



APPROVED Minutes
Board Directors Meeting
Fort Worden Public Development Authority (FWPDA)
Wednesday, June 24, 2020 | 10:00 a.m. – noon
Via ZOOM

Public Meeting Agenda

I. Call to Order at 10:55 a.m.

The June 24 board meeting was a remote Internet- and phone-based meeting in accordance with the “Stay Home” emergency proclamation issued by Governor Jay Inslee on March 23, 2020 and subsequently extended. Access information to the meeting was published on the Fort Worden website and in a meeting notice to the media.

The Finance and Audit Committee continued its meeting at 10 a.m. so that Chief Financial Officer Diane Moody could complete a presentation on reopening scenarios; the board meeting began at 10:55 a.m. (See website for minutes from the Finance & Audit Committee meeting and the PowerPoint Presentation.)

II. Roll Call/Attendance

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

Staff: Dave Robison, Diane Moody, David Timmons, Aislinn Palmer

Public/Staff Guests: Seth Rolland, David Goldman, Brian Hageman, David Rinn, Leah Mitchell, Janine Boire, Owen Rowe, Julie Christine, Rob Birman, Lisa Werner, Michelle Hagewood, Karen King, Holly Rebert, Nora Mitchell, Jeanie Cardon, Renee Klein, Don Englebach, Carmen Jaramillo, Sonya Baumstein, Cody Griffith, Natalie Maitland, Daniel Nyby, Donna Mine, David Beckman, Jess Morris, Carolyn Zipeto, Teddy LaChappelle, Eileen Steimle, Holly Height, Erica Johnson

III. Changes to the Agenda

The board meeting began with an invitation for all board members to comment on the re-opening scenarios presented during the Finance & Audit Committee meeting.

IV. Re-opening Scenario Discussion

Scenario 1 is the limited opening of leisure and food services in August 2020, Scenario 2 delays opening to April 2021 and involves limited management of the campus in the interim, and Scenario 3 is the dissolution of the PDA. Co-Chair Norm Tonina noted that there are several dimensions to consider in evaluating re-opening options: net revenue, cash flow, the historic tax credits, the impact on a diverse set of stakeholders, the impact on the PDA’s brand, and the impact on the ability to maintain or recruit talented staff in the future. He said he agreed with committee members who

identified a need for more immediate, real-time business information of opening activity so that the board can actively monitor operations amid the uncertainty of the pandemic. Tonina added that it would be helpful for partners to bring their future business models forward to help the PDA understand how they will survive the crisis and reinvent themselves. Board Secretary Jane Kilburn echoed committee comments made about the importance of leisure and restaurant operations to the PDA's model and its stability, which she said was made quite clear by the presentation. She added that the importance of this business does not take away from the mission work done by partners. As for the work to reimagine the campus, she said it's incumbent on the PDA board to drive this process. Board co-chair Todd Hutton noted that it's not the time to be frozen and paralyzed by fear and uncertainty, and with good information and planning hard decisions and risks can be taken.

V. Public Comment

David Goldman said comments made over the last few months about pent-up demand for leisure appear to be true, and he thinks it's a function of assets that didn't exist earlier and not just marketing. Goldman said goodwill has been generated by increased public perception of the value of lifelong learning and the campus facilities and grounds. He said many new visitors are coming to the campus as a result of staff efforts to produce high quality services that didn't exist prior to the PDA. It's important to value those assets and preserve them as much as possible, Goldman said.

Seth Rolland, a board member of the Port Townsend School of Woodworking (PTSW), said he echoes Goldman's praise of the assets of Fort Worden, especially the park itself and all of the partner activities. He said he would like to see the PDA focus more on the stakeholders and the PDA's main purpose, which he sees as providing what could be called "infrastructure" that provides access to the assets. Regarding the call for partner business models, Rolland said partners need long-term leases in order to survive and raise funds for their assets. Regarding talk about the importance of leisure travel, he noted that PTSW has 15 students coming for three months, and he encouraged the PDA to make long-term housing available for such students because it provides financial stability and requires less frequent cleaning. Executive Director Dave Robison said this option should be assessed. Tonina added that PDA communications with the partner lease negotiation team have made it clear that completing the lease process as soon as possible is a priority, and the PDA first needs to get through the crisis.

Janine Boire, executive director of the Port Townsend Marine Science Center (PTMSC), shared that the center is stronger than ever in terms of its finances and the people that it serves. They are ahead of their pre-COVID budget projections thanks to strong community support, she said. Boire added that to participate in the PDA's residential and food services, rates are needed at least two years in advance so that organizations can apply for grants for those programs.

VI. Re-opening Plan

Action: Motion to direct staff to execute plans to move forward with the Scenario 1/August 2020 reopening plan. **Unanimously Approved.**

Board Treasurer Jeff Jackson said that in the Finance & Audit Committee meeting he shared a desire for more clarity on the process for completing the tax credit process. Jackson said he would like that feedback prior to approving moving any funds from Makers Square capital funds to PDA operations. Tonina said there would be follow-up with the investor to share the financial plan for the approved re-opening scenario, and Robison said a subordination agreement also needs to be in place with State Parks. Tonina said there should be an update at the July meeting on whether the investor will proceed and on next steps.

VII. Consent Agenda

Action: Motion to approve the May 27, 2020 Regular Board Meeting Minutes and the June 12, 2020 Special Board Meeting Minutes. **Unanimously Approved**

Action: Motion to approve the June 18, 2020 Finance & Audit Committee Meeting Minutes. **Unanimously Approved**

VIII. Recovery Team FEMA Status Update

A. Staff Report

Consultant David Timmons said that the Federal Emergency Management Agency (FEMA) is pushing back on providing relief funds for emergency response labor costs. They are now defining “threat” as having a COVID outbreak on campus, and so the PDA’s labor costs associated with the pandemic won’t qualify for relief funds, he said. Timmons said he moved on to determining what PPE is eligible and had agreement from FEMA staff that most of the PPE that the PDA was requesting was necessary and allowable for reimbursement (with requests limited to a month and a half in advance). He said that five minutes after that understanding was made with FEMA, he received a follow-up call from FEMA in which he learned that 90% of the PDA’s PPE request was not eligible. FEMA staff seem to be disorganized and are misunderstanding request details, he said. Timmons said his next steps involve seeing if he can get FEMA to reconsider the relief requests, but that the PDA will likely need to move on from FEMA and approach state emergency management.

B. Board Discussion

Kilburn noted that the PDA was counting on FEMA funds for reopening. Hutton said the reduced PPE budget has been built into the current budget scenario based on communication from Timmons about challenges with FEMA.

IX. Staff Update

• **Makers Square & Glamping**

Robison reported that Makers Square construction is proceeding and completion is expected in mid-October. He said he had hoped to resume glamping construction in July, but that has become premature as contract language is being worked out for reimbursable grants needed for Makers Square. Moody added that the glamping timeline involved opening now, and so with construction still in process the PDA has to reconsider when glamping could be open for business. Kilburn asked about what will be operating in Makers Square when it opens. Robison said Makers Square will be a critical piece of the conversation about how to reimagine the campus. He said he is not concerned about opening buildings 308 and 324 before next April, and this provides time to think through what their ultimate use should be and how it can help the PDA reposition itself as a lifelong learning center or some other function. [KPTZ would likely open sooner than next year.]

• **Fort Worden State Park Reopening**

Robison reported that the beach campground is open, and the forest campground is slated to open in early July. Moody added that campground check-in is happening in building 200 by state parks staff because the Commons is closed.

- **Fort Worden Collaborative**

Robison said the Fort Worden Collaborative continues to meet weekly and that he and Hutton are on the committee focused on long-term plans for the campus. He said the conversations have been valuable and no proposals are ready yet. Robison added that he is moving forward with a request to State Parks for a deferment of the start of the revenue-sharing requirement while planning for the Fort's future is underway. The conversation with State Parks involves defining how long to propose deferring the revenue sharing provision, he said. Hutton agreed that the conversations in the working group are helpful and the creative thinking will feed into the PDA's process to reimagine, which will involve partners. He noted that a PDA group with this focus hasn't formed yet, and he thinks that it needs to get going soon.

X. Public Comment

Seth Rolland commented on the relationship between the partners and the PDA, suggesting that members of the Collaborative should be on the PDA board given their common goals.

Robison provided history on past conflict of interest issues related to dual service on a partner board and the PDA board. He said some PDA board members have also served on partner boards and have ended up resigning from those organizations because of concerns about the appearance of fairness or conflict of interest issues. Robison said that when the PDA charter was created, legal counsel recommended strongly that partners should not sit on the PDA board because of potential conflicts. For those reasons, the PDA hasn't since considered having partners on the board. Robison said that the PDA encourages partners to be involved in board meetings as participants and to be engaged in board conversations. Hutton added that there has been the suggestion that partners could sit on PDA subcommittees or working groups, and he thought this would be a viable way to get partner participation in governance. He said the need for shared governance has come up in Collaborative conversations as a way to get more participation by stakeholders. Robison noted that staff resources and bandwidth will continue to be limited over the next several months. He added that during the PDA's formation partners and community members helped develop the PDA's business and management plans, and he thinks there would be a similar opportunity as the PDA goes through the reimagining process and the board establishes committees focused on special topics.

Rolland said he appreciated the information and suggested that the PDA consider consulting a lawyer again on the idea that there is a conflict of interest with having a partner on the board. Kilburn said that she was on PTSA and PDA boards at the same time, and PTSA asked her to leave their board out of concern about a conflict of interest. She said she had tried to make it work but that it can be difficult to serve on both boards. Rolland said he is not advocating for an active partner board member to be involved; it could be a past board member whom the Collaborative could suggest. Kilburn noted that members of the public are always encouraged to apply.

XI. Adjourned: 11:46 a.m.