

**ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY  
BOARD OF DIRECTOR'S REGULAR SESSION  
November 17, 2005**

**Present**

JoAnne Zito-Brause  
Bill Smith  
Jeff Sinz  
Jana Hayenga  
Dan Coffey

**Present**

Mike Zoske  
Joelle Hall  
Mary Jane Michael  
Dana Pruhs

**Excused**

Louise Lazur  
Ken Stout

**Staff/Guests**

Kevin Kinney  
Robin Ward  
Healia Palmer  
Wendy Mikowski  
Krin Kempainen

**Call to Order**

Ms. Zito-Brause called the meeting to order at 5:16 pm.

**Review of Agenda**

Mr. Kinney passed out a new agenda with 2 new items. He stated item E - the Executive Session - may happen at the December meeting. There were no other changes to the agenda.

**Chief Operating Director's Report**

- Mr. Kinney stated he did create a report, but because he has been out of his office all day it is still on his desk. He will get his written report to everyone first thing in the morning. He went on to say he has interviewed the 5 employees currently working at the JC Penney garage and it is likely we will be hiring all of them once we take possession of the garage.

**Minutes**

Mr. Zoske moved to accept the minutes from October 24 & 27 as printed, Ms. Hayenga seconded. The motion carried.

**Public Comment**

Mr. Kinney stated Mr. Mark Pfeffer from Venture Development Group asked to speak to the Board. Mr. Pfeffer stated Venture Development Group and JL Properties presented a proposal for the 3<sup>rd</sup> and H St parking garage. He understands we will be discussing this item tonight and terminating the RFP. He request ACDA to postpone the decision until the next Regular Session. He would like to be able to sit down with representative from ACDA to discuss this proposal and possible termination of the RFP. He stated if ACDA does decide to terminate the proposal his company would not be submitting proposals on any future RFP because the trust will be gone.

**New Business**

A. Development Policies – Ms. Hayenga moved to accept the development policies as presented by Ms. Mikowski, Mr. Zoske seconded. The motion carried.

B. Mt. View Neighborhood Plan –

- Mr. Smith moved to approve the request for money; Mr. Zoske seconded the motion. Ms. Zito-Brause opened the floor to discussion.
- Ms. Hall stated she doesn't doubt this is a worthy cause but she is concerned about the precedence ACDA is setting in giving money to formulate a neighborhood plan. She feels ACDA needs to decide where we say no so if other neighborhoods decide to create

a plan they will not think we are a source of money. Since ACDA is selling land in their neighborhood to another organization she feels Mt. View should be seeking them out for this aid. She doesn't think ACDA should be in the business of funding neighborhood plans and we need to establish a policy so this doesn't keep happening over and over. She doesn't think we should approve this tonight until ACDA establishes a process and comes up with a policy.

- Ms. Michael stated she felt this would be a worthwhile investment in the community, because a neighborhood plan helps to bring all parties concerned together to come up with the overall plan. She feels an ACDA investment of \$16,000 is minimal and the results will have a long term impact on the community. She doesn't think other neighborhoods will request funds since we aren't working in their neighborhoods. All our land is located in primarily under-served neighborhoods; we may see a request from Government Hill since we are working in their area.
- Mr. Kinney stated it would be appropriate to establish a policy for this issue and limit it to only areas in which we are doing developments. Ms. Hall stated in the policy we need to have money parameters and where and when it is appropriate to ask. Ms. Mikowski reminded everyone ACDA will be retaining ownership in the neighborhood. Mr. Coffey asked if we were spending money on something already planned. Ms. Michael stated we are proceeding with projects in the neighborhood which haven't been part of an overall master plan and playing catch-up to a certain degree, we are going back to integrate projects already underway with new projects coming forward. This is about getting everyone on board and bringing everyone together, to bring everything onto one plan, to move forward consistently.
- Ms. Hayenga recommended we step back before approving this recommendation and implement policy and procedure first. Ms. Zito-Brause asked if the Board tabled the vote, would that cause any problems for the Mt. View plan. Ms. Mikowski stated it should not create any problems if tabled until December and she will start working on policy and procedures to bring forward next month. Ms. Zito-Brause asked the Board if they were in agreement to table the motion. The consensus was to table the motion.

C. 3<sup>rd</sup> and H Resolution –

- Ms. Zito-Brause stated we have a request to postpone the vote until December but we needed a motion on this issue for discussion. Mr. Zoske moved to approve the resolution; Ms. Hall seconded.
- Mr. Zoske recommended a postponement of the vote to further discuss this resolution with the developer. Mr. Kinney noted that the RFP stated retail, parking and residential. It was evident we would be unable to afford the proposal as presented. If we eliminate the residential this would cause the development to not conform to the RFP and we can't do sole source. Mr. Coffey asked what harm is there in tabling this vote until after a discussion with the developer, and who would he be talking with. Mr. Kinney stated he had spoken with Mr. Pfeffer several time and he thinks Mr. Pfeffer would like to discuss proposal B which was submitted at the same time and which, by law, we can't proceed with because it does not meet the RFP criteria.
- Ms. Hayenga asked if there was any down side to listening to Mr. Pfeffer. Mr. Kinney stated no but the 2<sup>nd</sup> resolution which is up for a vote is to direct Mr. Kinney to proceed with other options and that will be delayed. Ms. Michael recommended just a committee

of the Board meet with Mr. Pfeffer and report back with a recommendation to the Board. Mr. Kinney stated we do have the development committee which could meet with Mr. Pfeffer.

- Ms. Zito-Brause asked the Board if they were in agreement to table the motion. The consensus was to table the motion. Mr. Coffey asked who would attend the meeting. Mr. Kinney stated it would be an open meeting and the only individuals required to attend would be the development committee.

D. Tenant Lease – Mr. Kinney stated because he had been out of the office all day this paper work was still on his desk. Access Alaska, a contractor within ACS which provides wireless to low income people, has approached ACDA to lease for 1 year at \$600 a month the 300 sq ft space next to Burger Jims. He recommends the Board approve this request. Ms. Hayenga moved to approve the lease; Ms. Hall seconded. The motion carried.

## **Old Business**

### **A. Sunday Market –**

- Mr. Kinney stated he had a session with our attorney and he passed out a memo which states we are advised to approve our current Sunday Market contract for 2006. This doesn't mean we cannot negotiate with Mr. Webb or proceed with how the market will look beyond 2006. Mr. Kinney recommends we continue the Sunday Market for 2006 and work with the city to set up an advisory committee that will create guidelines and recommendations for how the market will look beyond 2006 and in the interim we negotiate with Mr. Webb.
- Mr. Pruhs asked who would be on the advisory committee. Mr. Kinney stated market vendors, business owners, the downtown partnership (ADP) and community members. Mr. Zoske asked what the roll for the committee would be. Mr. Kinney stated they would make recommendations. Ms. Hall asked if they would be advising the RFP process if we decide to move forward with the market in 2007. Mr. Kinney stated in 2007 we have a range of options - we could go out with an RFP or bring it back in-house. We know we want something different and now is the time to get the interest groups to the table in helping make the decisions.
- Mr. Coffey stated one of the problems we find ourselves in is because of the language of the contract, that says in the absence of a "no" vote, it's a "yes" which has led us to the where we are now. He wanted to know if 2007 would be the same. Mr. Kinney stated no, 2007 says we can grant a 1 year extension if this Board approves. Mr. Zoske asked for clarification on negotiating with Mr. Webb for 2006. Mr. Kinney stated today they had hours of discussion on this and they talked about; connectivity, are there things which can be done about merchandise being sold, joint marketing. This will be a process. Management with the support of the city will recommend that some of the revenue ACDA gets off the Market go to help solve the problem. Right now the ADP is leading a marketing study and hopefully it will identify improvements/changes. Mr. Sinz asked if we were talking about both Saturday & Sunday Market for 2007. Mr. Kinney stated yes. Ms. Zito-Brause asked for clarification on the motion needed. Mr. Kinney stated management recommends ACDA does nothing which will cause the Sunday Market to continue in 2006, and also give management direction on the advisory group.

- Ms. Hayenga moved to discontinue Sunday Market and at the same time enter into an advisory committee to look at the Saturday Market composition so it can be a festival that benefits all concerned; Ms. Hall seconded.
- Mr. Sinz asked if there had been an assessment of potential cost to ACDA associated with this motion, and if he understands the motion correctly, that we immediately discontinue Sunday Market. Mr. Kinney stated he felt Mr. Boness had disclosed the cost at the Executive Session. Ms. Zito-Brause stated nothing was said about the actual cost. Mr. Sinz stated he thinks there was discussion on potential liabilities. Mr. Coffey asked as a point of order if we should be discussing the Executive Session and what was or wasn't said. Mr. Kinney stated we were very close. Mr. Coffey stated he just wanted to caution everyone, that everyone heard what was said in Executive Session and we would have to draw our own conclusions.
- Ms. Hayenga stated in any situation where two sides want different things there is potential for litigation and we can't presume to know what would happen. She hopes the decision will be based on whether this entity – Sunday Market - should go forward or not. Ms. Michael stated she did participate in some of the meetings today with downtown businesses and Mr. Webb. She sees the opportunity an advisory committee can have for the Saturday/Sunday Market, and she feels there is the option to do some negotiating with Mr. Webb for next summer. She is concerned about the current liability ACDA carries, and recommends everyone think about the issue and decide if giving up 1 summer of Sunday Market in the hopes of changing the whole market is worth it, we need to think about the long term for Anchorage and what we want.
- Mr. Coffey stated he had 2 concerns; the first is the contract - when we enter into a contract we're bound to keep the term of it, weather it is good or bad. The second is if there is an opportunity for next year to improve the market we need to check into it and possibly incorporate that opportunity into the market. Mr. Kinney stated it would have to be a cooperative negotiation. If Mr. Webb is unwilling then we will just have to say after 2006 we will get our way. Ms. Hayenga stated she doesn't think a vote against Sunday Market will keep us from working with Mr. Webb to improve the Saturday Market and making it a better market for all. She was also in the meetings today and concurs that both sides feel bruised. She feels the problem is the competition between business owners and the market, most successful markets around the country work in harmony with surrounding businesses not against them. Business owners agree a festival is a wonderful thing - if done right it brings people into the area. They feel this hasn't been done right, and she doesn't think continuing Sunday Market is the right choice. She feels we should have corrected problems with Saturday Market before entering into a Sunday Market. If Sunday Market goes away then we can work on making a Saturday Market beneficial for all. Ms. Hayenga volunteered to work with Mr. Webb on market issues; she feels if we don't get the markets under control we will not have downtown businesses open. If we can make corrections with the market she feels downtown businesses will support the market.
- Ms. Pruhs asked if this vote passes and there is legal ramifications where does the money come from, and do we have a contingency plan or will we be redoing our budget for next year. Mr. Kinney stated it would come out of the operation budget. Mr. Pruhs asked if we had a priority list of what projects it would affect. Mr. Kinney stated he would have to create a list, most likely some capital projects will have to be cut.

- Ms. Zito-Brause called for a vote on the motion. With 2 in favor and 5 against, the motion failed. Mr. Coffey wanted the record to show as an ex-officio he is allowed to speak but not to vote.
- Mr. Pruhs moved to direct ACDA management in cooperation with the Municipality of Anchorage to develop an advisory group that will guide management of the market after 2006; Mr. Zoske seconded.
- Mr. Coffey asked who would be in the advisory group. Mr. Kinney stated the interest groups would be; ADP, vendors, business owners, and community members at large. He will ask the Mayor to help us and maybe bring the names before the Board for approval. Ms. Hall stated she doesn't feel ACDA should be determining the composition of anything, this is about a parking lot and we shouldn't be making the decisions which affect Anchorage. She wants to see some other organization take charge of the committee because on this particular issue we are Anchorage Parking not ACDA and someone else should be in charge of this committee, not us. She feels it is not Anchorage Parking's responsibility to create economic growth downtown; it should be some other organization's responsibility. Ms. Zito-Brause stated she understands what Ms. Hall is saying but ACDA currently carries the contract. Mr. Kinney stated another option which he hasn't had time to discuss with anyone yet is to have it as a regular public committee appointed by the Mayor approved by the Board, which will bring recommendations to the Board.
- Ms. Zito-Brause asked if the Board would like to table the motion until December to give Mr. Kinney opportunity to explore options. Ms. Hall stated we got ourselves in this position because we were making decisions we should never had been making. We need to figure out how it should be done to make it better. Mr. Coffey stated he agrees with Ms. Hall, also the study made it clear on the 4 or 5 things needed to do it better. He remembers when the market came into being; it was an idea from the Parking Authority and Downtown Association. Since the beginning of the market there have been negative aspects to the market and it hasn't gotten any better. Our focus should be how we can do this right, it may be we go back to a parking lot on weekends or host the market.
- Mr. Pruhs stated this is really a resource allocation issue. No matter how you look at it there will be negative consequences, the decisions needing to be made are way over our heads and he feels uncomfortable about setting precedence on who gets what, when or where. If we have facilities which can facilitate the powers that be to help that is great, but he doesn't feel ACDA should be that power. Mr. Coffey asked with all these studies done is anyone taking a look at the overall downtown and not just their area of concern. Mr. Kinney stated the MIG report is looking from Ingra to L Street and Ship Creek to 10<sup>th</sup> and that document is supposed to tell us how to make this area function like it's supposed to.
- Ms. Hall asked once we table the motion, what decisions need to be accomplished in the mean time. Because we know what we don't want; which is to be put in the position we are now in. We need to figure out the right situation and right home for the market, and who will be responsible for figuring this out. What we need to do is make a recommendation to whoever is to take charge of this issue. Ms. Zito- Brause provided a brief history on the forming of the market and how it came to be under ACDA control. She stated other downtowns have their associations manage these things and she feels the management needs to go back to the ADP. Mr. Pruhs stated whatever group is put

together needs to have 1 or 2 members from the Board. Ms. Zito-Brause agreed. Mr. Pruhs went on to state whoever or whatever becomes of this advisory committee, funding issues need to be figured out and there will be some place the city will have to step in. Mr. Coffey stated with all the upcoming projects for downtown someone in the city administration should be involved with the advisory committee.

- Ms. Michael stated with all the downtown planning a projects office was created which is dedicated to all projects going on downtown but the Market is an entity. The Sunday Market came about because the reports/studies stated it was wanted. At first downtown business owners were not as organized as they are today. With them coming out in force at the public testimony it has made her rethink the whole issue. The challenge is timing, putting the right people together, and every time we go through this we get more pieces of the puzzle. Where we are now is really different from where we were then, we are looking at the whole picture of Saturday/Sunday Market, who's going to operate it, how it's going to look. We now have the opportunity to create anything we want.
- Ms. Hayenga stated we need to get the vendors, businesses, and Mr. Webb together to come to some type of compromise and come up with a recommendation to the Board, which will then have to make some tough decisions as to what the new Market RFP will look like. Until the groups come together, the market will be fractured. Ms. Hall stated it looks like we will have to keep the responsibility with the Board, but if we are going to have to do this then we need to get the businesses, Mr. Webb and ADP to make recommendations to us. She doesn't feel it is appropriate for us to make all the decisions; they need to be involved with whatever the future will hold. We should make them come to us with a signed document from all parties with what they want; if not, they will end up with what we decide which we all know is what they don't want.
- Mr. Sinz stated everything that was discussed tonight is relating to post 2006 market. He wanted to know what is being done about the 2006 market. Mr. Kinney stated he is fine with putting off the discussion of the advisory committee until December. The meetings which began today in the hopes of resolving some of the issues is a good start for addressing 2006, but it will be a negotiation between Mr. Webb, vendors, downtown businesses and with the city's participation. He will be involved because we are the ones with the contract.
- Ms. Michael stated the meeting she attended earlier with Mr. Kinney and Ms. Hayenga has the possibility of the start of this advisory committee, since downtown businesses, Mr. Webb, and ADP were in attendance. She feels we should go to this group and see if they will be willing to become members of the advisory group. Mr. Sinz asked if we can and will get reports from this group at the next Board meeting. Mr. Pruhs recommend we create a new committee report for this advisory group. Ms. Zito-Brause stated we can add this in with the Marketing and Public Affairs report.

## **Department Reports**

### Finance –

The finance report was emailed to everyone and hard copies were available if needed.

### Data Processing –

Nothing to add

Marketing & Public Affairs –  
Nothing to add

Customer Service/Enforcement –  
Nothing to add

Operations –  
Nothing to add

Employee Relations –  
Nothing to add

Development Committee –  
Nothing to add

Ms Zito-Brause adjourned the meeting at 6:31 p.m.

Respectfully submitted by:

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JoAnne Zito-Brause, Chairperson