

# Fort Worden Master Lease Update Board Retreat, March 28, 2018

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# Summary of Lease Agreement

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## —PDA Operating Responsibilities —

- management of campus meeting/conference facilities, accommodations and hospitality services
  - marketing the life-long learning center concept
  - janitorial and some normal maintenance and repair--beginning in year five (5) all campus maintenance functions transfer
  - manage existing and new leases within the campus area
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# Summary of Lease Agreement

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## —PDA Operating Responsibilities —

- recruit new partners to the campus area
- operate reservation system for campus (amended campground reservations)
- keep campus open to the public 365 days per year except in emergency situations
- setting of fees and prices for PDA managed facilities and activities

# Summary of Lease Agreement

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- Building Alterations in the Leased Area: PDA is allowed at its own cost undertake minor alterations to buildings in the campus area without State Parks approval.
- Major alterations need to comply with historic guidelines and requirements as outlined in the master lease agreement.

# Summary of Lease Agreement

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- Capital Improvements - The responsibility for the funding of capital improvements is shared by the parties. On even years in March/April the Coordinating Committee recommends capital budget requests to the Commission.
- Coordinating Committee meets bi-annually to review and approve annual maintenance plan and recommend capital improvement priorities to Commission.
- The parties acknowledge that a cooperative capital budget strategy is of mutual benefit and that the PDA can go directly to the legislature for capital funding for Life Long Learning Center projects.

# Summary of Lease Agreement

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- Discover Pass - The Discover Pass is not required on campus.
  - The PDA is required to sell at least \$250,000 worth of Discover Passes annually for the first seven (7) years of the agreement.
  - At the end of year seven (7) the requirement for the PDA to sell \$250,000 worth of Discover Passes would end.
  - Revenue Sharing - Beginning in year seven (7) of the agreement the PDA would pay 3.5% of its gross revenues to State Parks.
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# Summary of Lease Agreement

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- Law Enforcement - for the first four (4) years of the agreement State Parks would provide law enforcement to the extent practical in the campus area by park rangers during daylight hours.
- Campus Maintenance - For the first four (4) years of the agreement the PDA would be responsible for janitorial/minor maintenance while State Parks would remain responsible for non-capital preventative maintenance and repair of facilities in the campus area. In year five (5) and beyond, preventative maintenance and repair would be the sole responsibility of the PDA at its own expense.

# Governance


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## – Operations Work Group –

To facilitate day to day operations and communication between the parties an Operations Work Group would be formed to coordinate maintenance and property management issues consistent with the terms of the lease agreement.

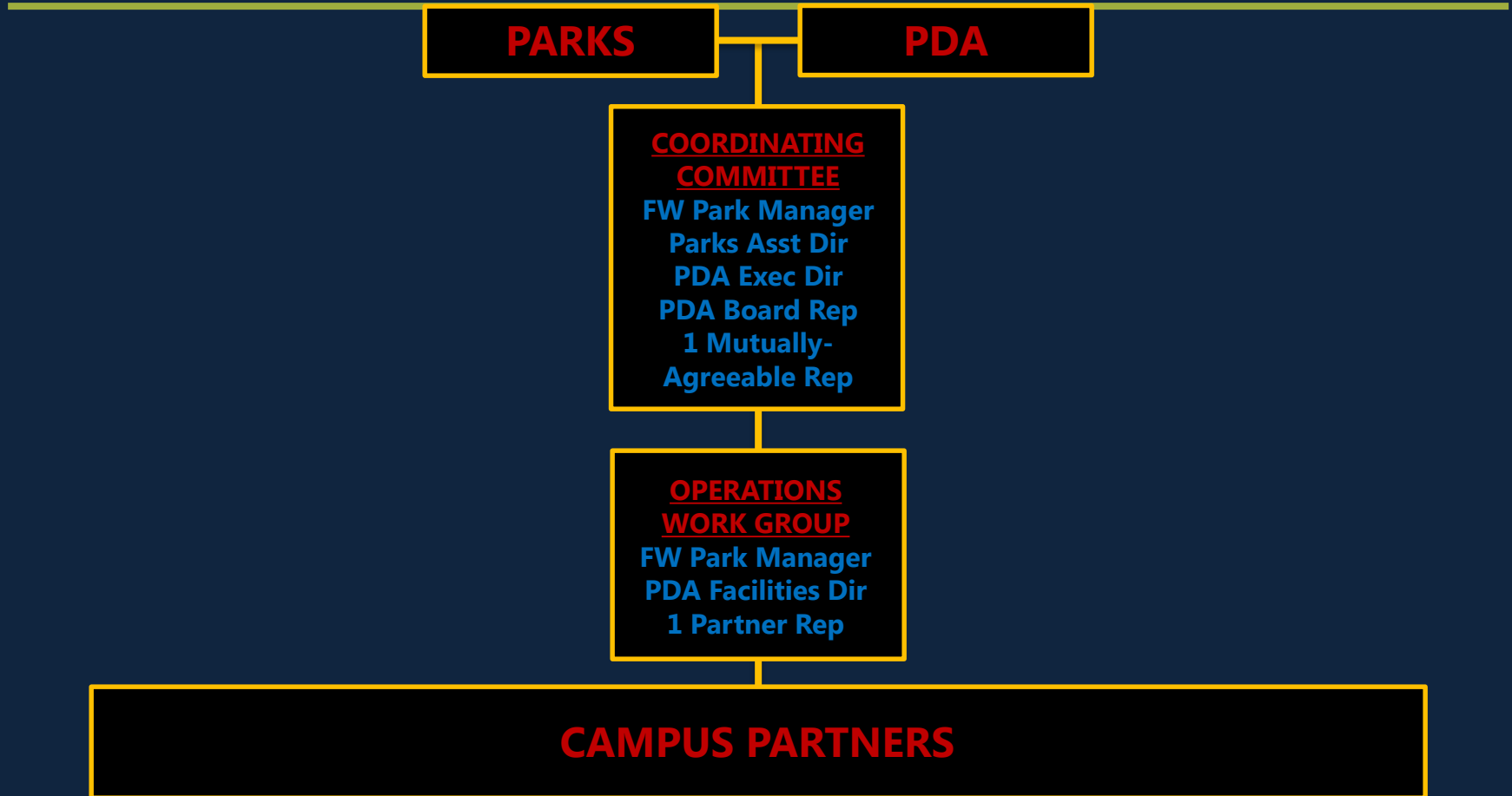
The Operations Work Group is made up of the Fort Worden State Park Manager, the PDA Facilities Director and one representative from the tenant partners.

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# Governance Structure



# Master Lease Transitions: Beginning on May 1, 2018

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- 1. All preventive and normal maintenance responsibility of PDA—transfer of equipment and grounds responsibilities underway**
- 2. Major maintenance (capital improvements) becomes shared responsibility—WSP primarily responsible for infrastructure (sewer, water power) to serve the Park and exterior of buildings (roofs, chimneys, and exterior paint)**
- 3. Major alterations require WSP approval; annual maintenance plan and capital budget requests reviewed and approved by Coordinating Committee.**

# Master Lease Amendments: Under Consideration

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- 1. Expansion of PDA Lease area:**
  - to allow KPTZ to install transmitter on Artillery Hill
  - to allow Building 409 to be included in lease area to allow it to be renovated for future tenant use
- 2. Transfer of WSP reserved areas to allow for new partner growth and development**
- 3. Annual maintenance support**
- 4. Revenue sharing**
- 5. Further clarification on alterations that require WSP approval**

# PDA Operations: How has Management Changed?



*Fort Worden*  
PORT TOWNSEND  
A HISTORIC GATHERING PLACE

## Washington State Parks

- Bureaucratic and slow to respond
- (Many) Decisions made in Olympia
- Managing from a reactive position
- Being accountable and responsive to general public
- Does not have to be economically sustainable
- Limited marketing of services
- Facility and Capital Focus
- Higher pay/state benefits

## Fort Worden PDA

- Flexible, nimble in business practices & decision making
- Decisions made at Park/local level
- Managing from a proactive position
- Being accountable & responsive to guests and stakeholders
- Must be economically sustainable
- Marketing is key to everything
- Hospitality & customer service focus
- Manage costs more aggressively

# Transition Committees

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**1. Hospitality**

**2. Marketing**

**3. Technology**

**4. Planning & Business Development**

**5. (Capital Projects)**