



**APPROVED Minutes**  
**Board of Directors Meeting**  
**Fort Worden Public Development Authority (FWPDA)**  
**Wednesday, April 24, 2019 | 9:00 a.m. – 12:00 p.m.**  
**Commons Building 210, Room B, Fort Worden**

- ❖ **Action:** Motion to approve March 27, 2019 Board Meeting Minutes **Unanimously Approved**
- ❖ **Action:** Motion to approve **Resolution 19-06** authorizing Chief Financial Officer to sign a commitment letter for bond financing with Kitsap Bank. **Unanimously Approved**
- ❖ **Action:** Motion to approve **Resolution 19-07** authorizing Executive Director to award a construction contract to the lowest responsive, responsible bidder for the construction of glamping project infrastructure, and to sign all necessary documents and contracts for the project. **Unanimously Approved**
- ❖ **Action:** Motion to approve **Resolution 19-08** authorizing Executive Director to extend the draw period and scope of the energy efficiency project through Kitsap Bank. **Unanimously Approved**
- ❖ **Action:** Motion to approve **Resolution 19-09** amending the annual operating and capital improvement fund budget for fiscal year 2019. **Unanimously Approved as Amended**

**Regular Board Meeting:**

**I. Call to Order:** 9:00 a.m.

**II. Roll Call & Introductions**

**Fort Worden PDA Board Members:** Cindy Finnie, Jane Kilburn, Gee Heckscher, Lela Hilton, Norm Tonina, Herb Cook, Terry Umbreit

**Staff:** Dave Robison, Diane Moody, Rufina Garay, Karolina Anderson, Joan Rutkowski

**Public:** Karen Anderson, Owen Rowe, Joyce Gustafson, Renee Klein, Bill Drath, Cody Griffith, David Goldman, David Thielk, Denyse Early, Lisa Werner, Arthur Rochester, Audrey Jean, Carla Main, Rebekah McGuire, Patricia Barrett, Dennis Daneau, Curtis White, Jim Upshaw, Fayette Krause

Dave Robison introduced Joan Rutkowski, the new Executive Coordinator. Karolina Anderson is leaving to explore new educational and professional opportunities.

Rufina Garay introduced the members of the newly formed Neighborhood Advisory Committee. In attendance were Rebekah McGuire, Patricia Barrett, Karen Anderson, Dennis Daneau, Curtis White, and Audrey Jean. Jim Upshaw and Fayette Krause are the other members of the committee. Committee members who have full-time residences within a half-mile radius of Fort Worden were invited to submit

letters of interest. The advisory committee will help the FWPDA consider noise and traffic concerns for large events and activities. Garay noted that every applicant expressed a deep love for Fort Worden.

### **III. Partner Presentation: Goddard College**

FWPDA Executive Director Dave Robison introduced Joyce Gustafson, Operations Director of Goddard College's Port Townsend site. Gustafson is leaving her position at Goddard after having served as director of the Port Townsend campus for ten years. Jessica Plumb will serve as interim director.

Gustafson thanked FWPDA board and staff for their extraordinary commitment of time and energy to Fort Worden. She described how Goddard has offered transformative experiences for students through its progressive student-centered model. Inspired by John Dewey, Goddard asks its students what they want to learn and helps them develop individualized study plans. Gustafson said Goddard students frame their work and their lives through the lens of social justice. The Vermont campus has been doing this for 150 years and the Port Townsend site has been operating for 14 years. Goddard's Port Townsend program offers a Masters of Fine Arts in Creative Writing and a Masters of Fine Arts in Interdisciplinary Studies. Gustafson said that students include poets and painters who have returned from wars in Iraq and Afghanistan, teachers, retired physicians, opera singers, and visual artists. She noted that alumni are making names for themselves in contemporary culture and making a name for Fort Worden as a place where magic happens. Gustafson stated that Goddard has invested significantly in Fort Worden over the years. The partnerships happening at Fort Worden through the PDA have strengthened Goddard's endeavors and are transforming the property, she said. As she looks ahead, Gustafson said her hope for the next ten years is that FWPDA and its partners remain focused on their shared commitments.

Gustafson introduced Jessica Plumb, who has become interim director of the Port Townsend site. Plumb has a bachelor's degree from Yale and a master's from Goddard College. She is an award-winning filmmaker and writer, and her recent work includes co-directing "Return of the River," a documentary about the dam removal project on the Elwha and efforts to restore its ecosystem. Plumb thanked Gustafson for her work building Goddard's presence as a partner at Fort Worden. Plumb stated that she is completely committed to FWPDA's lifelong learning vision. She has engaged at Fort Worden both as a learner and a program facilitator, including work directing youth programs at Centrum. Because of Goddard College's low-residency model and presence in Port Townsend, Plumb said she was able to earn a Master of Fine Arts while raising her young daughter in a small town. Plumb stated that she has come to believe that lifelong learners are FWPDA's lifelong customers. She is inspired by the growth of Fort Worden and its diversity of partners. Plumb noted that the low-residency educational model is no longer a new idea and has taken off. She thinks it is something the FWPDA could engage in, bringing more talented people of all stripes to the Fort to offer valuable experiences to everyone who visits. Plumb stated that the new president of the Vermont campus is deeply committed to its satellite sites, and she thanked the FWPDA for its role in making the Port Townsend site possible and supporting lifelong learning.

Board chair Norm Tonina welcomed Plumb and thanked Gustafson for being a truth teller and cooperative spirit throughout her relationship with the FWPDA.

### **IV. Changes to the Agenda**

The Executive Session was removed from the agenda.

### **V. Public Comment**

David Goldman expressed his confidence in the members of the new Neighborhood Advisory Committee. Goldman said he read their application letters, and he thanked them for offering their time and experience to the FWPDA.

## **VI. Consent Agenda**

Review and Approval of Regular Board Meeting Minutes, March 27, 2019

**Action:** Motion to approve March 27, 2019 Board Meeting Minutes. **Unanimously approved**

## **VII. Review and Discussion of Financials**

### **A. Staff Report**

Staff reviewed the financial memo in the board packet (on website). Diane Moody noted that overall revenue is 6% over budget. She thanked staff for helping to reduce spending, which will help offset the cost of emergency repairs stemming from the winter storm and aging infrastructure. Moody expects emergency repair needs to continue so she will be budgeting for them.

Gee Heckscher provided an overview of Capital Improvement Fund projects:

- Preservation work and improvements to building 305 windows are almost complete.
- Keypad locks are being installed in building 225. Robison noted that some partners have expressed concern about security in that building so this adds an additional layer of security for youth programming. A Department of Corrections crew is currently in 225 to refresh paint and make other interior improvements. Robison stated that the dorm accommodations will be greatly improved.
- The energy efficiency project is substantially done and remaining funds will be used for other prioritized energy efficient improvements to be completed by FWPDA staff.
- Makers Square bids are due April 30 and work may begin in June.
- Bids are in for the glamping site work and utilities, which could begin in June and go through the summer. After that, facilities staff will construct the tent platforms and erect the tents. \$1.4 million is set aside for this year's work and the tent work will continue into 2020.

Diane presented a Market Segment Report showing how much revenue is generated from partners, leisure guests, and groups across three markets: food sales, meeting space, and accommodations. Moody invited feedback on the report over the next month.

### **B. Board Discussion**

Herb Cook noted that the financial reports continue to show that the campus has enormous capital needs, including \$80 to \$100 million in deferred maintenance on buildings the FWPDA has taken responsibility for from Washington State Parks. He stated that while the FWPDA has been doing a good job carrying this load, everyone should be aware that it needs ongoing help through both public and private donations to keep this up over the next several years.

## **VIII. Glamping project update and motion authorizing Chief Financial Officer to sign a commitment letter for bond financing with Kitsap Bank.**

### **A. Staff Report**

Moody provided an overview of the bond financing information in the board packet (on website). Kitsap Bank is offering up to \$2 million in bond financing over a two-year period for the glamping project. Moody stated that Kitsap Bank is happy with the pro forma showing anticipated returns for glamping. This financing offer was more attractive than another option Moody explored because it involves a lower interest rate and a longer repayment term (10 years).

**B. Board Discussion**

**Action:** Motion to approve **Resolution 19-06** authorizing Chief Financial Officer to sign a commitment letter for bond financing with Kitsap Bank. **Unanimously approved**

**IX. Review of bids for infrastructure work to construct Glamping Project and resolution to authorize Executive Director to award a construction contract to the lowest responsive, responsible bidder, and to sign all necessary documents and contracts for the project.**

**A. Staff Report**

David Beckman, Director of Capital Projects, referred the board to the bid sheet showing that the FWPDA received two bids for the Glamping Project and they were within \$2,000 of each other. Nordland Construction was the apparent low bidder. After confirming compliance and references, staff met with Nordland to discuss project parameters and logistical concerns related to Nordland's current sewer project on the campus for Washington State Parks. Beckman, Heckscher, and Larry Sammons will oversee the infrastructure work, which Nordland will begin this summer. Beckman said they expect the infrastructure work to take three months to complete. The goal is for the full project to be completed in March 2020 for a test run/soft opening, he said.

**B. Board Discussion**

Board and staff discussed construction details, anticipated marketing efforts, and the project timeline. Terry Umbreit advised that careful attention be paid to marketing the Glamping experience. The plan is to open the sites on May 1st, 2020. The regular season will be from April to October. The tents will stay up year-round and furniture will be stored in a building during the winter, Robison said. He added that experience elsewhere has shown that repeatedly taking down the tents and setting them up again leads to more wear and tear. Life expectancy for the tents is approximately eight to ten years; Robison noted that Friday Harbor's tents (Lakedale Resort) have been up for more than ten years. A parking lot will be built on an existing access road. Vehicles will not be visible from the tents and guests will use carts for transporting their luggage, Robison said.

**Action:** Motion to approve **Resolution 19-07** authorizing Executive Director to award a construction contract to the lowest responsive, responsible bidder for the construction of Glamping Project infrastructure, and to sign all necessary documents and contracts for the project. **Unanimously approved**

**X. Resolution extending the draw period and scope of the energy efficiency project bond through Kitsap Bank.**

**A. Staff Report**

Moody stated that there are additional opportunities to strengthen energy efficiency by replacing boilers, expanding the storm window project to more buildings, and adding insulation in key locations. Moody noted that \$400,000 remains available from the \$1.6 million bond, and Kitsap Bank is open to increasing the draw period from 12 months to 24 months. No other changes would be made to the bond underwriting, she said.

**B. Board Discussion**

None.

**Action:** Motion to approve **Resolution 19-08** authorizing Executive Director to extend the draw period and scope of the energy efficiency project through Kitsap Bank. **Unanimously approved**

**XI. Board review and approval of amended annual operating and capital improvement fund budget for fiscal year 2019.**

**A. Staff Report**

As noted in the resolution, projected revenues and expenses have significantly changed for both the annual operating and capital fund budgets for 2019. See the amended hospitality and capital improvement budgets in the agenda packet (on website). Moody stated that the main reason for amending the budget is the delay in beginning the glamping project that led to a 2020 opening date. Adjustments to reduce personnel costs and delay room decor improvements (saving \$101,447), as well as strong sales for the upcoming “THING” event, have helped with budget adjustments.

**B. Board Discussion**

Umbreit reiterated the point that this adjustment is largely due to the delay in the glamping project. Board members discussed their discomfort with having zero contingency for emergency repairs. Cindy Finnie noted that as a young business, the FWPDA needs funds for emergencies such as the recent winter storm and for higher than anticipated personnel expenses. Moody stated that the budget includes contingency planning for emergency repairs and recommended adding \$25,000 to the contingency budget for personnel costs.

**Action:** Motion to approve **Resolution 19-09** amending the annual operating and capital improvement fund budget for fiscal year 2019. **Unanimously Approved as Amended** - \$25,000 was added to the contingency budget for personnel costs.

**XII. Staff Reports**

**A. Food & Beverage**

Maryna Frederiksen reported that she has reviewed the ambitious priorities she presented to the board three months ago and realized that they all boil down to improving the guest experience through staff training, quality product, and best practices for sustainability. Frederiksen stated that her staff need to know their customers and anticipate their needs in order provide an excellent guest experience. Market research shows that customers are looking for healthy food, local sources, and sustainable practices; these national trends matter to the FWPDA because it draws people from around the country, Frederiksen noted. She reported that menu changes are in motion to feature local farm items, specialty foods, local products, and great coffee. Frederiksen noted that her department is increasing its relationships with local providers and participating in community events, such as the Taste of Port Townsend. Four new farm partners were established this week. Frederiksen stated that managers are ensuring that every new hire understands this mission and that it includes supporting the local community and local farms. This will include engaging employees in learning opportunities at local farms, which also involves them in the FWDPA’s lifelong learning mission, she said. Frederiksen noted that research has indicated that when employees feel engaged in their company’s vision, employee retention can increase by nearly 25%.

Frederiksen also is planning to increase food events, including a “meet the farmer” dinner. Sustainability efforts will include being efficient with labor and food costs. Frederiksen highlighted the need to emphasize that the Food and Beverage Department uses scratch ingredients; nothing is premade. While it can be more expensive to cook from scratch, costs can be kept down through standardized recipes, portion control, and the use of seasonal products. Moody thanked the food and beverage team for their improvements to inventory control and staff training. Umbreit stated that Frederiksen’s improvements and great ideas are still being realized and will continue to benefit the

community. Norm Tonina shared that January's Italian Wine Dinner event was one of the best meals he has ever had.

#### **B. Makers Square Bid Process Update**

Robison reported that interested contractors visited the site for a walk-through in early April. Makers Square will be a seven-acre hub for creative arts and educational opportunities. Robison stated that staff will present the board with the lowest responsive, responsible bidder in May and the hope is to begin construction in June. Robison noted that determining alternate options for the renovation of particular buildings in the square can occur once the State passes the capital budget and construction bids come in.

#### **C. Lease Rate Appraisals**

Robison reported that he, Tonina, and Rufina Garay are developing a fair and transparent process for reviewing business plans. They recently received and shared with the board the business plans from Centrum, Port Townsend School of the Arts (PTSA), and KPTZ. Partners want long-term leases and while the FWPDA doesn't approve business plans, Robison stated that there is a need to look at partners' capabilities before entering into long-term leases. Robison said his team is developing equitable criteria for this process. For example, to value the space for KPTZ, the FWPDA is hiring an appraiser. Robison noted that this effort doesn't mean rents will increase; the FWPDA also considers capital investments a partner will make as well as earn backs and other incentives. He stated that lease rates will be ratcheted back based on all the public benefits partners can provide the Fort and the community.

Cook asked, aren't we trying to move in the direction of market rates? Robison said partners may always receive preferential market rates, but to be sustainable the FWPDA needs a portion of revenue to gradually move towards market rates. Robison said that the FWPDA needs to be fair and transparent and do the necessary work to ensure that incentives and credits are not perceived by the State Auditor as giving gifts of public funds. He added that the FWPDA is developing a public benefit formula that is equitable and inclusive, and the board will explore this when criteria are ready for review. Cook noted that KPTZ brings advantages to the campus and larger community that merit consideration.

Lela Hilton asked how partners can be involved in the process. Robison said staff is gathering input from PTSA, Centrum, and KPTZ, and a public session will be held in June. With only a few leases up for renewal, Garay stated that it's too early to involve partners beyond sharing specific information about a specific building. Jane Kilburn noted that involvement and transparency involve more than sharing information at the end of a process.

#### **D. Marine Facilities Planning Workshop**

Robison shared that Washington State Parks (WSP) is looking at the state of its facilities, which has involved assessing the deteriorating pier structure that supports the Marine Science Center museum and aquarium. Last week WSP presented to the public preliminary options for the marine area. Option 1 involves rehabilitating the existing area, Option 2 includes removing the pier and MSC building and reconstructing a pedestrian pier, and Option 3 removes the pier and does not include rebuilding one due to environmental concerns. Taking no action also is an option. Robison stated that removing the pier will change the shoreline and lead to the loss of the beach south of the pier. Robison said that approximately 75 people attended the presentation, and options 1 and 2 had the most general support. He said that most concerns were about whether a reconstructed boat launch is necessary. Robison noted that the State has received a large grant to replace the boat launch and current plans propose a very large and visible structure. He said that WSP is working with consultants before returning to present the preferred alternative. Robison noted that designing and permitting pier projects is a long

and complicated process, and WSP is at the beginning of the process. Meanwhile, the Marine Science Center is examining their building options as all alternatives require them to seek additional space, he said.

Umbreit asked if the FWPDA has, or should have, a position on the alternatives. Robison said he will be meeting with WSP staff to learn more and will bring a staff recommendation to the board. Kilburn advised that the FWPDA align with the Marine Science Center, which is a partner-tenant.

#### **E. Directors Staff Retreat**

Robison reported that FWPDA staff directors had a two-day retreat at the Maritime Center in mid-April. The retreat included reviewing the strategic priorities and updating timelines for achieving the related goals. The process helped support directors who weren't on staff during the budget process. Robison noted that attention was paid to considering the appropriate pace for goals amid other operational needs. The in-depth process also helped facilitate interdepartmental coordination. He said that directors will continue reviewing priorities and timelines monthly at directors meetings and are paying more attention to how strategic decisions are communicated to their teams.

#### **F. Marketing and Sales Report**

Moody provided an overview of sales for groups, partners, and leisure activities (see report in board packet on website). Cody Griffith, Director of Sales and Marketing, noted that her team is strategically placing guests as a significant number of accommodations are offline due to the sewer project. The FWPDA recently became a member of the Washington Festival and Events Association (WFEA). In early April, Senior Events and Marketing Manager Natalie Maitland attended a WFEA conference in Bellevue for training in planning and executing events. Highlights included sessions on maximizing revenue, measuring economic impact, beverage offerings and sales, and updates to state laws for festivals and events. Griffith also shared that Fort accommodations are already sold out for Saturday night of the THING event weekend in August.

#### **G. 4<sup>th</sup> of July**

Robison shared that the FWPDA is working with Thunderbull Productions to host the 4th of July celebration. He reported that the celebration won't involve fireworks this year due to a lack of funding from the City, and Thunderbull is exploring local talent for the main stage and considering organizing a laser show or a fire show. Corporate sponsors are being pursued.

#### **H. STG Event**

Seattle Theater Group (STG) is organizing THING, a two-day event that will include music, comedy, film, dance, and visual arts. It will take place Saturday, August 24 and Sunday, August 25 at Fort Worden. Robison reported that the FWPDA has received largely positive local and regional responses to the event, and STG is very aware of concerns about crowds, noise, parking, and traffic as they consider event logistics. Robison noted that STG is hiring local support as much as possible, and this includes having Thunderbull Productions manage parking and camping. Robison said that STG has a \$1.2 million budget for this event.

#### **I. Neighborhood Advisory Committee**

Board and staff discussed how the newly formed Neighborhood Advisory Committee will be involved in event planning. Robison stated that before each event season the FWPDA will present event plans to the committee and gather concerns and advice on how to mitigate traffic, parking, and noise. The committee also will debrief with staff at the end of event seasons to inform planning for the following year, he said. Garay noted that the committee is an advisory body and the pre-season meeting will help the FWPDA spot issues in advance and problem-solve. The FWPDA will still work

with the City on traffic control efforts to mitigate year-round traffic impact, she added. Hilton expressed concern that the process will involve more information than engagement. Garay noted that in this first year, the deeper engagement will be after this season's events due to the timing of the committee's formation; subsequent years will involve more advance engagement. The advisory committee's first meeting is scheduled for May 13. Committee members commit to a three-year role to help provide consistent analysis and engagement.

### **XIII. Public Comment**

Arthur Rochester expressed concern about traffic and crowd control at Fort Worden events. Last year's Modest Mouse concert led to issues with traffic congestion, parking along neighborhood streets, and post-event crowd control, he said.

David Thielk asked everyone to remember that the taxpayer is a partner in efforts at Fort Worden. He stated that the FWPDA and City are obligated to deal with transportation issues to reduce carbon emissions. Tourism in Jefferson County contributes to above-average miles driven per capita, he said. Thielk questioned why business is conducted as usual "knowing we are destroying the planet for our children and grandchildren." Thielk expressed concern about impacts from THING. He recommended that the FWPDA at the least run shuttle transportation. Referencing climate activist Greta Thunberg, Thielk stated that the FWPDA needs to take carbon footprint concerns into account when considering and planning events.

David Goldman reminded the board of an economic impact study for WSP that demonstrated how much water recreation opportunities contribute to revenue generation. He asked board members to keep this in mind as they consider options for the Marine Facilities Project.

### **XIV. Next Meetings**

- ❖ Executive Committee Meeting, May 14, 2019, 9 a.m.
- ❖ Board of Directors Meeting, May 22, 2019, 9 a.m.

### **XV. Adjourn: 11:46 a.m.**

*Board Packets and PowerPoint Presentations are available on our website at: [www.fortworden.org](http://www.fortworden.org) under public documents>agendas & documents>public meetings>PDA Board Meeting 4.24.19*