

October 18, 2011 PIKE PLACE MARKET CONSTITUENCY GENERAL ASSEMBLY MEETING

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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.

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