

October 18, 2011 PIKE PLACE MARKET CONSTITUENCY GENERAL ASSEMBLY MEETING

DRAFT

BOARD MEMBERS PRESENT: Teagan McDonald, Tom Graham, David Ghoddousi, Joan Paulson, Sharon Mukai, Gloria Skouge, and Patrick Kerr.

OTHERS: Ben Franz-Knight, Jay Schalow, and Sabina Proto.

Tom called the meeting to order @ 6:25pm.

There was no quorum present at the start of the meeting, so the agenda was not approved.

PDA Finance Director, Sabina Proto, was our guest speaker about the 2012 proposed PDA operating budget. She began with a background view of the current economy. The economy is not stable. Retail sales show flat growth generally, but the Market is doing O.K. The proposed budget is still a work in progress. October 31 is a public meeting, Nov. 15<sup>th</sup>, the finance committee approves the budget, and Nov.17, the full PDA Council makes the final adoption.

GENERAL INFORMATION: Rent increases for the Merchants are a COT of 29% of commercial base, and COMA a 30% increase of base. The Daystall Tenants rent will increase another .25 a day for 2012. Also, a new expense to the Farm Program is an \$8,000 yearly increase to hire a seasonal employee for the busy season.

Market Foundation expenses will increase back to the level of 2009, with the addition of two full-time employees. The LaSalle Apts. are not full, so rent will not increase yet. Investment income will stay low for the next year. Another new item will be the North Arcade Lights as a bi-annual event. The money for this is \$10,000 a year and comes out of the Daystall Revenue as seen in the 2012 proposed budget. This raised questions about off-setting the Daystall Tenants loss of selling time on these days by decreasing rent, also the possibility of a HILDT violation with too many closings.

Commercial Department expenses will include the cost of a Broker Firm for recruitment of tenants in order to fill up quickly and generate income. The Market garage is under management by Republic Parking and is paid a fee, and credit card use is up and so are credit card fees. Security expenses are up only for cost of living increases, with no new hires. All utility costs have increased with recycling fees up 65%. Also, insurance rates will increase, but we will get credit for the quality of the new remodeled buildings. Management expenses will increase because of consulting fees for waterfront studies on the effect of the tunnel project on the Market and surrounding community.

Ben Franz-Knight, the Executive Director, discussed office administration and marketing and communication expenses. There is a new full time employee hired to keep the office open at

the front desk 7 days a week, and also to support educational outreach about the Pike Place Market. Ben advocates using PR to spread good stories about the Market, putting curriculum in classrooms, dust off and grow our website and our presence on face book, twitter, with an active social media presence. Mobile application uses have added \$30,000 to this year's budget. Ben also talked about the August 105th birthday of the market as a stage for a big welcome back to the Market after the renovation. In conclusion, the 2012 budget is 14 million with a 7% increase, and our current capital reserve is 9 million.

Following was a question and answer time. Tom asked if last year showed the effect of the new card machines used in the parking garage. Ben said that parking in the garage will be affected by the loss of parking under the viaduct and will increase in volume. Joan asked about the loss of space in the Market, due to the renovation, that was used for storage and rentable space. How can space be added to overcome the deficit of loss? Ben said that PC1 North may enhance storage. He said we need to show the city the Market has an historic claim to this property. Joan then asked about the Urban Renewal sunset date in 2014. Can this affect PC1 North's availability to the market? Ben replied that the Market has an extensive claim to this area.

The agenda item of the discussion of Seattle Steam was postponed by acclamation to be carried over to the November meeting. Next was a call for the nomination for the member-at-large vacant position. No one was nominated. The election was postponed till November.

OFFICERS REPORTS: Teagan reported that the elevator was broken again and that access to keys for the doorway by Le Panier may be a good idea for those who use the elevator.

Next item on the agenda was the approval of the minutes for the August 25,2011 meeting. Joan moved to approve the minutes with the changes, and they were approved by acclamation.

The meeting was adjourned at 7:36 p.m.

Respectfully submitted by,

Sharon Mukai, PPMC Secretary