
<tr>
<td>2015 PDA Bond Series A&amp;B</td>
<td>1,089,189</td>
<td>1,089,189</td>
<td>-</td>
<td>0.0%</td>
<td>121,021</td>
<td>121,021</td>
<td>1,452,250</td>
</tr>
<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td>1,444,995</td>
<td>1,444,995</td>
<td>-</td>
<td>0.0%</td>
<td>160,555</td>
<td>160,555</td>
<td>1,926,666</td>
</tr>
<tr>
<td><strong>RESERVES - DESIGNATED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Contribution</td>
<td>345,000</td>
<td>345,000</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>345,000</td>
</tr>
<tr>
<td>IHH Interest to Reserve</td>
<td>132</td>
<td>117</td>
<td>15</td>
<td>12.8%</td>
<td>15</td>
<td>13</td>
<td>164</td>
</tr>
<tr>
<td><strong>TOTAL DESIGNATED RESERVES</strong></td>
<td>345,132</td>
<td>345,117</td>
<td>15</td>
<td>0.0%</td>
<td>15</td>
<td>13</td>
<td>345,164</td>
</tr>
<tr>
<td>Net Results after Debt Service &amp; Reserves</td>
<td>1,930,163</td>
<td>1,589,045</td>
<td>341,118</td>
<td>21.5%</td>
<td>453,014</td>
<td>457,028</td>
<td>2,121,028</td>
</tr>
<tr>
<td><strong>CAPITAL RESERVE CONTRIBUTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution - Capital Projects/CRRF</td>
<td>1,930,163</td>
<td>1,589,045</td>
<td>341,118</td>
<td>0.0%</td>
<td>453,014</td>
<td>457,028</td>
<td>2,121,028</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES &amp; CONTRIBUTIONS</strong></td>
<td>1,930,163</td>
<td>1,589,045</td>
<td>341,118</td>
<td>21.5%</td>
<td>453,014</td>
<td>457,028</td>
<td>2,121,028</td>
</tr>
</tbody>
</table>
### Note 1: Commercial Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Comm Rev</td>
<td>Sep Actual</td>
<td>% YTD</td>
<td>Sep Budget</td>
</tr>
<tr>
<td>Base Rent - Retail</td>
<td>30.4%</td>
<td>2,654,869</td>
<td>30.3%</td>
<td>2,614,450</td>
</tr>
<tr>
<td>Base Rent - Office</td>
<td>5.6%</td>
<td>419,813</td>
<td>4.8%</td>
<td>428,811</td>
</tr>
<tr>
<td>Prep Space</td>
<td>0.5%</td>
<td>45,797</td>
<td>0.3%</td>
<td>45,450</td>
</tr>
<tr>
<td>Common Area</td>
<td>19.3%</td>
<td>1,592,924</td>
<td>18.2%</td>
<td>1,582,319</td>
</tr>
<tr>
<td><strong>Total Rent Revenue</strong></td>
<td></td>
<td>4,715,423</td>
<td></td>
<td>4,671,030</td>
</tr>
<tr>
<td>Percentage Rent (1)</td>
<td>35.7%</td>
<td>3,281,557</td>
<td>37.5%</td>
<td>3,241,400</td>
</tr>
<tr>
<td>Direct Utilities</td>
<td>7.2%</td>
<td>602,180</td>
<td>6.9%</td>
<td>622,827</td>
</tr>
<tr>
<td>Storage/Cooler</td>
<td>1.6%</td>
<td>133,106</td>
<td>1.5%</td>
<td>133,950</td>
</tr>
<tr>
<td>Tenant Work Reimbursements</td>
<td>0.1%</td>
<td>6,999</td>
<td>0.1%</td>
<td>8,411</td>
</tr>
<tr>
<td>Late Fees</td>
<td>0.2%</td>
<td>19,588</td>
<td>0.2%</td>
<td>16,497</td>
</tr>
<tr>
<td><strong>Total Commercial Revenue</strong></td>
<td>100%</td>
<td>8,756,853</td>
<td>100%</td>
<td>8,696,115</td>
</tr>
</tbody>
</table>

(1) See attachment for Percentage Rent revenue data by month.

### Note 2: Residential Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Res Rev</td>
<td>Sep Actual</td>
<td>% YTD Res Rev</td>
<td>Sep Budget</td>
</tr>
<tr>
<td>Residential Rents</td>
<td>98.2%</td>
<td>2,057,294</td>
<td>98.6%</td>
<td>2,050,905</td>
</tr>
<tr>
<td>Laundry Net of Taxes</td>
<td>0.7%</td>
<td>10,322</td>
<td>0.5%</td>
<td>13,689</td>
</tr>
<tr>
<td>Other (1)</td>
<td>1.1%</td>
<td>18,696</td>
<td>0.9%</td>
<td>23,330</td>
</tr>
<tr>
<td><strong>Total Residential Revenue</strong></td>
<td>100%</td>
<td>2,086,312</td>
<td>100%</td>
<td>2,087,944</td>
</tr>
</tbody>
</table>

(1) Other includes maintenance services, storage, rental screening & late fees.

### Note 3: Daystaff Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017 Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Day Rev</td>
<td>Sep Actual</td>
<td>% YTD Day Rev</td>
<td>Sep Budget</td>
</tr>
<tr>
<td>Daily Craft</td>
<td>61.7%</td>
<td>533,076</td>
<td>60.9%</td>
<td>547,000</td>
</tr>
<tr>
<td>Daily Farmer</td>
<td>20.9%</td>
<td>193,318</td>
<td>22.1%</td>
<td>196,500</td>
</tr>
<tr>
<td>Remote Markets</td>
<td>4.2%</td>
<td>46,440</td>
<td>5.3%</td>
<td>43,000</td>
</tr>
<tr>
<td>Cooler / Locker Rent</td>
<td>7.3%</td>
<td>62,306</td>
<td>7.1%</td>
<td>64,200</td>
</tr>
<tr>
<td>Permits, market bags &amp; other</td>
<td>2.1%</td>
<td>22,316</td>
<td>2.5%</td>
<td>24,245</td>
</tr>
<tr>
<td>Late Fees</td>
<td>1.3%</td>
<td>9,750</td>
<td>1.1%</td>
<td>10,700</td>
</tr>
<tr>
<td>Specialty Crop Block Grant</td>
<td>2.3%</td>
<td>7,933</td>
<td>0.9%</td>
<td>23,000</td>
</tr>
<tr>
<td><strong>Total Daystaff Revenue</strong></td>
<td>100%</td>
<td>875,169</td>
<td>100%</td>
<td>908,645</td>
</tr>
</tbody>
</table>
### Note 5  Surface Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Surf Rev</td>
<td>Sep</td>
<td>% YTD Surf Rev</td>
<td>Sep</td>
</tr>
<tr>
<td>Surface Revenue Net of Taxes</td>
<td>153.8%</td>
<td>281,241</td>
<td>191.8%</td>
<td>214,558</td>
</tr>
<tr>
<td>City Share of Revenues</td>
<td>-53.8%</td>
<td>(134,625)</td>
<td>-91.8%</td>
<td>(75,098)</td>
</tr>
<tr>
<td>Surface Parking Net of Taxes &amp; City Share</td>
<td>100%</td>
<td>146,616</td>
<td>100%</td>
<td>139,460</td>
</tr>
</tbody>
</table>

### Note 6  Garage Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Gar Rev</td>
<td>Sep</td>
<td>% YTD Gar Rev</td>
<td>Sep</td>
</tr>
<tr>
<td>Parking Revenue Net of Taxes</td>
<td>99.5%</td>
<td>1,869,784</td>
<td>99.2%</td>
<td>2,062,528</td>
</tr>
<tr>
<td>Parking Reimbursement</td>
<td>0.5%</td>
<td>14,700</td>
<td>0.8%</td>
<td>12,375</td>
</tr>
<tr>
<td>Total Garage Revenue</td>
<td>100%</td>
<td>1,884,484</td>
<td>100%</td>
<td>2,074,903</td>
</tr>
</tbody>
</table>

### Note 7  Events Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Evt Rev</td>
<td>Sep</td>
<td>% YTD Evt Rev</td>
<td>Sep</td>
</tr>
<tr>
<td>Conference Rooms net of tax</td>
<td>97.2%</td>
<td>132,811</td>
<td>97.7%</td>
<td>120,200</td>
</tr>
<tr>
<td>Ticket Revenue</td>
<td>2.8%</td>
<td>3,129</td>
<td>2.3%</td>
<td>6,000</td>
</tr>
<tr>
<td>Total Events Revenue</td>
<td>100%</td>
<td>135,940</td>
<td>100%</td>
<td>126,200</td>
</tr>
</tbody>
</table>

### Note 8  Miscellaneous Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Total Budget</th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of total Gar Rev</td>
<td>Sep</td>
<td>% YTD Misc Rev</td>
<td>Sep</td>
</tr>
<tr>
<td>Security Service Contracts</td>
<td>14.0%</td>
<td>48,069</td>
<td>13.6%</td>
<td>38,970</td>
</tr>
<tr>
<td>Management Fees[1]</td>
<td>26.4%</td>
<td>55,091</td>
<td>15.8%</td>
<td>55,345</td>
</tr>
<tr>
<td>Investment Income/Interest</td>
<td>13.0%</td>
<td>112,922</td>
<td>32.3%</td>
<td>67,707</td>
</tr>
<tr>
<td>Film-License Revenue</td>
<td>6.7%</td>
<td>14,366</td>
<td>4.1%</td>
<td>23,600</td>
</tr>
<tr>
<td>Other Revenues[2]</td>
<td>37.9%</td>
<td>118,694</td>
<td>34.0%</td>
<td>120,095</td>
</tr>
<tr>
<td>Total Miscellaneous Revenue</td>
<td>100%</td>
<td>349,142</td>
<td>100%</td>
<td>305,717</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 9 Property Management Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% PM Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Commercial</td>
<td>321,131</td>
<td>22.3%</td>
<td>317,463</td>
</tr>
<tr>
<td>Residential</td>
<td>471,573</td>
<td>33.1%</td>
<td>470,204</td>
</tr>
<tr>
<td>Daytime</td>
<td>193,941</td>
<td>13.6%</td>
<td>199,812</td>
</tr>
<tr>
<td>Surface Parking</td>
<td>54,207</td>
<td>3.8%</td>
<td>60,105</td>
</tr>
<tr>
<td>Garage</td>
<td>385,132</td>
<td>27.0%</td>
<td>374,221</td>
</tr>
<tr>
<td><strong>Total Property Management Expenses</strong></td>
<td><strong>1,425,984</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,423,805</strong></td>
</tr>
</tbody>
</table>

### Note 10 Operations Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Ops Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Facilities</td>
<td>1,392,590</td>
<td>22.9%</td>
<td>1,445,916</td>
</tr>
<tr>
<td>Security</td>
<td>1,189,089</td>
<td>19.5%</td>
<td>1,158,035</td>
</tr>
<tr>
<td>Maintenance</td>
<td>844,595</td>
<td>13.9%</td>
<td>908,560</td>
</tr>
<tr>
<td>Capital Management</td>
<td>134,833</td>
<td>2.2%</td>
<td>134,581</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,138,566</td>
<td>35.1%</td>
<td>2,363,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>387,158</td>
<td>6.4%</td>
<td>355,860</td>
</tr>
<tr>
<td><strong>Total Operations Expenses</strong></td>
<td><strong>6,086,831</strong></td>
<td><strong>100%</strong></td>
<td><strong>6,384,952</strong></td>
</tr>
</tbody>
</table>

### Note 11 Administration Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Adm Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Management</td>
<td>710,628</td>
<td>40.2%</td>
<td>708,851</td>
</tr>
<tr>
<td>Finance</td>
<td>316,426</td>
<td>17.9%</td>
<td>321,700</td>
</tr>
<tr>
<td>Office Administration</td>
<td>343,232</td>
<td>19.5%</td>
<td>388,906</td>
</tr>
<tr>
<td>Human Resources</td>
<td>165,992</td>
<td>9.4%</td>
<td>177,747</td>
</tr>
<tr>
<td>Information Services</td>
<td>227,859</td>
<td>12.9%</td>
<td>235,037</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td><strong>1,766,137</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,832,241</strong></td>
</tr>
</tbody>
</table>

### Note 12 Programs Expenses

<table>
<thead>
<tr>
<th></th>
<th>YTD ACTUAL</th>
<th>YTD BUDGET</th>
<th>YTD 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>% Prg Exp</td>
<td>Budget</td>
</tr>
<tr>
<td>Marketing</td>
<td>561,858</td>
<td>45.6%</td>
<td>592,608</td>
</tr>
<tr>
<td>Farm Program</td>
<td>243,258</td>
<td>19.4%</td>
<td>264,733</td>
</tr>
<tr>
<td>Community Events &amp; Programs</td>
<td>243,258</td>
<td>19.4%</td>
<td>205,901</td>
</tr>
<tr>
<td>Market Foundation</td>
<td>243,258</td>
<td>19.4%</td>
<td>265,788</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td><strong>1,227,174</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,322,030</strong></td>
</tr>
</tbody>
</table>
### 2017 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>387,815</td>
<td>180,152</td>
<td>3,844</td>
<td>2,384</td>
<td>1,832</td>
<td>1,111</td>
<td>3,410</td>
<td>22,640</td>
<td>429,114</td>
<td>6,985</td>
<td>1,768</td>
<td>5,314</td>
<td>387,815</td>
<td>340,000</td>
<td>47,815</td>
</tr>
</tbody>
</table>

### 2016 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>December</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
</table>

### 2015 Calendar Year

**Percentage Rent Revenue By Month of Sales**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>December</th>
<th>Total</th>
<th>Approved Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>332,942</td>
<td>2,930,192</td>
<td>2,930,192</td>
<td>0</td>
</tr>
</tbody>
</table>
Capital Replace Reserve Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Anticipated Year end Balance</th>
<th>Current YTD Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 12/31/2016</td>
<td>8,401,068</td>
<td>8,401,068</td>
</tr>
<tr>
<td>Surplus allocation of the prior year</td>
<td>913,644</td>
<td>913,644</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 1/1/17</td>
<td>9,314,712</td>
<td>9,314,712</td>
</tr>
</tbody>
</table>

**Budget 2017 Contribution:**

- Capital Reserve - PDA and Gar 2,121,028 1,930,163

**Capital Projects Spending:**

- 2016 projects carried over to 2017 (386,092) (396,465)
- 2017 capital projects (1,700,000) (914,273)
- (2,086,092) (1,310,738)

CRRF Capital Reserve Balance 9,349,648 9,934,137

---

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

(a) Net Operating Results - Operating Statement 3,720,290

- Total Interest Expense on Bonds (954,147)
- Non Cash Revenue - Developer Fee from WASH LLC 138,948
- Total Reconciliation items (815,199)

(b) Current Year Result - Balance Sheet 2,905,091
### CAPITAL PROJECTS REPORT

<table>
<thead>
<tr>
<th>BLDG</th>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>nar</td>
<td>163250-00</td>
<td>Roof</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pda</td>
<td>163400-00</td>
<td>Garage Card Reader Access</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>333</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pin</td>
<td>163755-00</td>
<td>Convert top Central Plant</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>413</td>
<td></td>
<td></td>
</tr>
<tr>
<td>soa</td>
<td>163763-00</td>
<td>Courtyard Excavate shomm</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,755</td>
<td></td>
<td></td>
</tr>
<tr>
<td>soa</td>
<td>163778-00</td>
<td>Commercial restrooms</td>
<td>82,903</td>
<td>0</td>
<td>82,903</td>
<td>54,998</td>
<td>In progress</td>
<td>16-32</td>
</tr>
<tr>
<td>vary</td>
<td>163786-00</td>
<td>Western Ave Enhancement Project</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,921</td>
<td></td>
<td>16-44</td>
</tr>
<tr>
<td>pin</td>
<td>163806-00</td>
<td>Pine Deck</td>
<td>0</td>
<td>57,827</td>
<td>57,827</td>
<td>2,398</td>
<td></td>
<td>16-44</td>
</tr>
<tr>
<td>las</td>
<td>163807-00</td>
<td>Comlab - Windows</td>
<td>36,348</td>
<td>0</td>
<td>36,348</td>
<td>33,914</td>
<td>In Progress</td>
<td>16-32</td>
</tr>
<tr>
<td>soa</td>
<td>163808-00</td>
<td>Comsoa - 2fl Restroom</td>
<td>218,849</td>
<td>0</td>
<td>218,849</td>
<td>268,488</td>
<td>Completed</td>
<td>16-61</td>
</tr>
<tr>
<td>cor</td>
<td>163809-00</td>
<td>Comcor - Stairs</td>
<td>39,992</td>
<td>0</td>
<td>39,992</td>
<td>39,757</td>
<td>Completed</td>
<td>16-33</td>
</tr>
<tr>
<td>pin</td>
<td>163810-00</td>
<td>HVAC RTU</td>
<td>0</td>
<td>195,219</td>
<td>195,219</td>
<td>163,812</td>
<td>Completed</td>
<td>16-29</td>
</tr>
<tr>
<td>lel</td>
<td>163813-00</td>
<td>Paint windows &amp; walls</td>
<td>0</td>
<td>73,234</td>
<td>73,234</td>
<td>65,160</td>
<td>Completed</td>
<td>16-46</td>
</tr>
<tr>
<td>lel</td>
<td>163814-00</td>
<td>Windows</td>
<td>8,000</td>
<td>8,000</td>
<td>16,000</td>
<td>9,413</td>
<td>Completed</td>
<td>N/A</td>
</tr>
<tr>
<td>soa</td>
<td>163815-00</td>
<td>East Entrance</td>
<td>0</td>
<td>20,892</td>
<td>20,892</td>
<td>13,555</td>
<td>Completed</td>
<td>16-64</td>
</tr>
<tr>
<td>las</td>
<td>163816-00</td>
<td>Lockers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7,083</td>
<td></td>
<td></td>
</tr>
<tr>
<td>soa</td>
<td>163819-00</td>
<td>Seismic Retrofit Pink Door</td>
<td>0</td>
<td>18,618</td>
<td>18,618</td>
<td>22,691</td>
<td>Completed</td>
<td>17-17</td>
</tr>
<tr>
<td>pin</td>
<td>163820-00</td>
<td>Roofs</td>
<td>0</td>
<td>150,350</td>
<td>0</td>
<td>118,102</td>
<td>Completed</td>
<td>17-09</td>
</tr>
<tr>
<td>ste</td>
<td>163821-00</td>
<td>window/walls/façade</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>184</td>
<td></td>
<td></td>
</tr>
<tr>
<td>vary</td>
<td>163822-00</td>
<td>SRO - paint exterior</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>814</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pda</td>
<td>163823-00</td>
<td>Term Architect</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>136</td>
<td>In Progress</td>
<td></td>
</tr>
<tr>
<td>pda</td>
<td>163824-00</td>
<td>ERS antenna</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,964</td>
<td>In Progress</td>
<td></td>
</tr>
<tr>
<td>ste</td>
<td>163825-00</td>
<td>Trash chute fan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>raf</td>
<td>164103-00</td>
<td>Lower Roof</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>119,116</td>
<td>121,783</td>
<td>Completed</td>
</tr>
<tr>
<td>raf</td>
<td>164104-00</td>
<td>Neighborhood Comm Center</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-Total</td>
<td>386,092</td>
<td>1,300,000</td>
<td>1,686,092</td>
<td>942,621</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>BLDG</th>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>160260-00</td>
<td>Commercial Tenant Compensation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>160280-00</td>
<td>Tenant Improvement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>160290-00</td>
<td>Tenant Existing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>160300-00</td>
<td>Tenant Vacancy</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,762</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CONTINGENCY**

<table>
<thead>
<tr>
<th>BLDG</th>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>160820-00</td>
<td>Contingency for Known Projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>160870-00</td>
<td>Contingency for Unknown Projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**A&E - ARCHITECTURAL, ENGINEERING, DESIGN & APPLICATION CONTRACTING - OUTSOURCED**

<table>
<thead>
<tr>
<th>BLDG</th>
<th>Code</th>
<th>Project Name</th>
<th>2016 Budget Carryover</th>
<th>2017 Budget Allocation</th>
<th>2017 Total Budget</th>
<th>LTD Expenses</th>
<th>Status for Financial Reporting</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>160XXX-00</td>
<td>Capital Inventory</td>
<td>0</td>
<td>400,000</td>
<td>400,000</td>
<td>366,356</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-Total</td>
<td>0</td>
<td>400,000</td>
<td>400,000</td>
<td>366,356</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>386,092</td>
<td>1,700,000</td>
<td>2,086,092</td>
<td>1,310,738</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Minor increase in vacancy last month but this will be reduced with a number of new tenants in October.
Property Update

Overall Occupancy as of October 5 is 97%

General Information

Occupancy – improving with move-ins during September and early October, especially in Stewart House and Livingston. Rarely available vacancies in Leland market rate expected to rent as soon as turnover work completed. Western Avenue Senior Housing - experiencing some turnover issues with five move outs since opening, three at management request, one for personal reasons and one abandoned. New tenants identified from current waiting list and rapid re-renting expected. We expect a couple more vacancies to result in other buildings due to lease enforcement matters.

We continue to use very limited part time assistance to help prepare units at turnover.

Compliance – Continue to keep up to date with Seattle ordinances and new regulations. Will now discontinue criminal background checks unless required for HUD subsidized units.

Fair Housing – Reasonable accommodation provided at requests of one tenant in Market House.

Staff Training

Fair Housing workshop in Seattle to be attended by all assistants and managers, 11/15 – whole day.

Residents Events

Thanksgiving – Tuesday, 11/14
Holiday – Tuesday, 12/12
Active Aging – Wednesday and Saturday

Western Avenue Senior Housing

Market House – Funding Renewal preparation – will require market study (in 2018 budget)

Building Maintenance and Unit Turnover
Stairwell walk-through – deep cleaning needed – project scheduling with Labor Ready or staff OT for scheduling – on going
Request to JT – residential building audit for accessibility based on ADA guidelines
Annual building inspection – First and Pine, Stewart and Livingston Baker.

Pest Control

K-9 inspection – Scheduled in November for three buildings. Generally – minimal issues reported by tenants
Stewart House – We responded to City inspection office inquiry concerning pest control issues in Stewart House and received confirmation that our efforts to work with tenants are a good model. Three units will get replacement bedding.

La Salle – Hope to engage term architect soon to assist with substantial rehab guidelines for the older units in the building. This is tied to review of units renovated over 40 years ago. Scope will be standardized repair/replacement of cabinets and finish materials used in bathrooms, kitchens and floors.

Programs and Events

Atrium Kitchen
Traci Post assumed operation on October 1st. Her management of the facility will preserve many of the ATRIUM KITCHEN bookings tapering off due to reduction in programming and cancellation of weekend rentals. Staffing was reduced to one person in the office effective September 15 through the end of the year. We expect some additional revenue through the end of year as there continues to be demand for meeting rooms during weekdays. Annual revenue will remain at about revised budget after deductions for credits to Kitchen for revenue previously received for events transferred from PDA.

Several holiday events and private parties remain on the schedule for November and December.

We expect to convert this to a lease in 2018.
On September 10th we hosted the first rental client for a private activity on the MarketFront Pavilion – a company anniversary party for Miller Hull architects.

We will be transferring management of room rentals and pavilion event rentals to the commercial department in 2018.
Upcoming events in the Market community:

- **Friends of the Market Annual meeting** – Nov. 13 @ 5pm; featuring John Stamets photography exhibit in The Market Commons and then up to the Pink Door for the meeting.

### Pike Up! Campaign:

<table>
<thead>
<tr>
<th>Pike Up! Campaign</th>
<th>10/17/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHARMS</td>
<td>7,323</td>
</tr>
<tr>
<td>HOOFPRINTS</td>
<td>436</td>
</tr>
<tr>
<td>MAJOR GIFTS</td>
<td>$5,725,665</td>
</tr>
<tr>
<td><strong>GRAND TOTAL:</strong></td>
<td><strong>$8,619,574</strong></td>
</tr>
</tbody>
</table>

**The 2nd Installation of Charms & Hoofprints is now complete:** We hosted a small donor unveiling party on October 12th in partnership with indi chocolate, Old Stove and Honest Biscuit. You’ll notice we’ve started installing some hoofprints on Western Avenue and we are now moving down to the lower railing of the MarketFront (a location approved by MHC in Sept. 2017)

**Holiday Campaign:**
We are currently ramping up for the Season of Giving! Our goal is to $375,000 to support our Annual Fund and $381,000 to complete the Pike Up! campaign. Look for our campaign to begin in early November and conclude just after the new year.

**The Market Commons**
Our resource desk is open Monday – Friday 9 AM – 4 PM; everyone is invited to stop by to learn more about the community of services in and around the Market or participate in an upcoming event such as:

- Fresh Bucks & EBT Bonus Card Sign Up
- King County Metro - Orca Lift Sign ups and other County programs
- Healthcare Insurance info sessions – including Medicare, Medicaid and ACA enrollment info
- Technology Troubleshooting – get basic tech assistance with cell phones, internet searches, and using your computer
- Coffee Break
- Coloring for Calm
- Walking Group

See our complete calendar of activities at [www.TheMarketCommons.org](http://www.TheMarketCommons.org)
The Market Commons Opens

The Market Commons is officially open! A neighborhood center in the heart of Pike Place Market, the Market Commons can help community members find access to resources such as health care, child care, services for seniors and more. Located on Western Avenue in the southeast corner of the MarketFront, The Commons is open Monday through Friday 9 a.m. - 4 p.m.

The Commons features an evolving calendar of activities, such as exercise classes, coffee hour, health insurance sign ups and knitting circles.

Head over to pikeplacemarketfoundation.org to check out the events calendar or sign up for the Market Commons email list.

Behind the Table: Meet the Artisans of Pike Place Market

Tickets are now on sale for the 4th annual Behind the Table: Meet the Artisans of Pike Place Market. The evening will be filled with local art, live music, dinner, drinks, a silent auction and more. Proceeds will directly benefit the Market Community Safety Net, a fund that Market community members can call on in a time of need. Behind the Table is Friday, October 20 from 5-10 p.m. on the MarketFront Pavilion. To RSVP visit www.behindthetable.org. If you are interested in volunteering or donating to the event, please email fundraiser@behindthetable.org.

Piroshky Piroshky’s 25th Anniversary

This month 25 years ago, Vladimir and Zina Kotelnikov opened Piroshky Piroshky Bakery in a tiny space at Pike Place Market, with the hope of bringing a taste of Russia to the Pacific Northwest. The bakery has since grown to four locations. It remains in the family today, and the kitchen at Pike is still very small. To celebrate their milestone anniversary, Piroshky Piroshky is giving away catering orders to local schools, charities, and businesses. Those interested can enter by emailing their story to cs@piroshkybakery.com.

Farm Season Wrap-Up

Farm season is coming to a close. The remainder of the markets will end for the season this month. The last day for the South Lake Union Market is October 12, while the City Hall Plaza and Regrade markets end on October 10.

This year we are pleased to offer the Farm to Go - Fall Harvest Box to the community! The Fall Harvest Box is a convenient way to enjoy fresh, healthy produce while supporting local family farms this fall. Each box will contain 10-15 items, including a variety of root crops, hearty leafy greens, winter squash, orchard fruit, and more delicious signature fall crops sourced from Pike Place Market farmers.

Enrollment is open from October 9-25. For more information visit pikeplacemarket.org/harvestbox or email sidra.schkerke@pikeplacemarket.org.

Osara Commissary Now Open

Welcome to Osara Commissary, a new Market business on Market Level 3! Located at the bottom of the staircase next to Orange Dracula, Osara offers a fun assortment of goods procured from Japan by owners Mikako Hamaguchi and David Allison.

Here you can find Japanese specialty home and food items, including kitchenwares, décor, stationery, pantry items, snacks and small trinkets and toys.
The 34th Annual Feast at the Market

Join us October 3rd for a unique opportunity to try some of Pike Place Market’s best restaurants while supporting Neighborcare Health at Pike Market Clinic. Our Clinic at the Market has long been the leading provider of comprehensive primary healthcare services to low-income and uninsured people in downtown Seattle, providing more than 28,000 medical and mental health care visits annually to more than 5,000 patients—45% of whom are uninsured and 40% of whom are or were recently homeless.

Feast at the Market is a one-of-a-kind progressive dinner through the Pike Place Market neighborhood offering guests an opportunity to enjoy a self-guided tour of tastes from more than 20 participating restaurants. Attendees will be introduced to irresistible flavors cooked up by award winning chefs at restaurants and eateries such as, Choukette - eclair'art, Honest Biscuits, The Pink Door, Matt's in the Market, The Pike Brewing Company, Seatown Seabar and Rotisserie, and more. To purchase tickets or learn more about the event, visit neighborcare.org/events/feast

Pike Pine Renaissance Concept Design Open House

On October 3 the Office of the Waterfront will share a concept design for pedestrian improvement to Pike and Pine streets. The open house will be at the Washington State Convention Center from 5-7 p.m. and is free to attend. To RSVP or learn more about the project visit waterfrontseattle.org/pike-pine.

Downtown Conventions

October 6-10: NECA 2017 Annual Exposition & Convention - 7,000 attendees
October 14: YMCA of Greater Seattle - Camper Value Awards Ceremony - 1,200 attendees
October 15-17: ASHRM 2017 Annual Conference & Exhibit - 1,900 attendees
October 17: 2017 Seattle Interactive Conference - 1,500 attendees
October 21: GSA 2017 Annual Meeting & Exposition - 6,500 attendees
October 27-28: College Fair 2017 - 12,000 attendees
October 31-November 3: PASS Summit 2017 - 3,900 attendees.

Holiday Online Gift Guide Submissions

Now that the busy summer season has ended, it’s time to turn our attention to the 2017 holiday season. We know that Pike Place Market is truly a one-stop destination for unique, authentic and quality gifts for everyone on our holiday shopping gift lists. Our 2017 holiday campaign will feature a new online gift guide that captures the spirit of the Market during the holidays. If you have a particular item you would like to highlight this season, please visit pikeplacemarket.org/holiday2017 to submit your gift idea.

PDA Committee & Council Meetings

Meetings are in the top floor of the Economy Building.

- October 3 Market Programs: 4 p.m.
- October 4 Executive Director Hiring: 4 p.m.
- October 11 Executive Director Hiring: 3 p.m.
- October 16 Market Connections: 4 p.m.
- October 17 Finance & Asset Management: 4 p.m.
- October 18 Executive Director Hiring: 3 p.m.
- October 18 Executive: 4:30 p.m.
- October 25 Executive Director Hiring: 3 p.m.
- October 26 PDA Council: 4 p.m.

Constituency Meetings

Meetings are on the top floor of the Economy Building.

- October 17 General Assembly: after PDA Finance & Asset Management meeting
- October 26 Executive Committee: after PDA Council meeting

Staff Comings & Goings

Welcome aboard to: Malachi Dunbar, promoted from Seasonal to Full-time Security Officer. Best wishes to Mike Downing, former Parking Manager, on his journey to Texas; Amelia Wright; Farm Program Intern; and James Cornell, Daystall Coordinator. Also, thanks to seasonal Security Officers Tremon Mowatt and Katie Rottman for helping us this summer.

Need more info?

Call the PDA office if you have questions. 206.682.7453 pikeplacemarket.org
-----Original Message-----
From: bmessina@u.washington.edu [mailto:bmessina@u.washington.edu]
Sent: Friday, September 29, 2017 9:25 AM
To: Market Info <info@pikeplacemarket.org>
Cc: sally.bagshaw@seattle.gov
Subject: MarketFront Building ongoing water leak issues

To: PDA Council members and Executive Director
From: Bob Messina

It is not clear to me why the Pike Place Market may have to pay for unresolved water leaks in the MarketFront Building. The Executive Director has stated that previous leaks have been located and repaired, and paid for by the construction company. My understanding is that if there is a mis-application of materials, then the construction company bears the cost of the repair. So, in all the previous instances of leak repairs, it must be clear if these were due to mis-application. If they were, then the current unresolved leak must also be subject to the same scrutiny, and why the Market must bear the cost. There must be written documentation from the company, and a legal analysis from the Pike Place Market as to whether the Market must bear this cost. I am asking the PDA Council and the Executive Director to make this issue clearer to the Market community and public. I myself am not qualified in knowledge of construction law and liabilities, and I am just trying to make sense of my understanding of reports given at PDA governance meetings that I recently attended.

Sincerely,
Bob Messina
Mr. Just,
in the judgment and final decision issued by Seattle city attorney the outcome was clearly on my side and to my benefit.
the city attorney office did in fact request that I should be giving an apartment that is suitable for my health condition, your management has not complied with this decision.
I did await for several months for your management to comply with the Seattle city attorney final decision.
my medical documents clearly support the fact that it is dangerous to my cardiac condition to continue to live on 1st ave. front of the building.
I will be willing to fly back to Seattle immediately and to resume residing at the building if your management respects the final decision of Seattle city attorney office.
I do need to return to Seattle to have access to cardiac transplant care and stroke rehab immediately please let me know if you will respect the Seattle city consul decision and when would my apartment be ready so I could come back home.
in case that you and PDA MANAGEMENT WILL NOT RESPECT THE FINAL DECISION and to provide me with a suitable apartment I have no choice but to take this case to the court again and to human rights institutes.
to this point I do not feel safe to return to my apartment because of racism, and antisemitism I was a victim of at the hands of manager Larry Mason.
at this point I do not feel safe to return to my apartment in Seattle under your management or the current PDA manager.
I have been paying rent and awaiting for a new apartment that was recommended by Seattle city attorney office.
the rest of my furniture will out of the apartment during the next week.
if you have any questions please contact me and immediately and please consult with the upper managers in concern to respecting and enforcing the decision by Seattle city attorney.
I also do not feel safe to return to a building that you personally manage Mr. Just because of the previous attempt to collect a bribe from me in exchange of the apartment.
sincerely