



Fort Worden

— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

APPROVED Minutes
Executive Committee Meeting
Fort Worden Public Development Authority (FWPDA)
Tuesday, September 17, 2019 | 9 a.m. to 11 a.m.
Seminar Building 297, Fort Worden

- ❖ Motion to approve the August 20, 2019 Executive Committee Minutes as amended. **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 (by phone)
Immediate Past President: Cindy Finnie (by phone)
Other Board Members: Terry Umbreit, Todd Hutton
Staff: Rufina Garay, Diane Moody, David Opp-Beckman, Joan Rutkowski; Lane DeCamp (Fort Worden Foundation Staff)
Public: David Goldman
- III. Review of Board meeting agenda**
Executive Committee members and staff reviewed anticipated agenda items for the September 25th board meeting.
- IV. Review of Cash Flow Report**
Chief Financial Officer Diane Moody reviewed the Cash Flow report (see packet on website). She noted that August was a very strong month, and she expects the PDA to be in a good cash position for the rest of the year.
- V. Review and Approval of August 20, 2019 Executive Committee Minutes**
Action: Motion to approve the August 20, 2019 Executive Committee Minute as amended.
Unanimously Approved

The Executive Committee amended the minutes to reflect clarification on how the Nominating Committee works when a Board member who is on the committee due to charter rules is also seeking re-appointment: applicants who are also Nominating Committee members per charter assignments

must recuse themselves when deliberations about their applications begin. Board Chair Norm Tonina also clarified that a full board vote is not needed to establish a board subcommittee.

VI. Staff Update & Board Discussion

- **Current Construction Projects & Major Repairs**

Director of Capital Projects David Opp-Beckman provided an update on construction projects and major repairs. Water and Phase 2 sewer work around Non-Commissioned Officers (NCO) Row units is scheduled for January through March 2020, and Opp-Beckman is working to minimize impacts to nearby partner organizations. In his update he also noted that State Parks will soon conduct an ADA assessment of Fort Worden and will establish what it would take to meet ADA standards. He said this will include cost information. Board member Todd Hutton encouraged the PDA to have an ADA compliance officer in place, ideally in time for this review, and Moody expressed support for the idea. Makers Square construction is still on schedule despite contractors discovering unanticipated lines for water, sewer, electric, and communications, Opp-Beckman said. As for glamping, Opp-Beckman said the PDA will soon receive bids for two components of the project: the construction of tent platforms and a community hall for the glamping area. He said that having this work separated into two projects that are each under \$350,000 allowed staff to send an RFP to a select list of subcontractors. The digital display board for the energy efficiency project will soon be installed, Opp-Beckman said. Heckscher and Tonina asked how the PDA is doing with offsetting costs and whether or not we are meeting the savings projected. Tonina suggested that staff provide a post-mortem on how the PDA has achieved the desired savings through the project; Moody noted the need to work with the data to ensure an “apples to apples” comparison. She added that the PDA recently received an \$80,000 one-time-only rebate for the project from the Public Utility District.

- **Leasing Update**

Chief Strategy Officer Rufina Garay provided an update on the process to establish a lease with KPTZ. Discussions have included exploring requirements for historic tax credits and a lease structure that would allow for more qualified reimbursable expenses.

- **Special Events**

Executive Committee members and staff discussed observations and feedback about THING. Moody said staff leaders recently met with Seattle Theater Group (STG) staff to review how the event went, and suggestions for improvement have been noted in case an event happens again next year. Moody reported that it was a positive experience for both STG and PDA staff, and the PDA received numerous unsolicited positive comments. Tonina noted that it was a very family-friendly event. If there is a second THING, more could be done to make sure the public is aware that much of the grounds can be freely accessed outside of the gated music areas, he said. Moody reported that attendance was 7,000 people per day, and this tally includes 1,300 children under the age of 13 who got in for free each day. Because of the spaciousness and success of the event, Moody said that if the event is offered again it's possible that up to 10,000 tickets could be sold each day and the event could expand to three days. Moody said STG lost money on THING, as planners expected for a new event, and an additional day and increased capacity could provide efficiencies that increase revenue. Moody said the finance department is working on final accounting to determine net income for the PDA. Garay added that she heard from food vendors who said it was their best revenue-producing festival of the year.

Board members and staff talked about traffic management efforts. Staff and board members expressed appreciation for the numerous, possibly hundreds, of bicycles that people used on loan from The ReCyclery. Moody said the only complaint she received was about the size of the private shuttle buses, and she said local bus options could be pursued early in the planning process if the event happens next year.

Garay summarized feedback from the Neighborhood Advisory Committee's end-of-summer event debrief. Many committee members were ticketholders, and the committee's feedback was largely positive, she said. Garay said the committee also shared the concern about the shuttle buses. Some of their concerns about traffic flow are in the City's realm to address, Garay noted. Garay said that she and committee members observed how THING highlighted the PDA's mission and the unique nature of Fort Worden, in which the public can freely enter and experience national and international performances. She said the PDA successfully coordinated a core group of volunteers to help with recycling, and they were essential for the sorting that was needed to ensure the integrity of the recycling streams.

Garay said some local businesses had increased sales, and some shared that they had less activity than usual. This didn't deter their support of the event, she said, it just encouraged interest in having tie-ins, such as discounts for ticketholders or activities like the party held at Propolis Brewing. Tonina suggested that the PDA have a downtown information center if the event happens next year.

Tonina shared the board's appreciation to PDA staff for their work on THING. Board members also expressed support for the placement of an advertisement in the Leader to thank the community for embracing THING.

VII. Makers Square Planning Framework

Lane DeCamp, Chief Advancement Officer for the Fort Worden Foundation, presented a PowerPoint about the construction phases for the three Makers Square buildings and emerging options for attracting tenants. He said he presented the framework to a gathering of partners on September 11th to facilitate discussion early in the process. Measures for success include having creative public programs that are financially sustainable and involve collaboration among partners, the PDA, and the community, DeCamp said. Programming could focus on themes relevant to the region, community, and Fort Worden's mission. Four options for populating the buildings range from offering market rate rents at the outset to securing contributed income to fully fund rent for two years. Options also vary in terms of whether an RFP model or a juried nomination process shapes programming. DeCamp said he believes a traditional RFP model with little to no contributed income wouldn't be a sufficient financial model and would provide limited vitality.

DeCamp said he envisions a mix of occupancy lengths across all three buildings, with some spaces more favorable for longer-term leases and some spaces providing short-term occupancy options that would allow creative organizations to take risks and innovate.

DeCamp said this model maximizes contributed income by filling Square spaces and driving more visitors to the area. It also prevents being locked in from the beginning with a set of tenants and provides flexibility, he said. Having incubator spaces with cycling uses help the PDA learn what works and what doesn't work while it entertains interest in long-term leases, DeCamp added. Short-term users could extend and adopt standard leases with longer terms, he said.

Board members expressed interest in seeing a detailed business plan with a management structure and a timeline for milestones that precede opening. Board member Cindy Finnie said she would like more details about costs and how tenants and users will be found before the anticipated opening. DeCamp said he has been working with a team of PDA staff members and board members on an operations plan and that process led the group to realize an updated mission and framework for the Square also were needed. There is a desire to have occupants when building renovations are finished, he said. Board Treasurer Jeff Jackson noted that everyone needs to understand the challenge of building a business plan for a start-up and that the plan won't have the rigor that is expected of established organizations with operating experience. Board member Todd Hutton described the emerging plan as a disciplined, structured business model for a business incubator that has flexibility built into it. DeCamp said detailed proformas have been prepared with different lease and rental scenarios. The maximum revenue that needs to be generated to fully fund rental space [for one year] is \$95,000, he said. DeCamp said key steps in the process are happening concurrently, and some don't have end dates because they are ongoing needs. Construction should be complete by summer 2020 and the opening celebration is tentatively scheduled for October 2020, he said.

Board and staff noted the difference between occupancy options in Makers Square and existing leases for partners who are elsewhere on campus. Existing partners may be interested in space at Maker Square, and DeCamp shared that he and Opp-Beckman are providing a series of tours for partners through the construction site and buildings so that they can envision future uses. Board Secretary Jane Kilburn thanked DeCamp for hosting the tours and encouraged him to bring partners to the planning table. DeCamp said a draft of the RFP for Makers Square will soon be distributed to partners for feedback.

It was noted that a finalized plan for Makers Square will be presented at a joint meeting between the boards of the PDA and the Fort Worden Foundation on October 23rd.

VIII. Public Comment

David Goldman shared that the discussion about Makers Square shows the lack of bandwidth among staff. He suggested that one of the principles that should guide the Makers Square process is the consideration of how much anyone who wants to get involved would expand bandwidth and help make it a success. It should be asked whether they have the skills, money, or ideas that make it easier to carry the project through, Goldman said. He said this principle could work with any of the potential operating models.

IX. Adjourned: 11:09 a.m.