



# Special Meeting of the PDA Council - MarketFront Committee Meeting Minutes

**Monday, February 9<sup>th</sup>, 2015**  
**4:00 p.m. to 6:00 p.m.**  
**Elliott Bay Room**

**Committee Members Present:** Matt Hanna, Rico Quirindongo, Jim Savitt, John Finke, Jackson Schmidt, Gloria Skouge, Bruce Burger, Betty Halfon, David Ghoddousi, Ann Magnano

**Other Council Members Present:**

**Staff Present:** Ben Franz-Knight, Lillian Hochstein, Tamra Nisly, Sabina Proto, Dianna Goodsell

**Others Present:** Justine Kim, Howard Aller, Bob Messina, Haley Land, Joan Paulson, Bo Zhang, Gerry Johnson, David Kenagy, Carrie Holmes

The meeting was called to order at 4:01p.m. by Matt Hanna, PDA Council Chair.

## **I. Administration**

- A. Approval of the Agenda  
The agenda was approved by Acclamation
- B. Approval of the January 21<sup>st</sup>, 2015 MarketFront Committee Meeting Minutes.  
The minutes were approved by Acclamation

## **II. Announcements and Community Comments**

Haley Land mentioned that he had read over the Development Agreement a few times and had noted that overall there were no surprises in it. He said Ben Franz-Knight and Lillian Hochstein have gone beyond their due diligence with involving the community and public in this MarketFront project process; the Stakeholders group is particularly indebted to them. He highlighted the importance of the Plaza and putting it into perspective. When the public sees the Plaza in the future, the first way they are going to evaluate it is going to be by those things that are most public. He would like make sure that the Plaza it is pleasing to the public and that the public wants to be there.

*Ann Magnano entered into the meeting at 4:05p.m.*

Bob Messina noted his support for the project which is being voted upon today. He said that the project has come a long way. He mentioned that current project was a smaller project than what the PDA had originally been presented including the reduction in debt. He congratulated the PDA Council and staff on their fine tuning of the MarketFront project and costs.

Joan Paulson said that the Development Agreement basically commits the organization to the debt of 73 million dollars. She added that the agreement would allow the organization to extend the project activities further West, beyond the approved boundaries of the Pike Place Market Urban Renewal Plan. She spoke further about the commitment with the Overlook Walkway and development potentially another 160,000,000 in costs; this cost is something the PPM PDA Organization cannot take on. She noted that with the agreement, it is committing future generations to over 200,000,000 million dollars. She spoke on Section 12.8, Governing Law of the Development Agreement and the last section of the Development Agreement. She mentioned that it would be to our benefit to hire another attorney, and to get a separate opinion on this agreements effect on the Urban Renewal Plan; she further explained why a City attorney is not a viable option. She lasted noted that this agreement does not uphold the Urban Renewal Plan and commits to a sizable economic impact.

Howard Aller stated that what we have in front of us is a document for roughly a 70 million dollar project; the largest project the Market has undertaken. He stated that if we approve this project, we can deal with the mistakes. If we do not approved this project tonight, each month it will cost us a quarter million dollars.

### III. Key Issues and Discussion Items

- A. Update on Budget Summary, Flow of Funds and Schedule - MarketFront project  
Justine Kim, Project Manager and Ben Franz-Knight provided a review of the Marketfront Project Flow of Funds and Total Budget Summary. Ben highlighted the status of the key financing components for the MarketFront project. He said that that the Market Foundation was confident that they would raise the six million in philanthropy for the project. He provided an update on the New Market Tax credits, noting positive discussions on that front with Chase bank. He lastly reported that Lillian and he would be meeting with State Legislators next week.

Bruce Burger asked what the approximate annual profit of the additional garage spaces before debt was for the project.

Jim Savitt asked about the total debt with the MarketFront project, including the existing garage bond.

Matt Hanna asked for detailed information regarding the ratios of debt-to-revenue for the next Finance and Asset Management Committee meeting.

- B. MarketFront/PC-1 North Development Agreement between the City of Seattle and the Pike Place Market Preservation and Development Authority

Gerry Johnson provided a comprehensive review of the final draft of the MarketFront/PC- 1North Development Agreement between the City of Seattle and the Pike Place Market Preservation and Development Authority to the PDA Council and public. Gerry reviewed the following Development Agreement Articles: Article 1 - Recitals, Article 2 - Effective Date; Incorporation of Documents and Materials, Article 3

- Design, Article 4 - Funding, Article 5 - Project Commencement Actions Timeline; Property Conveyance, Article 6- Project Schedule, Article 7 - Project Construction, Article 8 - Process for Disbursement of City Grant Proceeds, Article 9 - Phased Development; Alternative Projects, Article 10 - Risk Management, Article 11 - Indemnification and Dispute Resolution and Article 12 - Miscellaneous Provisions.

I. **Action Item:** Proposed Resolution **15-10:** Approval of MarketFront/PC-1 North Development Agreement

Gerry Johnson introduced the resolution which states The Pike Place Market Preservation and Development Authority (“PPMPDA”) has been actively engaged in the prospective redevelopment of the PC-1N site with the MarketFront project (MarketFront) in conjunction with emerging plans for the redevelopment of the central waterfront by the City, as reflected in over 14 resolutions adopted by the PPMPDA Council since 2012; and WHEREAS, Consistent with the guidance provided by the PPMPDA Council-adopted resolutions, the PPMPDA has been negotiating with the City a Development Agreement Concerning Redevelopment of the PC-1 North Site Within the Pike Place Market Historical District (the “Development Agreement”); and WHEREAS, The PPMPDA previously approved a Memorandum of Understanding (MOU) Concerning Redevelopment of the PC-1 North Site Within the Pike Place Market Historical District pursuant to which with City and the PPMPDA have worked together to refine the MarketFront project; and WHEREAS, The earlier MOU specifically called for the City and PPMPDA to negotiate a Development Agreement under which the project would be designed, funded and built and outlined the parameters of such and agreement; and

WHEREAS, The Development Agreement is consistent with and satisfies the requirements of the PPMPDA as reflected in the MOU, earlier resolutions and other PPMPDA Council priorities and instructions, including the following:

- Provision for transfer of ownership of the PC-1N site to the PPMPDA;
- Secures approval for final design of the proposed MarketFront acceptable to the PPMPDA that also will be a signature feature of the City’s central waterfront project resulting from a highly successful collaboration between the City’s waterfront and the PPMPDA’s respective design teams;
- Secures City grant funding in the amount of \$34 million to support development of the project;
- Establishes the process by which the City will review and approve the final project budget and funding; and

WHEREAS, The PPMPDA assumes certain obligations under the Development Agreement, such obligations are consistent with the PPMPDA’s own interests and needs. Such obligations include:

- Secure remaining financing required to fully fund the final project budget and complete the project consistent with the design;

- Accepting the goal that construction should, if possible, begin such that the project will be completed in time to ensure that the below street (Western Avenue) level replacement parking included in the MarketFront will be available prior to demolition of the Viaduct for both Market and waterfront use;
- Manage construction of the project, including accepting responsibility for cost- overruns,
- Responsibility to manage and operate the MarketFront consistent with current PDA management practices:

WHEREAS, The Development Agreement adopts as the final design for the MarketFront project approved by the PPMPDA Council and otherwise satisfies the requirements of the PPMPDA Council’s PC-1N related resolutions adopted over the course of the past three years; and

WHEREAS, The proposed Development Agreement has been submitted by the Mayor to the City Council for their review and approval;

NOW, THEREFORE BE IT RESOLVED that

1. The proposed Development attached hereto is approved and the Executive Director is authorized to execute it (or a substantially similar version) on behalf of the PPMPDA subject to review and approval of the form of the Quit Claim Deed under which the property will be conveyed, Form of Covenant and Form of Easement by the PDA council, currently anticipated for its February 26, 2015 meeting.

Gerry noted that the proposed Development Agreement contained the Quit Claim Deed under which the property will be conveyed, Form of Covenant and Form of Easement by the PDA that would need to be approved subsequently at the February 26<sup>th</sup> PDA Council meeting.

Betty Halfon had requested to Gerry to provide a background of the Overlook Walkway and how the OWL

Jackson Schmidt moved, Betty Halfon seconded

For: Matt Hanna, Rico Quirindongo, Jim Savitt, John Finke, Jackson Schmidt, Gloria Skouge, Bruce Burger, Betty Halfon, David Ghoddousi, Ann Magnano

Against: 0

Abstained: 0

Resolution **15-10**: PDA Council Approval of Development Agreement between the Pike Place Market PDA and the City of Seattle passed unanimously with a vote of 10-0-0.

**IV. Action Items and Reports**

A. **Action Item:** Proposed Resolution **15-01:** MarketFront Project (PC1N) Sellen Early Release Shoring Package

Justine Kim introduced the resolution which states that 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, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District, and: WHEREAS in order to maintain the viability of the Pike Place Market and the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market. WHEREAS, the PDA Council adopted Resolution 13-56 approving PPMPDA selection of Sellen as the GC/CM Contractor and Resolutions 14-54 and 14-73 to enter into a contract with Sellen for Pre-Construction Services; WHEREAS, the PPMPDA and project consultants have identified areas requiring early release work prior to the negotiation and execution of the full GC/CM contract in order to stay on schedule and is now ready to enter into a contract for services in an amount not to exceed \$430,000. Early release work includes generating shop drawings and purchasing the steel material for the project, entering into a contract with SolData for the BNSF tunnel monitoring and getting the sensory equipment set up in the tunnel prior to construction commencement, and ordering of mechanical equipment with a long lead time for the required Food Bank work which needs to be completed prior to the shoring construction.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Sellen in an amount not to exceed \$430,000 for the early release work.

The funds for this project will be drawn from 110630-01 – PC1-N State Funds.

Gloria Skouge moved, Rico Quirindongo seconded

For: Matt Hanna, Rico Quirindongo, Jim Savitt, John Finke, Jackson Schmidt, Gloria Skouge, Bruce Burger, Betty Halfon, David Ghoddousi, Ann Magnano

Against: 0

Abstained: 0

Resolution **15-01:** MarketFront Project (PC1N) Sellen Early Release Shoring Package passed unanimously with a vote of 10-0-0.

B. **Action Item:** Proposed Resolution **15-02:** MarketFront Project (PC1N) Gas Meter Relocation Agreement - Puget Sound Energy

Justine Kim introduced the resolution which states that 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, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic

District, and: WHEREAS in order to maintain the viability of the Pike Place Market and the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market.

WHEREAS, the PPMPDA has determined that the existing gas meter servicing the Food Bank and Heritage House needs to be relocated to accommodate the construction of the MarketFront project; and, WHEREAS, the PPMPDA has coordinated with Miller Hull and consultants to find an alternate location for the gas meter and coordinated with Puget Sound Energy on a facility agreement to relocate the gas meter; and, WHEREAS, the PPMPDA has successfully completed negotiations with Puget Sound Energy and is now ready to enter into a contract for services in an amount not to exceed \$47,063. .

Now, therefore, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract for Puget Sound Energy to relocate the gas meter services Food Bank and Heritage House, in an amount not to exceed \$47,063 to accommodate the construction of the MarketFront project.

The funds for this project will be drawn from 110630-01 – PC1-N State Funds.

Betty Halfon moved, Gloria Skouge seconded

For: Matt Hanna, Rico Quirindongo, Jim Savitt, John Finke, Jackson Schmidt, Gloria Skouge, Bruce Burger, Betty Halfon, David Ghoddousi, Ann Magnano

Against: 0

Abstained: 0

Resolution **15-02**: MarketFront Project (PC1N) Gas Meter Relocation Agreement - Puget Sound Energy was passed unanimously with a vote of 10-0-0.

C. Report from Stakeholders Group

Haley Land presented on the Stakeholders Report with the Committee. He first congratulated the PDA Council on their unanimous decision to approve the Development Agreement between the Pike Place Market PDA and the City of Seattle. He provided a brief update on the recent Stakeholder's meeting including review of the financing plan for the MarketFront as well as the Capital campaign. He reported that the next Stakeholders meeting was scheduled for February 19<sup>th</sup> at 4:30p.m.

**VI. Items for the Consent Agenda**

None

**VII. Public Comment**

Bob Messina congratulated the PDA Council and PDA staff for a job well done with the progress of the project. He inquired regarding the mention of public art money from the City as part of the Development Agreement.

It was noted that the public art money as mentioned in the Development Agreement was the minimum amount we must contribute to the project.

Joan Paulson noted that her participation has always been what's best for the Market. She said that we have an agreement which has contingencies that had not been reviewed to the public. She noted that she sees the Development Agreement as an erroneous document; the people here that voted upon the document will not be here in five years. She noted that she would like to hear from the PDA Board, in the writing, was where is the role in the Market Historic Commission in regards to the project further to the west. She lastly said that she was not certain on this project because of this agreement; the players keep changing and there is more uncertainty.

Haley Land asked about the Overlook Walkway as part of the Development Agreement. He asked that if the OLW is to be made of superior materials, this is something we should be thinking about with the future connection of the MarketFront project.

Howard Aller thanked the PDA Council for the final Development Agreement. He said this is the Market and that nothing is perfect; the Market is all accidental and organic.

**VIII. Concerns of Committee Members**

Jackson Schmidt followed up on Howard Aller's previous public comments. He stated that it is remarkable that we have had complete consensus today with the PDA Council on approving the Development Agreement for the MarketFront project. He gave personal thanks Ben Franz-Knight with his incredible work on leadership with the MarketFront project.

Jim Savitt thanked the public and everyone who had participated in this process with the work on the MarketFront.

Gloria Skouge thanked Jackson Schmidt for his leadership in serving as Chair for Waterfront Redevelopment Committee.

**IX. Adjournment**

The meeting was adjourned at 5:23pm by Matt Hanna, Chair

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator