



Fort Worden

— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

APPROVED Minutes
Executive Committee Meeting
Fort Worden Public Development Authority (FWPDA)
Tuesday, August 20, 2019 | 9 a.m. to 11 a.m.
Commons Building 210, Room B, Fort Worden

- ❖ Motion to approve the July 16, 2019 Executive Committee Minutes. **Unanimously Approved**

Regular Executive Committee Meeting:

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

II. Roll Call

Executive Committee Members: Norm Tonina, Gee Heckscher, Jane Kilburn, Jeff Jackson

Immediate Past President: Cindy Finnie (by phone)

Other Board Members: Terry Umbreit, Herb Cook

Staff: Dave Robison, Rufina Garay, Diane Moody, Joan Rutkowski, Maryna Frederiksen, David Opp-Beckman, Lane DeCamp

Public: David Goldman, Carla Main

III. Changes to the Agenda

The staff update on major construction projects was moved to an earlier time in the agenda.

An update on the Makers Square Operations Plan was added.

Discussion about succession planning was added.

An executive session was not needed for this meeting.

IV. Correspondence

Executive Director Dave Robison referred the committee to articles and correspondence in the agenda packet (see executive committee packet on website). The packet includes correspondence between Robison and Port Townsend resident Jay Neville. Neville, who lives near Fort Worden, has concerns about traffic increases, the existence of free parking on the PDA campus, and vehicle emissions. Robison noted that the PDA is working with the City on improvements to the flow of traffic to Fort Worden, and some of Neville's concerns are germane to the City but out of the scope of the PDA.

The PDA also received a letter from some of its programming partners regarding the PDA's long-term lease approach. The partner group does not agree with the PDA's draft approach to long-term leases and seeks an improved and comprehensive long-term lease structure for their consideration. Robison said he understands concerns about the appraisals the PDA received for campus buildings and the

frustration with the slow process; he said some of their concerns can likely be addressed through better information-sharing going forward. The draft approach includes incentives for capital investments, earn-backs, and a gradual move to market-rate leases. PDA leadership is working to schedule a time to meet with concerned partners.

V. Review of June Cash Flow Report

Chief Financial Officer Diane Moody reviewed the Cash Flow report (see packet on website). She said that July was a strong month, which led to a higher cash flow position than projected. Another difference she noted was the projection of both increased revenue and increased expenses from the upcoming THING event.

VI. Major Construction Project Update

Capital Projects Director David Opp-Beckman provided an overview of major construction projects. He said that hydroseeding following the completion of sewer and electrical work is being scheduled for fall. Other projects include undergrounding the JFK building's electrical system and the fire systems in JFK, 272 and 277. Beckman also noted that the completion of the glamping project may be delayed by a month or so due to the discovery of collapsed sewer lines. Washington State Parks will pick up a portion of the sewer repair, he said.

VII. Review and Approval of July 16, 2019 Executive Committee Minutes

Action: Motion to approve the July 16, 2019 Executive Committee Minutes. **Unanimously Approved**

VIII. Updated Amendments to Washington State's Heritage Capital Program and the Building for the Arts Grant Agreements

Robison and Moody described the adjusted amendments to the grant agreements for the renovation of buildings 308 and 324 in Makers Square. Reasons for the adjustments include needs to simplify the scope of work, streamline the reimbursement process, and reflect funding received by other grants and the legislature. Moody said a notable change involves adjusting what needs to be raised given the addition of expected historic tax credits. With the Executive Committee's approval, staff will submit the amendments for approval.

Action: Motion to approve updated 2017-2019 Grant Agreements with Washington State's Heritage Capital Program and the Building for the Arts. Motion includes authorizing the Vice Chair's review and approval of any non-substantive updates to grant amendment package. **Unanimously Approved**

IX. Staff Update & Board Discussion

- **KPTZ Lease**

Chief Strategy Officer Rufina Garay shared that discussions with KPTZ regarding their lease are still in process. Robison noted that the PDA's historic tax credit consultant said capital improvements KPTZ may make would be eligible for historic tax credits, which may shape the negotiated lease rate.

- **Food and Beverage Presentation**

Food and Beverage Director Maryna Frederiksen presented plans for changing the dinner concept and menu for Reveille. Frederiksen said that for the last several months she has been analyzing Reveille's performance and customer demographics to understand why its dinner

business struggles. Breakfast and lunch are doing well, but dinner is slow and usually only two to six parties visit each night. She has seen potential guests walk away after reviewing the menu and prices. Frederiksen has concluded that the French bistro dinner concept and prices do not suit Fort Worden's market, which involves many recreationalists and families with children. She is proposing a more casual and less expensive concept that includes barbecue options and still involves a farm-to-table menu. Frederiksen noted that this concept isn't offered anywhere else in Port Townsend. Special-event winemakers' dinners will continue at Reveille, Frederiksen said. Dinner at Reveille will temporarily end this fall when business is especially slow, she said. During the fall and winter, the PDA's executive chef will test new menu ideas during wine dinner events at Reveille. This plan will give staff time to fully vet new dinner ideas before the new dinner menu and concept are launched in early Spring 2020, Frederiksen said.

Board and staff members expressed support for the change. Chief Strategy Officer Rufina Garay agreed that shifting from fine dining to a more casual, family-friendly restaurant is the right move for this location. Board member Terry Umbreit said he has been working with Frederiksen on her plans and is impressed with her research and analysis.

- **Makers Square Operations Plan**

Robison reported on the process to develop an operations plan for Makers Square. Staff have been examining multiple business models for a range of possible uses and users, including multi-purpose operations, artistic nonprofits, and commercial renters, he said. Robison said one of the models involves using contributed funds to underwrite operations for the first two years. This approach would provide time to test different uses before establishing leases, build regional awareness of Makers Square, develop collaborative programming among existing onsite partners, and attract additional contributed support, he said. Robison said staff will have a draft operations plan ready to review in a joint meeting with the Foundation and the PDA board on October 23rd.

Board Secretary Jane Kilburn recommended including one or two partners in the process for their insights into how they run programs and use spaces at Fort Worden, before the RFP framework is developed. Robison agreed that their involvement is valuable and noted that Foundation staff member Lane DeCamp has already had a few conversations about Makers Square with partners. Before more formally engaging in planning with partners, which will happen soon, Robison said he would like to first have in place an RFP framework along with visible progress on building renovations so that it's easier for partners to envision how the space can be used. Kilburn suggested offering tours of the site, and Robison agreed. Vice Chair Gee Heckscher noted a need to see what it will cost to manage Makers Square in next year's budget, and board member Herb Cook said that the worst outcome would be to arrive at first quarter 2021 with only KPTZ in the building.

- **Succession Planning**

Robison reported that the process to nominate board members for appointment by City Council has begun. Tonina's and Jackson's terms expire this fall. The board currently has nine seats, and the PDA's charter allows for up to 11 board members. The Nominating Committee per the PDA's charter involves the mayor, Robison, and the board's chair and secretary, as well as representatives from the PDA's program partners, State Parks, and the

Fort Worden Advisory Council. The committee will interview candidates in October and make a recommendation for City Council's consideration.

Tonina stated that upcoming board work this fall and winter may include revising bylaws and reviewing administrative policies that govern the Executive Director role. Kilburn recommended that the board also consider establishing a succession plan for officer and key staff positions. Tonina said a subcommittee, such as a governance committee, could form to address leadership succession at the PDA.

X. Public Comment

Port Townsend resident Carla Main commented on topics the board discussed. She suggested that the PDA share Reveille plans with Fort Worden's neighbors to help build excitement for changes to the dinner menu and concept. She also encouraged capitalizing on evening events and concerts at Fort Worden that could provide dinner guests. As for Makers Square, she suggested that tours also include partners' board members. With lease negotiations, she said it's complicated work that can easily lead to getting stuck in concerns or fears. She encouraged all parties to understand each other's limitations and constraints and to recognize their many common goals and shared desire to better the community.

Port Townsend resident David Goldman said he believes the circle of people who understand the PDA and its story is very small. He encouraged PDA leaders to seek to understand what is true about the partners' position and to engage with them earlier rather than later, especially regarding leases and Makers Square.

XI. Adjourned: 11:19 a.m.