



Board of Directors Meeting
AGENDA
Fort Worden Public Development Authority (FWPDA)
Wednesday, November 25, 2020 | 9 a.m.
Via Zoom (Remote Meeting Per Governor Inslee’s Proclamation 20-28.13)

Public Meeting Access Information

To join the webinar by computer:

<https://zoom.us/j/99576836676?pwd=QjFrWDZMMXhoQnZvNTA5eUViSlpSZz09>

By phone only dial:

1 + 253-215-8782

Meeting ID: 995 7683 6676

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Passcode if needed: 291917

**9 to request to speak during public comment*

Public Meeting Agenda

- I. Call to Order
- II. Roll Call/Introductions
- III. Changes to the Agenda
- IV. Public Comment
- V. Communications of Interest
 - A. *Peninsula Daily News*, Nov. 13, “Fort Worden Guard Shack on Path to Restoration”
 - B. Partner Program/Operations Update
- VI. Consent Agenda
 - A. Review and Approval of October 22nd and October 28th 2020 Board Meeting Minutes
Action: Motion to approve the October 22nd and October 28th 2020 Board Meeting Minutes
- VII. Board Co-Chair Update
- VIII. Partner Update: Fort Worden Collaborative
- IX. PDA Recovery Plan Update
 - A. Staff Report (Reorganization Concept Presentation)
 - B. Board Discussion
- X. RFP for Reimagining Business & Operating Plan
 - A. FW Foundation Staff Report

FINAL

- B. Board Discussion
 - Action:** Motion to approve the RFP, in substantially the same form as presented, for reimagining the Fort Worden Lifelong Learning Center Business and Operating Plan, subject to the repurposing of the Jefferson County Public Infrastructure Fund grant

- XI. Financial Report
 - A. Staff Report (Audit Update and Monthly Reports)
 - B. Board Discussion

- XII. Makers Square Loan
 - A. Staff Report
 - B. Board Discussion
 - Action:** Motion to ratify the PDA’s acceptance of \$350,000 from the Fort Worden Foundation to the FWPDA, pending receipt of Makers Square construction grant, to provide temporary financing for grant anticipation revenue for Makers Square and to provide timely payments to the contractor.

- XIII. Resolution 20-20 Regarding a Grant Anticipation Note with Kitsap Bank
 - A. Staff Report
 - B. Board Discussion
 - Action:** Motion to approve **Resolution 20-20** authorizing the PDA board co-chairs to sign a grant anticipation note in the principal amount of not to exceed \$214,000 for the purpose of paying costs of constructing the Makers Square project pending the receipt of a grant; fixing the form and terms of the note; and providing for the sale of the note to Kitsap Bank.

- XIV. Operations Update
 - A. Staff Updates
 - B. Board Discussion

- XV. KPTZ Lease Update
 - A. Board Report & Discussion

- XVI. Employment Contract with David Timmons
 - A. Board Report & Discussion
 - Action:** Motion to approve and execute the employment contract with David Timmons

- XVII. Board Appointment Update
 - A. Board Report & Discussion

- XVIII. Executive Committee Meeting Status
 - A. Board Report & Discussion

- XIX. Public Comment

- XX. Meeting Status Update & Next Scheduled Full Board Meeting:
 - PDA Board Meeting, Wednesday, Dec. 16, 9 a.m.

- XXI. Adjourn



Friends of Fort Worden project lead and board member Bill Appleton, left, stands with local contractor Ty Hodge in front of the nearly completed restored guard shack that used to stand at the entrance of Fort Worden State Park when it was still used by the military. (Zach Jablonski/Peninsula Daily News)

Fort Worden guard shack on path to restoration

Upgraded structure could be used for events, information

By Zach Jablonski

Friday, November 13, 2020 1:30am | [NEWS](#) [JEFFERSON COUNTY](#)

PORT TOWNSEND — A Friends of Fort Worden restoration of an old guard shack from the state park’s military era from 1902-1953 is nearing completion.

The finished shack will be portable, so it can be moved around Fort Worden State Park for different event uses — for instance, as a ticket booth.

It is being considered as a possible information booth near the entrance of the park.

Quality local journalism is more important than ever.

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The \$10,000 project was funded by a \$5,000 matching grant from Port Townsend resident Michael Gilman paired with funds raised by the Friends' "Save Our Shack" campaign started earlier this year, said Gary Larson, Friends board member.

The restoration of the shack was overseen by board member Bill Appleton as project lead, with contractor Ty Hodge of Hodge General Contracting removing and replacing rotted wood, stripping and repainting the shack, adding removable windows and updating the electrical outlets and lights.

The shack can be connected to electricity through an external outlet with an extension cord to one of the buildings or from a generator, Hodge said on Thursday.

"You can plug an extension cord into a building, run it [to the shack] and just plug it in, and this is essentially a large power tool now," Hodge said.



The restoration work on the guard shack that used to stand at the entrance of Fort Worden State Park is expected to be completed next week. (Zach Jablonski/Peninsula Daily News)

The restoration began in about mid-September, and Hodge expects to have it completed by next week, he said Thursday.

The hardest part of the restoration was replacing the rotten wood that was on the bottom of the shack, Hodge said.

Most of the interior work was new, while the exterior used a mix of new, existing and salvaged materials and paints from other projects at the park, such as siding, he said.

"There was fortunately a building that was being remodeled and they had pulled some siding off that I was able to use to fix some siding," Hodge said.

The moveable shack, while useful for events, also matches the aesthetic of the historic park, Appleton said.

“One of our Friends missions is to protect and restore the historic elements of Fort Worden, and this is definitely a part of that,” he said.

The shack used to stand at the front gate of the entrance to Fort Worden, Larson said.

At some point, it was no longer used and was removed from the main gate and placed in the park’s storage area, often referred to as the “boneyard.”

A local resident briefly used it as a child’s playhouse, Larson said.

After it returned to the boneyard, the building continued to deteriorate from time and weather, he added.

Jefferson County reporter Zach Jablonski can be reached at 360-385-2335, ext. 5 or at zjablonski@peninsuladailynews.com.



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Madrona Mind Body

1) As of November 1st, Centrum and Madrona have become “roommates” in Building #310, with Centrum taking over the lease and occupying the top floor, and Madrona occupying the Ballroom. They will share common areas in the building. Centrum will be using Building #310 largely for their Artist-in-Residence programming.

2) With the Governor’s new mandate, Madrona has again closed for in-person classes through December 14. A dozen online offerings continue. Also again, as it did during the previous shutdown, Madrona is offering its classes complementary to healthcare workers who are under added stress during this time.

Centrum

Centrum wrapped up its month-long Emerging Artist Residency at the end of October with six phenomenal young artists from the U.S. and Canada. A gorgeous gallery of photos can be seen here: <https://gallery.atelierpictures.com/centrum/>

In November, we conclude our inaugural season of Communiversity arts and lectures on Monday, November 16, with the CEO of the North Carolina Museum of Natural Science in a talk with Crosscut’s Knute Berger on sex and gender in nature. And, on Thursday, November 19, we present our final Jazz Voicings livestream podcast, with three jazz artists sharing the most important lessons in life they have witnessed through jazz. That event is at 5:00 p.m. and log-in information is on our website.

For those who don’t yet know, Centrum launched a wide-ranging new podcast series during COVID. We have dozens of episodes, all of which are free and available for subscription as well: <https://centrum.org/artists-in-place/>

FRIENDS OF FORT WORDEN STATE PARK

The restoration of the historic guard shack is completed. Our thanks to Michael Gilman who launched this \$10,000 project with a \$5,000 matching grant. The next phase of this project is to work with the Partners Collaborative to house a Fort Worden Welcoming Center in the guard shack.

The Chinese Gardens Interpretive Trail is completed and dedicated in September. This is the first interpretive nature trail in Fort Worden. Plans are under consideration for future natural history interpretation.

Hand rails are funded and being constructed for the steps at the bottom of Madrona Trail as well as in front of building #16 (the Bricks).

The Nix the Nox campaign is going well. This is a five year, \$25,000 campaign to ride the park of noxious weeds.

The Trail Team has been back to work since the end of July and making progress in removing Scotch Broom from the Mule Barn area. We are still working in small groups of 5 with no more volunteers than 25.

New wayfinding signage has been installed on Artillery Hill. Plans for additional signage on campus is under consideration.

Peninsula College

All of our Port Townsend faculty and staff are still working remotely from zoom, online, and phone and will continue to do so through winter quarter.

We are advising in enrolling for classes for winter quarter now. If you or someone you know is interested, reach out to us!

In other news, our non-credit offerings have returned! Take a look at our zoom and online offerings for community education: <https://pencol.edu/programs/community-and-business-education>

The best way to reach the Port Townsend office is to email PT@pencol.edu or leave a voicemail at 360-385-4605. Our voicemail messages forward to our email.

Rainshadow Recording

Rainshadow Recording has stayed surprisingly busy through the Summer and into the Fall, hosting a diverse set of artists including singer-songwriters, indie rock, old time, and blues. The weekly Live From Rainshadow series, broadcast on KPTZ every Friday from 3 to 4, continues to be well received with engineer, Conor Sisk, at the helm.

United by Music North America (UBMNA), a non-profit that pairs talented, developmentally challenged musicians with professional mentors, was in for two weekends of tracking for an upcoming release. UBMNA is scheduled again in December but, in light of the ongoing surge in Covid-19 infections, we expect that to be rescheduled.

In anticipation of another slowdown, we are turning our attention to both improving the aesthetic appeal of the space, as well as the organizational flow.

Port Townsend School of the Arts

Port Townsend School of the Arts has been hard at work adapting to the pandemic crisis and shutdown of in-person classes at Building 306 by building our online offerings, and working in partnership with Northwind Arts Center to bring the popular Art Salon series online. PtSA Grover Gallery downtown has been open Thursdays-Mondays since June, and has also brought exhibits and virtual tours online.

As announced in September, PtSA's merger with Northwind Arts Center becomes effective January 1. The name of the new entity is Northwind Art. The transition team, comprised of staff and board from both organizations, is currently establishing strategy, policies and procedures. A fundraiser for the merged organization, "Weave It Together" is set for December 6, featuring a silent and live auction. Go to PtArts.org to find out more.

Coast Artillery Museum

There's not a lot to report for the Coast Artillery Museum. CAM has been closed since March 13 due to the pandemic, and reopening time is uncertain but not near. It will all depend on the virus, availability of an effective vaccine, and people's willingness to take the vaccine. Our building is old with poor air circulation and minimal heat. The traffic pattern through the building is also bad with several choke points. On top of that our volunteers are almost all in a vulnerable population. Because of all that it's very unlikely that CAM will reopen before early summer at best, once the weather warms up so we can open the doors. There are very few windows that open enough to help much with airflow. The current heating system is poor at best.

I recently got word that American Cruise Lines is tentatively planning to start their Puget Sound Cruises in April. Normally CAM would provide docents for tour buses that would bring their passengers to the Fort, but it's unlikely the museum will be open at that point and it's even more unlikely that any of our volunteers will be willing to get on a bus full of travelers and spend 2 hours with them. So for at least the immediate future CAM will have to remain closed. - Kevin



DRAFT MINUTES
Special Board of Directors Meeting
Fort Worden Public Development Authority (FWPDA)
Thursday, October 22, 2020 | 1 p.m.
Via Zoom (Remote Meeting Per Governor Inslee’s Proclamation 20-28.8)

- ❖ **Action:** Motion to authorize the Acting Associate Executive Director to enter into a professional services contract with Tara Dunford, CPA, to assist in the preparation of the PDA’s 2015-2019 financial statements and to provide other technical assistance as needed, and not to exceed \$16,000.
Unanimously approved

- ❖ **Action:** Motion to approve Resolution 20-17 authorizing the Executive Director (or designee) to execute a Consent to Assignment of the 2012 lease of building 310 from Madrona MindBody Institute to Centrum.
Unanimously approved

Regular Board Meeting:

- I. Call to Order: 1 p.m.**
The October 22nd 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, in a meeting notice to the media, and in emails to the stakeholder mailing list.

- II. Roll Call/Introductions of Board Members and Staff**
Fort Worden PDA Board Members: Norm Tonina, Todd Hutton, Jeff Jackson, Cindy Finnie, Gee Heckscher, Terry Umbreit, Herb Cook, Lela Hilton
Staff: Dave Robison, David Timmons, Cody Griffith, Aislinn Diamanti, Holly Height, David Beckman, Joan Rutkowski

- III. Changes to the Agenda**
Board Co-Chair Norm Tonina noted that an executive session topic was inadvertently left on the agenda. Today’s meeting does not involve an executive session.

- IV. Partner Presentation**
Janine Boire, Executive Director of the Port Townsend Marine Science Center (PTMSC), and Diane Baxter, PTMSC Board Chair, presented information about the future of the center given the Fort Worden marine facilities plan that has been approved by the Washington State Parks Commission. She proposed that a small ad hoc committee with a few PDA board members work with PTMSC on future plans. Boire described how plans for an elevated boat launch and a new pier will impact PTMSC operations. The current pier that hosts the center’s aquarium will be removed as part of

marine and shoreline improvements. Boire said PTMSC leaders have been grappling with losing their iconic home on the pier. She said they have supported plans for pier improvements that benefit the marine environment and related concepts that would involve accommodating those improvements by largely moving their operations inland. The State Parks plan involves potential inland building sites for PTMSC near the Canteen or the Orca exhibit. Boire said that PTMSC has accelerated planning for the changes since State Parks approved the marine plan. She described how disruption from preparatory geotechnical work has made it clear that PTMSC cannot operate safely on the pier while such work is going on. The Parks effort to seek Federal stimulus money for the project could put the entire project on an earlier timeline, she added. Boire said PTMSC operations will be essentially impossible while work is being done, especially when the timeline for work is during the center's high season. Given sequencing issues, Boire said PTMSC is feeling the pressure to make decisions about its future right away; more time is needed for a capital campaign and design work for a new home. Board President Diane Baxter added that the water will be very turbid from drilling work, which is not healthy for the aquarium animals. PTMSC has to make decisions as if the stimulus money will be awarded, Baxter said.

Brian Hageman, Olympic View Area Manager for WA State Parks, noted that the pier structure is beyond its life expectancy and needs to be addressed. Boire agreed. In response to the request that board members join the PTMSC effort to plan for changes, Hutton said PDA board members wouldn't form their own ad hoc committee and would instead join the PTMSC committee. Hutton and PDA board member Gee Heckscher said they would be happy to join the effort. Hutton said he would be willing to help PTMSC consider all options and would love to see the center stay at Fort Worden.

V. Professional Services Contract with Tara Dunford, CPA

A. Staff Report

Acting Associate Executive Director David Timmons shared that he is working to address a number of matters with the PDA's finances, and he will brief the board on the matters at its October 28th board meeting. Timmons said the work includes developing strategies for each compartment, which includes working with State auditors when they begin their regular audit of the PDA in November. He said State auditors would like to go back to 2015, when the PDA converted from cash basis to accrual accounting, and get those financials converted to cash basis reporting to comply with state reporting requirements. Timmons said he recommends this as well, and this will allow auditors to render an opinion. In his research for this matter he received recommendations about CPA Tara Dunford, who he said specializes in this kind of work. The proposed contract with Dunford is for a maximum of 100 hours or \$16,000 and has a contingency built in. Timmons described the ways in which the conversion to cash basis accounting will give the PDA a solid platform financially, and he said the analytical work will be done on a separate ledger, which he said is consistent with the State Auditor's recommendation. He recommended that the board authorize him to enter into a professional services contract with Dunford for her assistance in the preparation of the PDA's 2015-2019 financial statements. He said some donor sources have been identified to offset the costs and it will be budget neutral.

B. Board Discussion

Board and staff briefly discussed Dunford's qualifications. Board Co-Chair Todd Hutton asked about the status of the 2018-2019 audit, which was delayed due to the COVID-19 crisis. Timmons said he is in the process of preparing for the audit and will share more information at

the next board meeting. Timmons said he expects auditors to begin their work in November. Because State auditors are prohibited from helping to prepare financial statements, Timmons said he has brought in another CPA on contract to help prepare the documents needed for the 2018-2019 audit.

Action: Motion to authorize the Acting Associate Executive Director to enter into a professional services contract with Tara Dunford, CPA, to assist in the preparation of the PDA's 2015-2019 financial statements and to provide other technical assistance as needed, and not to exceed \$16,000. *Unanimously approved*

Timmons noted that Dunford's work will be presented to the board when it's completed.

VI. Resolution 20-17 Regarding Madrona MindBody Lease Assignment to Centrum

A. Staff Report

Executive Director Dave Robison introduced Resolution 20-17, which would authorize the executive director or a designee to execute a consent to assignment of the 2012 lease of building 310 from Madrona MindBody Institute to Centrum. Robison summarized the history of the transfer of partner leases from State Parks to the PDA. Robison said he does not see any issue with signing Madrona's lease over to Centrum and said it won't alter the PDA's financial position, so he recommends that the Board allow this to occur. He said the assignment would facilitate more use and more collaborative programming in the building. Robison noted that resolution recital #7 contains his recommendation and the parties' agreement that the PDA delay reappraisal of building 310 until late 2024/2025 to give Centrum and Madrona a grace period to work on their joint use and planning. A two-year stairstep rent increase to move closer to market rate rent would commence in early 2025, subject to PDA board approval.

B. Board Discussion

Tonina and Hutton said the arrangement is an exciting opportunity for both organizations and a creative solution.

Action: Motion to approve Resolution 20-17 authorizing the Executive Director (or designee) to execute a Consent to Assignment of the 2012 lease of building 310 from Madrona MindBody Institute to Centrum. *Unanimously approved*

VII. Public Comment

No comments were shared during the public comment period.

VIII. Adjourn

The meeting adjourned at 1:46 p.m.



DRAFT MINUTES
Board of Directors Meeting
Fort Worden Public Development Authority (FWPDA)
Wednesday, October 28, 2020 | 9 a.m.
Via Zoom (Remote Meeting Per Governor Inslee’s Proclamation 20-28)

- ❖ **Action:** Motion to approve the August 24th and September 10th board meeting minutes. *Unanimously Approved*
- ❖ **Action:** Motion to authorize the Acting Associate Executive Director and Board Treasurer to negotiate with Kitsap Bank for refinancing the Makers Square, Energy Efficiency, and Glamping capital projects. *Unanimously Approved*
- ❖ **Action:** Motion to approve **Resolution 20-18** to authorize the Acting Associate Executive Director to enter into an engagement letter with the State Auditor’s Office. *Unanimously Approved*
- ❖ **Action:** Motion to approve the term sheet with KPTZ and to authorize the PDA Board Co-Chairs to negotiate a final lease agreement with KPTZ. *Unanimously Approved*
- ❖ **Action:** Motion to authorize the PDA Board Co-Chairs to negotiate the terms of an employment contract with David Timmons. *Unanimously Approved*
- ❖ **Action:** Motion to approve the revised board member position description and the new position description for PDA board (ex officio) liaisons. *Unanimously Approved*
- ❖ **Action:** Motion to approve **Resolution 20-19** appointing the PDA Executive Director as the agent to receive claims for damages under chapter 4.96 RCW, and certain matters related thereto. *Unanimously Approved*

Regular Board Meeting

- I. Call to Order: 9:02 a.m.**

The October 28th 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 PDA website, in a meeting notice to the media, and in emails to the stakeholder mailing list.
- II. Roll Call/Introductions of Board Members and Staff**

Fort Worden PDA Board Members: Norm Tonina, Todd Hutton, Jeff Jackson, Gee Heckscher, Jane Kilburn, Cindy Finnie, Terry Umbreit, Herb Cook, Lela Hilton
Staff: Dave Robison, David Timmons, Cody Griffith, David Beckman, Aislinn Diamanti, Holly Height, Joan Rutkowski
- III. Changes to the Agenda/Announcements**

Board co-chair Norm Tonina noted that the meeting is the last meeting for Dave Robison to attend as the executive director of the PDA, as he is set to retire on November 15th. Tonina thanked Robison for all of his work for the PDA, back to 2011 and earlier, when it was chartered.

IV. Public Comment

No comments were shared during the public comment period.

V. Communications of Interest

Board members noted their satisfaction with the 2019 Annual Report and how nostalgic it was to read about that year's highlights, which can provide motivation during these challenging times.

VI. Consent Agenda

Action: Motion to approve the August 24th and September 10th board meeting minutes.

Unanimously Approved

VII. Partner Operations Update: Renee Klein, Madrona MindBody

Renee Klein, co-owner of Madrona MindBody, thanked Board Secretary Jane Kilburn for initiating the inclusion of partner operations updates in the board agenda. Klein shares ownership of Madrona MindBody with Anneli Molin-Skelton and Aleah Alvarez. Klein provided an overview of how Madrona MindBody has adjusted to COVID-19 and related restrictions. Prior to the shutdown, the building had been fully utilized for local programming, residential workshops and retreats that draw people from around the world, spa services, and community support programs. She described how Madrona has adapted its business to the online environment and is also providing outdoor classes and small, socially distanced indoor classes. Klein said their adjustments have been successful, but they have experienced greatly reduced revenue because they can only generate income from classes and not also from massage and group gatherings. She described their new partnership with Centrum in which they will share the building and also collaborate.

VIII. PDA Recovery Plan Update and Presentation

A. Staff Report

Associate Executive Director David Timmons provided an update on the PDA's recovery plan. He said he has had to do a significant deep dive into the PDA financial situation, which has shown that the situation involves multiple events that have come together. Timmons presented the current areas of focus within the recovery plan, and the goals, strategies, challenges, and timelines that each involve. (The presentation PowerPoint is available on the PDA's public documents webpage, along with a link to the complete meeting recording:

<https://fortworden.org/category/pda-documents/>)

The main presentation points include:

State Audit Goal: Obtain unqualified opinion from the State Auditor's Office for a 2018-2019 financial review.

The work will include an Accountability Audit to address concerns left over from the 2016-2017 audit and to look at how the PDA got to the situation it is in. The Foundation will be reviewed as a "component unit" of the PDA. A parallel project (conducted by contracted staff) will reconcile finances for 2015 forward and will convert the PDA back to a cash basis for reporting/audit purposes in compliance with state accounting standards for a public development authority acting as a proprietary service provider.

Capital Projects Financing Goal: Secure term financing to refinance lines of credit coming due for Makers Square, Glamping and Energy Efficiency totaling \$5.1m to Kitsap Bank.

During the presentation Timmons noted that the \$1.5 million line of credit for Makers Square comes due in December, and he has not found any funds set aside to pay for that loan. Timmons said he has discovered that \$400,000 was diverted from the line of credit to help

cover operating costs during the shutdown. This means a new loan is needed to restore those funds and cover an additional \$500,000 that is needed to complete the project that apparently wasn't set aside for retainage, he added. Timmons noted that this means the PDA is short \$2 million. Securing the Historic Tax Credits is critical and all of those funds need to be applied to the project; excess funds won't be available, he said. Timmons also described funding needs for the glamping and energy efficiency projects. Getting the \$2 million loan is critical, and he said the outstanding issues could jeopardize the ability to secure the tax credits and then it becomes a house of cards. The cascading impact would be extremely damaging to the future of the PDA, the partners, and State Parks, Timmons said. He said he knows the details are a surprise to the board and are a surprise to him as well.

2020 Finances Goal: Restate 2020 finances to reflect actual conditions and adjust organization to reflect real time conditions.

Timmons said he has learned that the original opening plan overstated income and understated expenses to maintain the objective of reopening PDA operations. He said it appears that the full picture was not being presented, and the reports did not tie to the general ledger. The reopening has not generated net revenue, Timmons said. He said the accounts payables balance is \$200,000 and it largely involves fixed monthly costs that are delinquent. He said income is not able to keep up with those fixed costs, and adjustments need to be made. Timmons said he is closing multiple credit card accounts that had been used for operating and capital expenses and maintaining a few cards with tighter controls for the vendors who require credit card payments. He said timing is critical and between \$250,000 and \$350,000 needs to be raised to close the year in a net positive position.

2021 Budget Goal: Present balanced operating budget for 2021.

Timmons said the loss of income from COVID has been huge, and he expects it to continue to impact group activities in 2021. A month-to-month budget plan needs to be put in place.

Organizational Restructuring Goal: Create a new operating model to reflect real time limitations and opportunities; consolidate into two main divisions: (1) Administration and (2) Operations; create new long-term partnership models; and consider divesting some areas of PDA obligations to third party(s).

PDA Leadership Change Goal: Transition to a new Executive Director in 2021, following the November 2020 retirement of Dave Robison.

Timmons said the organization's challenges need to be identified clearly so that the PDA can attract someone with the necessary skill set to address those needs.

PDA/Partner Relations Goal: Renew discussions with new deliberations; look to maximize partnership investment to build a more sustainable and viable model to grow the PDA and partners' business models.

Timmons suggested that this work, which includes lease negotiations, could begin in January.

PDA/Foundation Relations Goal: Establish a "firewall" relationship between the PDA and the Fort Worden Foundation to provide clear separation of roles, responsibilities and staff representations.

Due to the current relationship, Timmons said state auditors are treating the Foundation as a component part of the 2018-2019 audit. He said that once the audit process is complete, the partnership can be redefined to reestablish clarity.

PDA/State Parks Relations Goal: Evaluate the lessons learned from the past several years and

determine what is necessary to consider a more effective partnership as it relates to decisions that affect successful operations by the partnership such as capital maintenance and historic preservation of Fort properties.

Timmons said the maintenance requirement needs to be addressed because the original premise is not working. Because of the condition of the property and the level of deterioration, expenses are high and its needs to be more equitable, he said.

B. Board Discussion

During the presentation, board members expressed surprise about the status of capital project funds. Discussion included a call for understanding why and how financial reports presented to the board earlier in the year did not indicate that capital dollars were being used for operations. Timmons said he has asked the auditors to examine that matter. Hutton said that he and Tonina are analyzing several years of credit card purchases to see if there are any purchases that look questionable. Timmons said purchases appear to be legitimate and largely for supply items. Board Treasurer Jeff Jackson thanked Timmons for discovering and summarizing the financial issues; he also thanked current and previous employees who raised concerns. Board members and Timmons also discussed fixed operating costs, the need to analyze whether it makes sense to keep the hospitality business open during the slow season amid a pandemic, and the ongoing challenge of addressing maintenance and capital maintenance needs. Jackson said partnerships are needed. Regarding work with partners on a more sustainable business model, board member Cindy Finnie said that in order to move forward everyone needs a collective understanding of what it takes to make the Fort work and this requires a deep dive. Following the presentation, Tonina stated that the board takes the issues seriously and will deal with issues in a transparent fashion as they come along. He said it's important for the board to continue to keep the public informed as it determines how to move forward.

IX. Financial Report

Timmons said that it's taking longer than expected to adjust past financial reports so that they tie to the general ledger. The accountant working on this is highlighting the differences to show what wasn't in the past reports, and a report will be presented as soon as possible, he said.

X. Round Robin Staff Status Report on Reopening

- Hospitality Sales and Marketing: Sales & Marketing Director Cody Griffith provided a brief report on hospitality activity. Short-term and short notice bookings are the trend, she said.
- Food and Beverage: Holly Height reported that Canteen has closed for the year, and Reveille is expanding its offerings and seating. Taps has started Wine Down Wednesdays.
- Guest Services/Maintenance: Interim Operations Director Aislinn Diamanti said that even though things are slowing down overall, there are peaks of activity. She thanked board member Terry Umbreit for advising on how to manage the activity pattern and structure staffing accordingly. She provided a staffing update and noted that there are volunteer opportunities. Diamanti and board members talked about the merits of electrostatic spray disinfectors.
- Capital Projects: Capital Projects Director David Beckman said the State Parks project for Officer Row buildings 4 and 5 will begin in November. He provided an update on Makers Square progress and said it's now set to finish in early December largely due to changes to the KPTZ space. He said he is working on getting the certificate of occupancy, which is needed by the end of the year. Payments to Clark Construction are behind while the PDA waits for grant paperwork, he said. Executive Director Dave Robison noted that the packet includes the recommended capital projects list that the Parks Commission submitted to the governor. It includes two Fort Worden projects.
- Fort Worden Collaborative: Robison said work is going well and a big piece of current work

involves developing an RFP for a consultant team to come in and figure out the new normal for campus operations. They are trying to get a County Public Infrastructure Fund grant converted to cover the planning process, which could start in early 2021. Robison anticipates sending a draft of the RFP to the board. Finnie noted that she hopes the group has a clear understanding of what it takes to operate the Fort and its challenges to help inform decisions. Robison said that will be part of the first phase of the work.

Jackson left the meeting at 11:00 a.m.

XI. Authorization to Negotiate with Kitsap Bank for Refinancing the Makers Square, Energy Efficiency, and Glamping Capital Projects

A. Staff Report

Timmons said he expects that the refinancing for the three projects would come through as separate loans with separate time schedules. The motion authorizes Timmons and Jackson to negotiate with Kitsap Bank.

B. Board Discussion

Timmons was asked about the payment timeline and interest. He said in preliminary discussions it's been shared that payments wouldn't likely be for another two to three years, depending on the structure of the loan, and the interest would roll forward, leading to a higher interest rate but without penalty for prepayments. This would mean income generated by Makers Square could be used for prepayments, Timmons added.

Action: Motion to authorize the Acting Associate Executive Director and Board Treasurer to negotiate with Kitsap Bank for refinancing the Makers Square, Energy Efficiency, and Glamping capital projects. *Unanimously Approved*

XII. Resolution 20-18 Regarding State Audit

A. Staff Report

Timmons said auditors will provide a proposed plan with a budget and letter of engagement, and he would bring it to the board to talk about the budget implications, as the auditor's office does not pay for the work. He said that they can conduct the audit without approval.

B. Board Discussion

Tonina noted that the board's practice has been to authorize state audits, even though it's not needed.

Action: Motion to approve **Resolution 20-18** to authorize the Acting Associate Executive Director to enter into an engagement letter with the State Auditor's Office. *Unanimously Approved*

XIII. KPTZ Lease Terms

A. Staff and Board Report

Robison reviewed the draft lease terms with KPTZ, which were provided in the agenda packet. He said it's a unique partnership due to KPTZ's capital improvements to the basement of building 305 and their eligibility for Historic Tax Credits (HTCs). Tonina presented a draft rent spreadsheet that shows stair-stepping rent rates to reach a market rate target, the PDA's provision of a 35% capital investment offset to each year's rent, and what the HTC

reimbursements would be over the 19-year term that is required by the use of HTCs.

B. Board Discussion

When asked about the antennae location, Robison said KPTZ is working on finalizing its antennae location and transmission details. Robison also clarified that the landlord is an LLC that is a subsidiary of the Fort Worden Foundation, and this will be referenced in the lease terms. Cook noted that there will be an ongoing relationship between the PDA and the Foundation due to the requirements of HTCs. Robison added that the LLC will have the lease for five years and then it will go to the PDA. Hutton stated that the PDA is fortunate to have KPTZ as an anchor tenant in Makers Square and noted how much public benefit they bring to the Fort.

Action: Motion to approve the term sheet with KPTZ and to authorize the PDA Board Co-Chairs to negotiate a final lease agreement with KPTZ. *Unanimously Approved*

XIV. Employment Contract with Acting Associate Executive Director David Timmons

A. Board Report & Discussion

Tonina said that he and Hutton have work to do on Timmons' employment contract as Robison's retirement nears.

Action: Motion to authorize the PDA Board Co-Chairs to negotiate the terms of an employment contract with David Timmons. *Unanimously Approved*

XV. Revised Board Member Position Description and New Position Description for PDA Board (Ex Officio) Liaisons

A. Board Report & Discussion

Hutton summarized updates to the board position description (highlighted in yellow in the packet) and the description for the proposed liaison positions on the board, one of which will represent partners and the other will represent the City of Port Townsend. Hutton noted that ex officio liaisons won't have a vote, the lack of which is customary for such roles, and they can join executive sessions if invited.

Action: Motion to approve the revised board member position description and the new position description for PDA board (ex officio) liaisons. *Unanimously Approved*

XVI. Resolution 20-19 Regarding the Appointment of a Claims Agent

A. Staff Report

Timmons said that it's common practice for an organization to appoint a claims agent, so that a claim for tort damages is presented to a designated claim agent rather than anyone associated with an organization and who may not know how to respond. Pacifica Law group recommended the form presented as a matter of housekeeping and it had been temporarily set aside; it's not in response to anything in particular, Timmons said. Once in place, the designation protects an organization because a claim cannot be advanced in the courts unless it is properly presented, he said.

B. Board Discussion

Action: Motion to approve **Resolution 20-19** appointing the PDA Executive Director as the

agent to receive claims for damages under chapter 4.96 RCW, and certain matters related thereto. *Unanimously Approved*

XVII. Public Comment

No comments were shared during the public comment period.

XVIII. Adjourn

The meeting adjourned at 11:53 a.m.

**Fort Worden Public Development Authority
Fort Worden State Park
Request for Proposals (RFP)**

RFP Title:	Re-Imagining the Fort Worden Lifelong Learning Center Business and Operating Plan
RFP Purpose & Intent:	<p>The purpose of this RFQ is to provide the Fort Worden Public Development Authority (FWPDA) with business planning and technical assistance in developing a plan for the future management and operations of the 95-acre Lifelong Learning Center campus area at Fort Worden State Park. This will include an overview of the “state of the current marketplace” during the pandemic.</p> <p>The FWPDA is seeking qualified consultants interested in and capable of providing the required services as described herein. As a result of the consultant responses to this RFP, the FWPDA Board of Directors may select the top scoring respondents for direct interviews. Advertisement and release of this RFP does not obligate the FWPDA to take any further actions.</p>
Response Due Date:	<p>This solicitation is open from December 1, 2020 to Monday, January 11, 2021.</p> <p>All RFP responses should be emailed in a PDF format and must be received by the no later than 5:00 PM Pacific Daylight Standard Time, January 18, 2021.</p> <p>7 hard copy RFPs should also be submitted by 5:00 PM on January 18, 2021.</p> <p>Late responses <u>will not</u> be accepted.</p>
Submit Responses to:	<p>Joan Rutkowski, FWPDA Communications Manager & Public Records Officer Email: jrutkowski@fortworden.org</p> <p>Physical Address: Fort Worden Public Development Authority--Attn: Joan Rutkowski 200 Battery Way Fort Worden State Park Port Townsend, WA 98368</p> <p><u>Reference: Fort Worden Business Plan RFP</u></p> <p>For questions regarding the RFP process, please contact Joan Rutkowski at: jrutkowski@fortworden.org</p>
Consultant Eligibility:	The solicitation is open to those individuals or organizations that satisfy the qualifications stated herein.

INTRODUCTION AND BACKGROUND

Fort Worden PDA: The Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) was established by the Port Townsend City Council in September 2011 to help Washington State Parks implement the Lifelong Learning Center vision. The FWPDA is a municipal public entity and is governed by an independent eleven-member Board of Directors. As a Lifelong Learning Center, the PDA is charged to provide space and house a variety of tenants and groups that would offer both residential and non-residential programs and classes involving, among others, performing and visual arts, environmental and natural resources, health and wellness, historic preservation, woodworking and cultural history, and culinary arts. The FWPDA's overall responsibilities are to provide services to support these programs, events and activities, and to market and promote the Campus facilities for nonprofit, government and corporate events, meetings, workshops, seminars and conferences ("Conference Center") as well as to support independent travelers, family retreats and other users. Employees of the FWPDA provide hospitality services, maintenance and capital development in support of the Conference Center and Lifelong Learning Center vision.

State Parks Partnership: In August 2013, Washington State Parks entered into a 50-year master lease with the Fort Worden PDA to manage the day-to-day operations of the 95-acre "Campus area" of Fort Worden State Park (see Figure 1--aerial). In carrying out the provisions of the master lease, the PDA provides property management functions and the overall hospitality operations of the campus/conference center area (see Figure 2—pad map). This management partnership between Washington State Parks and the PDA is to further the implementation of the Lifelong Learning Center mission adopted by State Parks.

Fort Worden State Park: The 434-acre park was established in 1973 in partnership with the Washington State Arts Commission and Office of the Superintendent for Public Instruction as a State Park and Conference Center. Fort Worden State Park Conference Center is unique among the nation's state parks and is listed on the National Register of Historic Places. It is home to 73 historically significant 100+ year old buildings and structures. The Park is in Port Townsend on Washington's Olympic Peninsula which is about two hours from Seattle via auto and ferry. It is a comprehensive multiple use facility, providing public recreation, conference facilities, performing arts venues, vacation housing, two campgrounds and diverse tenants (currently 15 nonprofits and businesses) offering historic, interpretive, recreational or educational programs and activities.

The facilities at the park are quite different from traditional hotels/conference centers and other resort type facilities. Accommodations vary from historic Victorian military housing (1, 2 and 3 bedroom units), to larger semi-private housing options (4, 5, 6 and 11 bedroom units) to former military barracks that provide single room-dormitories (with shared bathrooms) that are ideal for larger groups. The accommodations include 392 rentable units, or 456 beds, ranging from the large Officers Row housing to small dormitory-style rooms without baths. The Campus also offers more than 56,000 square feet of meeting facilities, ranging from small to larger rooms and event spaces, with the ability to host 1,200 people in a unique performance venue, and includes a state-of-the art concession kitchen and dining hall that can accommodate up to 500 people.

Tenant Partner Organizations: The 95-acre campus area is home to a constellation of 15 tenant partner organizations that utilize Lifelong Learning Center's facilities and grounds and were offering more than 1,500 program days annually prior to the pandemic. Each of these independently run organizations benefits from the natural and built resources at Fort Worden, proximity to the other complementary cultural and educational organizations for sharing or ideas and resources, as well as services provided by the Fort Worden PDA.

PURPOSE AND SCOPE

Project Purpose: The COVID-19 crisis threatens the survival of the Fort Worden PDA, its ability to support its 15 partner organizations and the viability of its business model even after the pandemic has passed. Prior to the pandemic, PDA leadership had begun to talk to the City, State Parks, and Partners about the challenges with its current business model and its long-term sustainability risks due to the costs inherent in running and maintaining the 100-acre campus, including the Fort's 73 historic buildings, grounds and aging infrastructure. The topics requiring new solutions include:

- ✓ Obligations as a public entity, yet trying to run a sustainable hospitality business
- ✓ \$80M+ in deferred capital needs and expenses for maintaining historic buildings and grounds
- ✓ Addressing daily facilities and grounds maintenance responsibilities from WSP beginning in May 2018, which increased the PDA's operating budget by over \$500K year
- ✓ Need for alternative funding models for emergency maintenance required on structural and historic assets the PDA manages but Washington State Parks owns
- ✓ Subsidized accommodations, food services, and meeting spaces for tenant partner activities
- ✓ A historic partner lease approach that results in significant discounts from current market rates
- ✓ Mandatory minimum wage increases over three years
- ✓ Over dependence on seasonal, economically sensitive travel and tourism
- ✓ Required revenue sharing with WSP that was to start in May 2021 and is now delayed to 2024.

The PDA has lost over 90% of its projected \$7 million in operating revenues during 2020. As a result of the challenges noted above and the impact of COVID on the hospitality industry nationally, the Fort's business model has grown increasingly unstable and the PDA's ability to survive post-COVID is very uncertain. It is imperative the PDA assess its current hospitality business model and update its Business and Operating plan to explore new uses and ways of operating to maintain the 100-acre campus infrastructure, and its 73 historic buildings and facilities.

Current Situation: Since May 2014, the PDA has grown from 14 employees and an operating budget of little over one million dollars to a 2020 operating budget of \$7.3 million with 85 full-time, year-round employees and expected staffing of 175 employees during the 2020 peak summer season. In addition, the PDA planned to complete over \$10 million in capital projects in 2020. All of this came to a sudden standstill on March 12 when the PDA laid off 85 employees due to the pandemic. There are also 15 tenant partners (See Attachment B for a full list of tenant partner organizations) at Fort Worden, including Centrum, Madrona, PT Marine Science Center, School of Woodworking and School of Arts and two colleges. Likewise, due to COVID, many of the partners have laid off staff and are offering no or reduced public programs. This business plan process includes the PDA, the 15 partner organizations, along with the broader community in a collaborative effort to determine a new way of operating our businesses, retain essential employees, and restart businesses as we move through the pandemic to a post-COVID environment.

Economic Benefits: In the past six years, the PDA had become one of the County's largest employers. The PDA, in partnership with Washington State Parks, has invested over \$35 million in capital improvements at the Fort. The PDA and its Partners also have provided significant growth in generating LTAC and sales tax revenues (In 2019—\$125,000 in LTAC revenues to the City). In 2019, the Fort collectively (PDA and Partners) generated over \$15 million in revenues to the city and county, not including the indirect revenues from visitors throughout the

county. All of this is at risk if the PDA is unable to relaunch its operations in a financially sustainable manner. Due to the pandemic, the PDA estimates losing a minimum of \$750,000 by year end. It is essential to move forward with a revised, likely smaller business and operating model, identify new revenue streams, fund infrastructure and building repairs, and secure new agreements with our partners and stakeholders.

Scope of Work: This business planning process will focus on the operational and financial aspects necessary to transition to a post-COVID business and operating plan for Fort Worden. The Plan is proposed to include four phases:

Phase 1: Review of Current Situation

Phase 2: Define a New Operating Normal

Phase 3: Economic Analysis of Operating Alternatives

Phase 4: Plan Implementation and Governance Recommendations

Key to the updated Business and Operating Plan is to re-assess what kind of core programs, activities and services could be offered in the campus buildings and facilities that comports with the mandate of the PDA. This may include new uses in buildings that have been historically used to support hospitality services. What other uses should be considered in a post-COVID “new” Fort Worden in 2022 and beyond? The business plan process will research and identify best practices and programs and review other comparable organizations/business models identified in Phase 1 with the goal of optimizing tenant partner businesses. In addition, the plan will need to address how to support more than \$500,000 in annual campus maintenance obligations and \$80 million in deferred capital improvements, as well as the increasing number of infrastructure failures (e.g., water and sewer lines, fire alarm and sprinkler systems, etc.) that require costly emergency repairs. A new Business and Operating plan should generate excitement and present additional fundraising opportunities for the sustainability of Fort Worden.

Stakeholders: The PDA, City and Partner organizations have been meeting since January 2020 (as the Fort Worden Collaborative) to plan and identify new ways of working together to make the Fort financially sustainable. The Collaborative is comprised of Partner organizations representatives that have broken into smaller working groups to address immediate and mid-range needs and issues, as well as a long-term working group to guide this planning process. The PDA is prioritizing completion of Makers Square construction, which will provide new opportunities to attract new partner organizations while expanding opportunities for current partner organizations and other community stakeholders to utilize these newly renovated buildings and generate new revenue streams. The business plan process will provide a detailed cost/benefit analysis on reopening alternatives in 2021 and beyond. Further, it will provide opportunities for key stakeholders to work together to reimagine and rebuild a new future for the Fort and how Fort Worden fits in the larger city/county economic strategy. Community meetings will be held to get feedback and input on the evaluation of operating alternatives and strategies, as well as governance recommendations and timeline to implement the plan. In addition, the Plan will need to be reviewed by the Washington State Parks and Recreation Commission.

Previous Planning Efforts: Previous phases of planning by WSP and the PDA have led to the PDA’s development and management of the Fort Worden campus operations, beginning in May 2014 (see **Attachment A** for list of previous planning efforts). The overarching purpose of updating the PDA’s business and operations implementation plan today is to determine and describe how best address the impacts from COVID as well as to unify management of Fort Worden and its many partner organizations to achieve the vision of a life-long

learning center(as may need to be adjusted to the realities of a post pandemic world), and to ensure that the Fort operations are sustainable and integrated with our government, partner, philanthropic, and business economies.

Consultant Services: Consultant areas of expertise anticipated for this project include, but are not limited to:

Organizational Development and Management

- Organizational development and management of public and non-profit institutions
- Arts and culture program development and management
- Environment-based or recreation program development and management
- Cultural resource interpretation and museum program development and management
- Educational program development and management
- Public and philanthropic support/campaign planning

Business Planning

- Financial planning
- Market analysis
- Revenue forecasting
- Leasing and property management strategies
- Hospitality services planning and management
- Capital development feasibility analysis and financing
- Public-private-nonprofit administrative partnerships

PROPOSED SCOPE OF WORK

Phase 1: Review of Current Situation (Complete by January 31, 2021)

The Fort Worden Collaborative (Collaborative) has been reviewing the Fort's existing conditions to better understand what the current situation is at Fort Worden as well as the short and long-term impacts due to the pandemic. This ongoing work will lay the foundation for the Consultant Team to begin to understand and consider the key issues and challenges facing the future operation of the Fort, its economic realities and possible strategies and tactics for defining a new normal during the pandemic and post-COVID. This review and assessment of the current situation will feed into the development of a new business and operating plan for the PDA's operation and management of the Fort Worden campus.

The Collaborative will:

- Identify 2008 Plan gaps analysis
- Develop a list of assumptions that will guide the planning process
- Identify needed changes to Partner and PDA operating models and plans due to COVID
- Identify needed changes to Partner and PDA operating models based on financial pressures that faced the PDA pre-COVID and that it will also face in a post-COVID environment.
- Review PDA and individual Partner Organizations current situation (answer the following):
 - Where are you now? (organizational assessment)
 - Where do you want to go? (2- and 5-year goals)
 - How are you going to get there? (strategies)
 - How can the PDA help you get there? (e.g., leasing, fundraising, public relations, shared services)
 - How will you know when you get there? (key performance indicators)
- Identify any changes to Lifelong Learning Center Vision and Mission
- Prepare recommendations to further diversity, equity and inclusion objectives at Fort Worden.
- Develop new shared success criteria
- Research and identify comparable Organizations/Places (e.g. 1440 University) and best practices
- Review and comment on Consultant RFP and Scope of Work (due by November 15)

Additional questions for the Collaborative to consider:

- How can the PDA, partners and city work better together?
- How can we better utilize resources at the Fort (PDA, WSP, City and Partners)?
- How do we strengthen communication practices to foster better working relationships?
- What is standing in our collective way?
- What are our mutual responsibilities?

It is anticipated that a Report on the Current Situation would be prepared and reviewed by the Collaborative and PDA board by January 31. This report would be shared with the Consultant Team as the Lifelong Learning Center benchmark assessment and form the baseline for the Consultant Team to begin its work. This information will be used by the Consultant Team to understand the current situation and the existing resources of Fort Worden (including PDA and partner organizations) and will help to frame the scope of work for the project to introduce to involved stakeholders. This analysis will help to set the stage to explore the program and capital development potential of the Fort Worden campus in a post-COVID environment.

Phase 2: Re-Imaging Business Operations at Fort Worden (February 1 to April 1)

Re-imagining the business plan for Fort Worden requires taking three scenarios into account.

1. What business plan will get the Fort through the remaining months of COVID and COVID restrictions.
2. At the end of COVID, what business plan allows the Fort to grow in tandem with the growth of the Northwest hospitality industry.
3. In a post-COVID world, after the ramp-up, what business plan will allow the PDA/Fort to establish a sustainable business model, in light of:
 - a) Fixed costs (utilities, personnel)
 - b) Annual maintenance costs
 - c) Capital costs due to deferred maintenance
 - e) Revenues, taking into account how to balance the mix of tenant partners engaged in carrying out the Lifelong Learning mission, and the PDA's hospitality services with individual and group traveler markets.

There are key strategic, technical and organizational questions to answer for each scenario. Questions for the consultant team to address internally or in stakeholder workshops include:

- During COVID, both the PDA's hospitality business and the offerings of its Partners have been sharply curtailed and/or changed (e.g., online vs. in-person programming). What is the Fort's best strategy during the time that COVID impacts travel and Partner programming?
- Looking ahead to the end of COVID, what can be forecast about the ramp-up of hospitality business in the Northwest? This should take into account individual and family travel, and group conference markets.
- How many years will it take for the hospitality industry in the Northwest to climb to pre-COVID levels? Does the global experience with online programming permanently alter how some groups handle big conferences, events, workshops or trainings?
- Looking ahead further to a time when the impact of COVID has dwindled, how can a "re-imagined Fort Worden" be financially sustainable? What core programs, activities, and services could be offered with the best prospect of a sustainable operation? What is the proper mix of the Lifelong Learning activities of Partner Tenants, and the vacation/conference activities?
- What best practices or programs of similar operations in other locations provide the most useful insights or lessons for Fort Worden?
- Fort Worden has a unique constellation of stakeholders. The PDA was created by the City of Port Townsend, which appoints its board. The PDA was given a master lease to Fort Worden by the Washington State Parks Commission. The primary tenants at Fort Worden are 15 entities, most of them nonprofits, that carry out educational programs in keeping with the Fort's Lifelong Learning Center mission. The Fort is of keen interest to Washington State. Given these stakeholders and partners, what is the best model to promote shared collaboration and shared success for Fort Worden, toward financial sustainability while fulfilling its mission?
- A major expense impact is the PDA's full assumption of maintenance obligations, from the State of Washington. What is a plausible strategy to managing this expense?

- Through its City Charter and the Master Lease with Washington State Parks, the mission of the Fort Worden PDA is to manage the Fort as a Lifelong Learning Center, with hospitality and conference center options. What changes should be made to the Lifelong Learning Center mission, or to the PDA's other hospitality and conference center strategies, to make the Fort financially sustainable?
- What is the potential for new business at Fort Worden? In what ways could buildings or property be used for new programs, uses, activities, etc. that would both meet its mission and generate net earnings? Are there new uses/opportunities that engage the local community, nonprofits or businesses (so as not to be so reliant on travel-dependent revenue)?
- Are there restrictions on uses (federal Land and Water Conservation Fund grant restrictions and historic preservation requirements) that would interfere with these uses?
- Is amendment needed to the Washington State Parks' Master Lease, or the City Charter, or existing long-range development plans, or city zoning?
- Is there a phased approach over several years that makes economic sense?
- What measurable outcomes can be used to evaluate the Fort's transition to a new operating model?
- How can the potential to leverage new philanthropy amplify our collective success at Fort Worden? What models or best business practices allow the various stakeholders to work better together toward collective philanthropy?

Deliverable: Core Programs and Services: The Consultant Team will identify the recommended core program markets based on the input gained and analysis performed during this Phase. This will include evaluating key activities and core programs, reuse of existing facilities in new ways (e.g., NCO Row as artist residencies or studios), use alternatives for the Makers Square buildings, the feasibility of the core program market, and market positioning for the Fort Worden campus. The outcome of this Phase will be used to establish a new operating model and development plan including financial performance capabilities and partnership/management alternatives.

Phase 3: Economic Analysis of Operating Model Alternatives (April 1 to June 1)

The Consultant Team will undertake a thorough operational and financial assessment to document the current financial situation of Fort Worden and provide recommendations for the future operational and management alternatives and recommendations.

- (a) Organizational Assessment: The Consultant Team will review the Current Situation Report and compare and contrast it to the recommended core programs and services identified in Phase 1 to understand its limitations and opportunities to the current operational situation. This analysis will provide support for any revisions to a future PDA organizational structure and staffing requirements, and ways to improve operational efficiencies, policy development, process improvements, system and technology improvements, capital needs, and marketing/communication capabilities.

- (b) Financial Review: The Consultant Team will undertake an analysis to document the financial situation of Fort Worden PDA and its tenant partners in 2019. The financial analysis will look at the budget, leasing and pricing policy, user fees, current and other revenue generating opportunities, grant opportunities, and the revenue forecast. This analysis will serve as a baseline to identify the future financial situation of Fort Worden's operations with four primary goals:
 1. Understand the financial dynamics to further advance the understanding of how Fort's operations may need to change during an evolving pandemic and a post-COVID world gained through the work described above.
 2. Review funding and **accounting practices** with an objective of accurate financial fund tracking and the ability to have more useful financial information for strategic decision-making.
 3. Seek opportunities to improve the financial sustainability including evaluating ongoing normal maintenance and repair expenses and increasing current and new sources of revenue to meet projected long-term maintenance and capital needs.
 4. The economic analysis will be iterative and include a feedback process to ensure that if a new operating model is not sustainable and creates a negative cash flow during the analysis phase, the proposed model will be adjusted.

The Consultant Team will review current **financial policies**. This review will include comparison of current policies with national standards of best practices. The Consultant Team will recommend policies and adjustments to current policies where enhancements may be needed, or gaps are identified.

- (c) Partnerships and Management: The Consultant Team will evaluate existing partnerships and potential new contributing partnerships including on-site tenants and other off-site programming partners for Fort Worden and how to integrate them into the preferred operating and management model developed in Phase 2. New partnership management policies and alternatives for existing partners will be recommended. The Consultant Team will assess capital and maintenance needs for the campus and make recommendations on how stakeholders will need to invest in maintenance and capital needs to support the Life Long Learning Center vision, or any changes proposed to it, and become part of the program operations on site. The Consultant Team will develop a strategy and policy report to support formal partnership agreements that are fair and equitable for the PDA, Partners, City and State. This may include identification of potential new partner organizations by specific activity, funding parameters and capabilities, and agreement guidelines to support implementing these partnership agreements as part of the future operating and management plan for the campus.

(d) Operational and Financial Assessment Report: Develop recommendations to improve processes, achieve operational efficiencies, improve policy development, optimize systems and use of technology, and enhance marketing and communications capabilities to create a shared economy at the Fort.

It is anticipated that the Consultant Team, in carrying out Tasks a-d above, will consider the following factors in evaluating future operations, financial and management options.

1. Finalize vision, mission, values to guide development of new operating model
2. Identify potential buildings for specific uses that could provide ongoing and reliable revenues
3. Estimate operating costs and revenue strategy
4. Review tenant partner lease rates and terms and recommend best practices
5. Identify and recommend future tenant partner recruitment criteria
6. Evaluate annual maintenance and capital investment needs for operational priorities
7. Recommend best practices to formalize the working relationship between Partners and the PDA that facilitates achievement of mutual goals.
8. Identify inter-local and partnership agreements (e.g., shared services with City or State Parks)
9. Develop PDA staffing levels and contracting services (e.g., maintenance and building repair)
10. Recommend best management practices (e.g., coordinated marketing) needed for operational success and financial sustainability

Deliverable: Prepare and deliver a *Fort Worden Operational and Financial Assessment Report*. Develop recommendations to improve operational processes, staffing levels to achieve efficiencies, property management practices, recommendations on shared services and interlocal agreements, optimize systems (e.g., reservation) and use of technology, and coordinate partner programming with enhanced marketing and communication capabilities.

Phase 4: Business Plan Implementation and Governance Recommendations (June 1 to July 15)

The Phase 3 financial analysis will be performed in conjunction with the development of the draft Business Plan. The financial analysis translates concepts and recommendations into hard numbers that establish the baseline for decision-making and plan implementation. The Business Plan will include the following tasks:

Operational Standards: Based on the findings and recommendations in the Operational and Financial Assessment Report, the Consultant Team will prepare the final business Plan documenting all findings, financial analysis, and recommendations to support Plan implementation. The Consultant Team will recommend operational standards for maintenance, programming, marketing and administrative costs for proposed facilities to support full campus operations.

Economic Impacts: The Business Plan will also include an analysis of the estimated economic impact created by Fort Worden at the local and state levels. The economic impact analysis will involve forecasting estimated tax income both locally and state-wide due to the programs, services and activities provided by Fort Worden (e.g., sales and lodging taxes, employee wages and spending, indirect revenue to downtown business, PDA and Partner revenues, etc.).

Alternative Funding Opportunities: Funding options for maintenance and capital needs will be identified and evaluated against their potential support and success. Federal, state, and local public funding sources will be evaluated as well as philanthropic and local community support to support the capital and operational costs of operating the campus facilities.

Governance Strategy: The Plan shall also review comparable governance models (e.g., nonprofit, PDA or Public Facility District) as to their capabilities and characteristics, advantages and disadvantages, public involvement requirements and transparency issues, for day-to-day implementation of the new operating model. The following questions should be answered in this assessment.

- Is this the best approach to build community support and market demand to support the Fort's long-term financial sustainability?
- Will this new vision and operating plan build capital fundraising support and capacity? What steps are needed to start bringing a range of stakeholders, partners, and potential investors around the new Fort operating vision?
- What will be the governance structure and composition of the management entity?
- How will tenant partners participate, be heard, and weigh in on policy decisions?
- Review consistency with adopted plans and policies. Will changes be required to either the PDA/City Charter or to the master lease with State Parks?

Consultant Team RFP Submittal Requirements and Timeline

Submittal Requirements: All RFP responses shall include, at a minimum the following:

- Background on the firm and relevant projects, including budgets and deliverables.
- List of key personnel proposed for the project and their experience and availability.
- List of key consultants or firm's proposer would utilize for the project.
- General description of the firm's project approach to the proposed scope of work, schedule and deliverables, including any proposed suggestions or revisions to scope.
- List all project references with at least two contacts from each project.
- Proposed budget with detailed project costs by each Phase and estimated hours. Cost information for any proposed architectural or engineering services would not be included but would be negotiated in accordance with legal requirements for bidding those services.
- Ability to meet proposed time frame for development of the Plan.

Selection Process: A seven-person review committee will review all qualified RFPs and will use uniform evaluation criteria to develop a short list of firms to interview. The Committee will be comprised of two PDA board members, PDA Executive Director or designee, City Manager, State Parks representative, Fort Worden Partner representative and a Fort Worden Foundation representative.

- The review committee will review all timely submittals and will use uniform evaluation criteria agreed to in advance to establish a short list of firms to be further considered.
- The review committee reserves the right to schedule interviews with the highest-ranking firms or may select a firm based on the submitted proposal without interviews.
- The review committee will submit its recommendation for the most qualified consultant team to the FWPDA Board of Directors for its approval.
- The FWPDA reserves the right to select firms or consultants who have submitted independent qualifications/proposals from one another and request them to work together in order to best meet the objectives of the scope of services
- The FWPDA will select the most qualified consultants/finalists based on its identified criteria, including: completeness of response, experience with similar projects, creativity of approach, experience with public involvement, references, and (except for any proposed architectural or engineering services) cost
- If agreement on team finalist or price of services is not reached, the FWPDA may negotiate with the next qualified firm/consultant

Project Funding: Funding for this project is anticipated not to exceed \$150,000. Further funding for additions to the project scope may be considered at the conclusion of this planning phase. The Consultant Team will be asked to submit detailed scopes of work for additional work.

Conditions of Proposal: All costs incurred in the preparation of a response to this RFP are the responsibility of the bidder and will not be reimbursed by the FWPDA.

Consultant Team Arrangements: The FWPDA is looking for assistance from a consultant team that can perform all functions necessary to complete this work. Any firm that can provide a part of this service is encouraged to contact other interested firms in the hopes of putting together a team of skilled specialists utilizing a primary consultant and subconsultant team arrangement (Joint Ventures will not be accepted). Prime consultant should not be an Architecture and Engineering Firm (A&E). A "plan holder" list of consultants who have

received notification of this RFQ and expressed interest is available upon request from the RFQ Coordinator.

Consultant Team Project Management: Prospective consultants will need to assign a project manager with a demonstrated ability and experience in managing large, interdisciplinary consultant teams and working collaboratively with professional staffs of clients. Project managers should also have demonstrated ability and experience working with the public sector where the client (PDA) project management team is not the ultimate decision-making authority.

RFP and Consultant Team Coordinator: It is anticipated that the Fort Worden PDA and Fort Worden Foundation will enter into a shared services agreement whereby the Foundation's acting executive director will serve as the RFP and Consultant Team Coordinator. The Foundation is a "component unit" of the PDA and works hand-in-hand with the PDA board in fundraising and capital development of the Fort Worden campus. The Coordinator will report directly to the PDA Board Co-chairs and the PDA and Foundation boards.

Project Management Team: The Coordinator will work closely with a business plan project management team to be comprised of PDA board member(s), partners and/or community representatives to oversee the planning process and help guide the actions of the Consultant Team and to ensure adequate lines of communication and levels of involvement by partners and key stakeholders.

Project Approach: While the proposed scope of work is detailed, each consultant team is encouraged to suggest alternative approaches or tasks to carry out the planning process and development of the Draft Business and Operating Plan.

While many pieces envisioned for the life-long learning center are in place but have evolved or been conceived independently by campus partner organizations, the consultant team is encouraged to identify and suggest new ways to further coordination and collaboration among key stakeholders. The Business and Operations Plan will be the integrating tool, describing how the PDA and its partners will work together to enhance programs, maximize shared resources, grow revenues, augment and coordinate customer service, and increase organizational capacity.

The updated Business and Operations Plan should incorporate business plans or future goals of each partner organization and determine the investment necessary by each to ensure the long-term success of the whole. The Business Plan must also demonstrate the ways in which partners will share in the success of the whole.

Planning Process Assumptions: As part of the work completed during Phase 1 by the Fort Worden Collaborative, the group developed the following assumptions that should guide the development of the Business and Operating Plan.

- The planning process will involve diverse stakeholders: PDA and Foundation Board members and staffs, tenant partners, State Parks, City Port Townsend, and other nonprofit community groups and community residents.
- There will be several larger public meetings and a series of working meetings with representatives from the Fort Worden Collaborative.
- The planning process will explore new forms of governance to find the best model(s)—public, nonprofit, other— for managing and operating the 95-acre campus.

- The planning process will be inclusive and need to strive for success of the PDA, State Parks, and existing partners.
- The planning process should improve communications and develop better ways to collaborate, set priorities, and make decisions in the future.
- The business and operating plan will need to identify new sources of diverse income including public support, contributed income and earned revenue.
- The planning process should further the core values of diversity, equity, inclusion and accessibility.
- The plan will need to balance local needs while serving as statewide resource and asset and be consistent with State Parks mandates.
- Given the future uncertainty of the pandemic, adaptability and flexibility will need to be built into the business and operating plan.
- Fort Worden should continue to house both non-profit organizations and for-profit businesses.
- The plan should evaluate and assess whether the primary focus of FW should continue as a lifelong education center including arts, culture, science, recreation and individual well-being.
- Capital planning and future investment will be challenged by deferred maintenance and historic preservation requirements.
- The Plan should evaluate capital and maintenance needs and responsibilities and make recommendations on private investment and maintenance requirements by tenant partners.
- As a result of this planning process investment, Fort Worden stakeholders will have a high functioning ecosystem and less time will be required of each organization’s leadership in day-to-day planning for future operations.
- The business and operating plan should be part of a larger community/regional economic strategy.

Timeline: Key milestones identified are:

- Nov. 30: RFP is circulated to interested firms
- Jan. 18: **RFPs are due**
- Jan. 15: RFP Review completed by Selection Committee
- Jan. 22: Interviews of top ranked firms completed
- Jan. 25: Selection Committee Consultant Team recommendation to PDA Board
- Jan. 31: Collaborative completes tasks under Phase I
- Feb.-July 15: Prepare Draft Business and Operating Plan Development
- July 15: Draft Plan Released for public review
- July 15-Sept: Public Meetings to Review Draft (To be Determined)

RFP Submittal Deadline: Proposals must be submitted by COB on Monday, January 18, 2021.

General Information:

- FWPDA is an equal opportunity employer and requires all consultants to affirm they do not discriminate in violation of state and federal requirements.
- Cost incurred in the development of the proposal and participation in the selection process shall be borne by proposers.
- All proposals submitted are subject to public disclosure laws.
- The proposer must certify its authorization to submit the proposal, time validity of proposal, and any potential conflict of interest.

Attachment A:

Fort Worden Documents and Previous Planning Efforts

Below is a comprehensive list of documents that help tell the Fort Worden story—its transition from Washington State Parks (WSP) management to the co-management model with the Fort Worden Lifelong Learning Center Public Development Authority (PDA). *(These documents will be available on the PDA website as part of the RFP announcement/solicitation).*

- FW Aerial: This aerial shows the 434-acre park boundary and delineates the 95-acre PDA campus area.
- Campus Map: Shows existing building uses and tenants.
- PROS Fort Worden State Long Range Development Plan (2008): This Plan summarizes the four year planning effort (over \$1M in studies and additional plan documents) led by a Governor’s Task Force to develop the Lifelong Learning vision and operating and management plan. It provided the recommendation for WSP to seek a co-management partner through a RFP process. Centrum was the only respondent to the RFP and later backed out of moving forward with a co-management agreement due to the recession. The PDA was established by the City (September 2011) to negotiate the co-management agreement with WSP.
- City Charter and Bylaws: The Charter specifically directs the PDA to undertake, assist with, and facilitate the implementation of a Lifelong Learning Center consistent with the 2008 Plan and to develop the necessary agreements and partnerships for the use, operation, management and development of the Fort’s facilities and properties.
- Fort Worden State Park Business and Management Plan (2012): This Plan was prepared to demonstrate that a co-management partnership between the PDA and WSP was financially viable. It updated many of the recommendations of the 2008 plan (same lead consultant). The Plan was peer reviewed by an independent business consultant from UW, OFM staff, and ultimately approved by the State Parks Commission. Upon approval, WSP and PDA staff spent over one year negotiating the terms and conditions of a 50-year lease for the campus area, which was approved by the Commission in Nov. 2014.
- Fort Worden WSP/PDA Master Lease (Nov. 2013): The 50-year master lease sets out the terms and conditions for the PDA’s use of the 95-acre campus (Article 4). The original lease contained specific milestones for the PDA to meet before it began operating and managing the campus facilities on May 1, 2014(e.g., marketing plan, etc.). It detailed the responsibilities on maintenance obligation for both WSP and the PDA during the first four years of operation as well as the provision for transferring all normal maintenance and repair obligations to the PDA on May 1, 2018. The lease also included the language capital improvements planning and that WSP and PDA had a shared responsibility for funding capital improvements as defined by OFM.

- Fort Worden Strategic Marketing Plan (July 2014): The Plan lays out 13 specific strategies to accomplish both short term needs to grow the Fort's revenues by increasing visitors and occupancies as well as providing recommendations to support the Forts long-term needs of fulfilling the vision of the Fort as a Lifelong Learning Center.
- Fort Worden Lifelong Learning Center Program Development & Capital Improvement Plan (2015): This plan involved 45 community and Fort stakeholders in a collaborative planning process led an architectural design team to identify specific programs and capital improvements to fulfill the Lifelong Learning Center mission and vision. Many of the capital projects recommended in the plan have been completed (Building 202, TAPs, accommodation upgrades such as Building 4 & 5, reunion house, energy efficiency upgrades, etc.) or are currently underway, such as Makers Square and Glamping.
- Makers Square Business Plan (2017): The Plan surveyed other successful arts and cultural centers nationwide to find comparables and to better understand the market context for Makers Square. It outlined an operational approach and developed a pro forma for operating expenses.
- Fort Worden 2020 Unified 10-Year Capital Plan: The FW Unified Capital Plan is updated every two years (even years) and lists priority capital improvements project for both WSP and PDA. This list forms the basis of recommended capital projects for Fort Worden that are folded into the other 120 state parks capital request. Each capital project is evaluated by WSP based on specific criteria, such as enhancing public health and safety, promotes partnerships, furthers economic development, etc. The Commission reviews and approves the statewide capital project list and sends it on to OFM for their review and inclusion in the Governor's capital budget.
- Fort Worden Timeline: This summary timeline shows the development of the Lifelong Learning Center planning process and PDA key milestones.
- 2018 PDA Annual Report: Highlights significant milestones accomplished in 2018.
- 2019 PDA Annual Report: Not as comprehensive as the 2018 annual report, but on p. 7, the figure depicted highlights the annual revenue growth and development of the PDA.

Attachment B:

List of Fort Worden Tenant Partner Organizations

RESERVED

RESOLUTION NO. 20-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FORT WORDEN LIFELONG LEARNING CENTER PUBLIC DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF A GRANT ANTICIPATION NOTE IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$214,000 FOR THE PURPOSE OF PAYING COSTS OF CONSTRUCTING THE MAKERS SQUARE PROJECT PENDING THE RECEIPT OF A GRANT; FIXING THE FORM AND TERMS OF THE NOTE; AND PROVIDING FOR THE SALE OF THE NOTE TO KITSAP BANK.

WHEREAS, Fort Worden Lifelong Learning Center Public Development Authority, Washington (the “Authority”) was created by the City of Port Townsend to manage, promote, develop, secure funds, and enhance the Ford Worden State Park, including implementing a Lifelong Learning Center at the Park; and

WHEREAS, the Authority [has determined it is in the best interest of the Authority that the Authority borrow money and issue a short-term obligation in accordance with the provisions of Chapter 39.50 RCW]; and

WHEREAS, RCW 35.21.735 and 39.50.020 authorize public development authorities to issue grant anticipation notes payable from its grants; and

WHEREAS, the Authority has received a proposal from Kitsap Bank to purchase the Note for the purpose of paying costs of constructing the Makers Square Project;

BE IT RESOLVED by the Board of Directors of the Fort Worden Lifelong Learning Center Public Development Authority as follows:

Section 1. Definitions. As used in this resolution the following words shall have the following meanings:

“*Authority*” means the Fort Worden Lifelong Learning Center Public Development Authority established by the City of Port Townsend pursuant to chapter 35.21 RCW.

“*Bank*” means Kitsap Bank, or its successors or assigns.

“*City*” means the City of Port Townsend, Washington, a municipal corporation duly organized and existing under the laws of the State.

“*Code*” means the Internal Revenue Code of 1986, as amended, and applicable regulations.

“*Designated Representative*” means the officer of the Authority appointed in Section 8 of this resolution to serve as the Authority’s designated representative in accordance with RCW 39.46.040(2).

“*Maturity Date*” means a date that is not later than 12 months from the dated date of the Note as determined by the Designated Representative.

“*Note*” means the Fort Worden Lifelong Learning Center Public Development Authority Grant Anticipation Note, 2020 issued pursuant to and for the purposes provided in this resolution.

“*Note Account*” means the account designated by the Authority for the purpose of paying and securing the principal of and interest on the Note.

“*Note Register*” means the books or records maintained by the Note Registrar for the purpose of identifying ownership of the Note.

“*Note Registrar*” initially means the Authority’s Interim Executive Director. At any time following the issuance of the Note, however, the Interim Executive Director may determine to appoint a different Note Registrar, including, but not limited to the fiscal agent of the State of Washington. The term “Note Registrar” also shall include any successor Note Registrar appointed by the Interim Executive Director as permitted by law.

“*Project*” means the construction of the Makers Square project.

“*State*” means the State of Washington.

Section 2. Authorization of the Note; Payment, Registration and Transfer. For the purpose of providing financing for the Project and to pay costs of issuing the Note, the Authority authorizes the issuance of its grant anticipation note in the principal amount of not to exceed \$214,000 (the “Note”). The Note shall be designated as the “Fort Worden Lifelong Learning Center Public Development Authority, Washington Grant Anticipation Note, 2020,” shall be dated as of the date of delivery thereof to the Bank, and shall mature on a date determined by the Designated Representative, which shall be no later than 12 months from its dated date (the “Maturity Date”).

The Note evidences a line of credit and a Designated Representative is authorized to draw up to \$214,000, to finance the Project and costs of issuing the Note. A request for draw shall be made in writing or by email to the Bank and may be made on any business day. Each request for draw made by 11:00 a.m. on a business day will be funded on that business day. Each draw shall be recorded in such form as the Authority and the Bank may agree.

The Note shall bear interest at the fixed rate approved by the Designated Representative pursuant to Section 8, calculated on a basis of a 365-day year and actual days. Principal and interest on the Note shall be payable on the Maturity Date.

The Note shall be issued in fully registered form. Both principal of and interest on the Note shall be payable in lawful money of the United States of America. The Interim Executive

Director is appointed to act as Note Registrar for the Note. The Note shall be purchased only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the "Note Register"). The Note Register shall contain the name and mailing address of the Bank. The Note may be assigned or transferred by the Bank only in whole and only if endorsed in the manner provided thereon and surrendered to the Note Registrar. The Note may only be assigned by the Bank to another qualified investor satisfying the requirements set forth in the certificate to be signed by the Bank on the date the Note is issued and that signs a certificate substantially in the form of the certificate signed by the Bank. The Note is not subject to acceleration. When the Note has been paid in full, both principal and interest, it shall be surrendered by the Bank to the Note Registrar, who shall cancel such Note.

The Note Registrar shall keep, or cause to be kept, sufficient books for the registration of the Note. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Note in accordance with the provisions of the Note and this resolution, to serve as the Authority's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution. The Note Registrar shall be responsible for the representations contained in the Note Registrar's Certificate of Authentication on the Note.

Section 3. Prepayment. The Authority reserves the right and option to prepay all or a portion of the outstanding principal on the Note on any date. Interest on the principal portion of the Note so prepaid shall cease to accrue on the date fixed for such prepayment.

Section 4. Note Account. A special account of the Authority known as the "Grant Anticipation Note Account" (the "Note Account") is hereby authorized to be created and shall be drawn upon for the sole purpose of paying and securing the payment of the Note. The Authority hereby covenants and agrees to deposit in the Note Account, proceeds from the local community grant sufficient to pay principal and interest on the Note as such payments are due. The Note shall be an obligation only of the Note Account of the Authority.

Section 5. Security for the Note. The Note is a special revenue obligation of the Authority and shall be payable solely from the local community grant that has been approved for the Project. The Note Account is pledged to the repayment of the Note. The Note shall not be deemed to constitute a general obligation or pledge of the faith and credit of the Authority or debt of the State or the City or any other governmental entity other than the Authority. As stated in the Authority's charter: "All debts, obligations and liabilities incurred by the Authority shall be satisfied exclusively from the assets and properties of the Authority and no creditor or other person shall have any right of action against the City on account of debts, obligations or liabilities of the Authority."

Section 6. Form, Execution and Authentication of the Note. The Note shall be prepared in a form consistent with the provisions of this resolution and State law. The Note shall be signed on behalf of the Authority by the manual or facsimile signature of the President of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

Only the Note as shall bear thereon a Certificate of Authentication in the following form, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "This is the Fort Worden Lifelong Learning Center Public

Development Authority, Washington Grant Anticipation Note, 2020, described in the Note Resolution.” Such Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this resolution.

In case either of the officers who shall have executed the Note shall cease to be an officer or officers of the Authority before the Note so signed shall been authenticated or delivered by the Note Registrar, or issued by the Authority, such Note may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Authority as though those who signed the same had continued to be such officers of the Authority. The Note may also be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Note shall be the proper officers of the Authority although at the original date of such Note any such person shall not have been such officer of the Authority.

Section 7. Tax Covenants; Designation of the Note as a “Qualified Tax-Exempt Obligation.”

A. Preservation of Tax Exemption for Interest on the Note. The Authority covenants that it will take all actions necessary to prevent interest on the Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Note or other funds treated as proceeds of the Note that will cause interest on the Note to be included in gross income for federal income tax purposes.

B. Designation of the Note as a “Qualified Tax-Exempt Obligation.” The Note is designated as a “qualified tax-exempt obligation” for the purposes of Section 265(b)(3) of the Code since:

(1) the Note does not constitute a “private activity bond” within the meaning of Section 141 of the Code;

(2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and the Authority and any entity subordinate to the Authority or the City (including any entity that the Authority or City controls, that derives its authority to issue tax-exempt obligations from the Authority or City or that issues tax-exempt obligations on behalf of the Authority or City) will issue during this calendar year will not exceed \$10,000,000; and

(3) the amount of tax-exempt obligations, including the Note, designated by the City and the Authority as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during this calendar year does not exceed \$10,000,000.

C. Post-Issuance Compliance. The Interim Executive Director is authorized to review and amend the Authority’s written procedures to facilitate compliance by the Authority with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the dated date to prevent interest on the Note from being included in gross income for federal tax purposes.

Section 8. Sale of the Note. The Interim Executive Director is appointed the Designated Representative and is authorized and directed to finalize the terms of the Note in the manner and upon the terms deemed most advantageous to the Authority consistent with this resolution

(1) The Note shall bear interest at a rate that does not exceed 4% per annum.

(2) The Note shall be dated as of its date of delivery to the Bank, which date may not be later than December 31, 2020.

In determining the final terms of the Note, the Designated Representative in consultation with other Authority officials and advisors, shall take into account those factors that, in his or her judgment, will result in the best interest of the Authority, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the Note.

Section 9. Reporting Requirements. While the Note is outstanding, the Authority will provide the Bank a copy of its audited financial statements within 30 days after it is received from the State Auditor, and such other documents as the Bank may reasonably request from time to time.

Section 10. Failure to Redeem Note. If this Note is not redeemed when properly presented at its Maturity Date, the Authority shall be obligated to pay interest on this Note at the same rate provided from and after its maturity until this Note, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Note Account and the Note has been called for payment by giving notice of that call to the registered owner.

Section 11. Authorization to Officials and Agents. The proper Authority officials are hereby authorized and directed to do everything necessary and proper for the execution and delivery of the Note in conformance with the provisions of this resolution and for the proper use and application of the proceeds of the sale thereof as provided in this resolution.

Section 12. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Authority shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

ADOPTED by the Board of Directors of the Fort Worden Lifelong Learning Center Public Development Authority at an open public meeting thereof, held this 25th day of November 2020.

FORT WORDEN LIFELONG LEARNING
CENTER PUBLIC DEVELOPMENT
AUTHORITY, WASHINGTON

By: _____
Norm Tonina, Co-Chair

By: _____
Todd Hutton, Co-Chair

ATTEST:

By: _____
Jane Kilburn, Secretary

CERTIFICATION

I, the undersigned, Secretary of the Board of Directors of Fort Worden Lifelong Learning Center Public Development Authority, Washington (the “Authority”), hereby certify as follows:

1. The attached copy of Resolution No. _____ (the “Resolution”) is a full, true and correct copy of a resolution duly passed at a regular meeting of the Board of Directors of the Authority held at the regular meeting place thereof on November 25, 2020, as that resolution appears on the minute book of the Authority.

2. A quorum of the members of the Board of Directors was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of November, 2020.

FORT WORDEN LIFELONG LEARNING
CENTER PUBLIC DEVELOPMENT
AUTHORITY, WASHINGTON

Secretary

October 2020 Marketing Report

Website Metrics:

Overall Site Visitors (Users): 7,459

Pageviews: 23,924

Pages Per Session: 2.43

Website Year Over Year Comparison:

Overall Site Visitors (Users) Down 3%

Pageviews Up 17.5%

Bounce Rate Increased by 9.72%

Website Demographic Information:

Age: Increase in 18-34-year-olds; steady for 35-54-year-olds and decrease in 55-65+ year-olds

Gender: Female to Male ratio remains consistent with Female at 57% to Male at 43%

Location: Seattle still top location at 40% followed by Port Townsend, Tacoma, Bremerton and Bainbridge. Note Oregon accounts for 6% of traffic.

Website Pages Visited:

Homepage, Book Your Stay, Eat-Drink - Taps are the top three most visited pages.

**Website Metrics Measured by Google Analytics (Demographic information gathered using Google account data, third-party cookies and app data.)*

Email Marketing:

Fort Worden Vista eNews

1,453 Opens (Just 3% Below Comparative Average)

173 Clicks Generated Inside Email (Above Comparative Average)

**Email Marketing Managed through MailChimp*



See Accommodations by Number of Bedrooms 1 2 3 4 6+



Alexanders Castle

Cottage & Loft Collection



Officers Row

Officers Row

Maestro Accommodations Metrics:

Booked Leisure Guests Visiting From:

- 77% From Washington
- 10% From East Coast
- 3.76% From Oregon
- 1.88% California
- 8.16% From Idaho, Montana, Colorado, Texas, Virginia, Nevada

Repeat Leisure Visitors:

- Five (5) September visitors have booked return stay in 2020;
- One guest has three stays in 2020;
- Generating \$12,663.60 in 2020 Revenue

Source of Business:

- FW Website: 81.26%
- Phone: 12.5%
- 3rd Party Bookings: 0.63%

**Booking Metrics Measured by Maestro Reporting*

Facebook Top Posts:



Fort Worden
Published by Natalie Maitland [?] · October 9 · 🌐

Fall is a beautiful time here at the Fort. Come play in the leaves and experience the beauty of the fall colors on the #OlympicPeninsulal (Pics by Jen Lee Light) #porttownsend #fallcation

Performance for Your Post

2,570 People Reached

169 Reactions, Comments & Shares 🗨️

115 Like	76 On Post	39 On Shares
31 Love	25 On Post	6 On Shares
7 Wow	1 On Post	6 On Shares
7 Comments	2 On Post	5 On Shares
9 Shares	8 On Post	1 On Shares

132 Post Clicks

87 Photo Views	0 Link Clicks 🗨️	45 Other Clicks
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NEGATIVE FEEDBACK

2 Hide Post 1 Hide All Posts

0 Report as Spam 0 Unlike Page

Reported stats may be delayed from what appears on posts



Reveille at the Commons
October 26 · 🌐

Happy Monday! We are now serving breakfast burritos and breakfast sandwiches! We hope to see you at the cafe. #eatlocalpt

Performance for Your Post

86 People Reached

4 Likes, Comments & Shares 🗨️

4 Likes	4 On Post	0 On Shares
0 Comments	0 On Post	0 On Shares
0 Shares	0 On Post	0 On Shares

1 Post Clicks

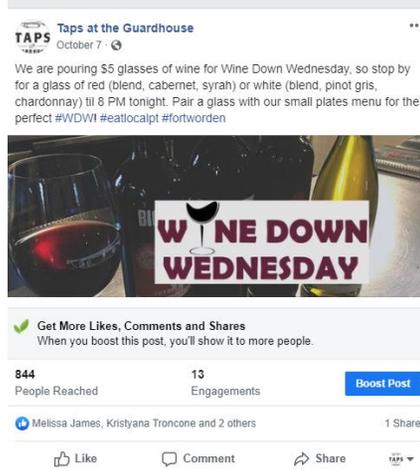
1 Photo Views	0 Link Clicks 🗨️	0 Other Clicks
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NEGATIVE FEEDBACK

0 Hide Post 0 Hide All Posts

0 Report as Spam 0 Unlike Page

Reported stats may be delayed from what appears on posts



Taps at the Guardhouse
October 7 · 🌐

We are pouring \$5 glasses of wine for Wine Down Wednesday, so stop by for a glass of red (blend, cabernet, syrah) or white (blend, pinot gris, chardonnay) til 8 PM tonight. Pair a glass with our small plates menu for the perfect #WDWI #eatlocalpt #fortworden

Performance for Your Post

844 People Reached

10 Reactions, Comments & Shares 🗨️

8 Like	4 On Post	4 On Shares
1 Love	0 On Post	1 On Shares
0 Comments	0 On Post	0 On Shares
1 Shares	1 On Post	0 On Shares

3 Post Clicks

1 Photo Views	0 Link Clicks 🗨️	2 Other Clicks
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NEGATIVE FEEDBACK

0 Hide Post 0 Hide All Posts

0 Report as Spam 0 Unlike Page

Reported stats may be delayed from what appears on posts

**All reported data reported from October 1-31, 2020.*

Joan Rutkowski

From: Natalie Maitland
Sent: Wednesday, November 18, 2020 1:58 PM
To: All Staff
Subject: Update on Fort Worden Front Desk / Sales Office Location

Categories: 3a. Current Board Mtg

Team,

Wanted to update everyone that the Front Desk has relocated back to the Commons as of today. Guests will now be directed to the back side of the Commons for check-in and check-out.

We will have contactless check-out with guests dropping their keys in a locked box located on a pole by the back door.

For check-in, the back doors will be open from 3:30 pm until the last guest arrives, but no later than 6pm. Guests will come to the desk to be greeted and pick up their keys. Whichever sales team member is working the Front Desk will be responsible for locking the back doors. Any guest arriving after 6pm will follow the after-hours process.

If guests have any other Front Desk or Reservations inquiries during the day they should be directed to call 360.344.4400 x 555 or email reservations@fortworden.org.

Also, the Sales Office has relocated to the old F&B offices at the Commons.

Phone extensions and emails haven't changed if you need to reach Rachel, Jason or myself.

Thanks to all those who helped with the move. We will see you from a 6ft distance over at the Commons.

Best,

Natalie Maitland

Sales & Marketing Manager

Fort Worden

Physical Address: 15 Pershing Way

Billing Address: [200 Battery Way](#)

[Port Townsend, WA 98368](#)

(360) 344-4400 x125

nmaitland@fortworden.org

www.fortworden.org

*Follow along to learn more about
all that's happening year round at the Fort!*



Employment Agreement
Interim Executive Director

Fort Worden Public Development Authority – David Timmons

This Agreement is made by and between the Fort Worden Lifelong Learning Center Public Development Authority (“FWPDA”) and David Timmons (“Timmons”) this __ day of _____, 2020 (last date of person signing below).

RECITALS

- A. The FWPDA Board on October 28, 2020 authorized the Board Co-Chairs to enter into an employment agreement with David Timmons as Interim Executive Director.

- B. The FWPDA and Timmons previously entered into an employment agreement for Timmons to serve as Acting Associate Executive Director, and intend by this Agreement to terminate that Agreement and elevate Timmons to Interim Executive Director effective November 1, 2020 on the terms set forth in this Agreement. This action overlaps and approximately coincides with the retirement, effective November 15, 2020, of David Robison as Executive Director.

AGREEMENT

- 1. **Agreement.** FWPDA and Timmons agree to enter into this employment agreement for Timmons to serve as Interim Executive Director on the terms set forth herein. The parties’ employment agreement for Timmons to serve as Acting Associate Executive Director is hereby terminated and superseded by this Agreement. Certain payments deferred or not paid under that Agreement, by agreement and in consideration of this new Agreement, will be paid under this Agreement as a benefit allowance, and therefore, no other monies or payments are due Timmons under the Acting Associate Executive Director Agreement.

- 2. **Effective Date. Duration.** The effective date of this Employment Agreement is November 1, 2020. It shall terminate June 30, 2021, absent prior termination by either party for any cause or no cause, or unless superseded or amended by another agreement, Provided, if not terminated as set forth above, then it shall continue on the same terms on a month-to-month basis.

3. **Powers and Duties.**

- a. Timmons shall have all duties and responsibilities as the Executive Director of the FWPDA
 - b. Timmons' responsibilities include appointment to the position of Recovery Director.
 - c. The Recovery Director shall have direct responsibility for implementation of the FWPDA Strategic Goals Implementation adopted by the Board on May 13, 2020 (including any amendments), and for organization, administration and operation of the PDA for emergency management, and is authorized, to take all appropriate and necessary steps consistent with state and local law to respond to the emergency to safeguard the PDA's assets, its employees, and the general public. This authorization includes emergency planning and partnering with other agencies and organizations to utilize PDA assets and staff for emergency management purposes, provided, the Recovery Director keeps the Board informed of major planned actions and seeks Board approval as required by law. The Recovery Director is authorized to modify employee work schedules and close or limit access to buildings and properties under PDA control. The Recovery Director is authorized to enter into contracts for emergency purposes without following processes and requirements for contracting in Resolution 15-02, as amended, provided, the contract must be explicitly necessary and directly relate to the emergency.
 - d. The Recovery Director is authorized to request all available local, state and federal assistance necessary to respond to this emergency. As required by funding agencies, the Recovery Director is authorized to sign all grant applications, grant agreements and other documents in connection with obtaining grants and other funding for emergency operations and recovery.
 - e. The Interim Executive Director shall report to and be under the oversight supervision of Board Co-Chairs Todd Hutton and Norm Tonina, who shall act in consultation with the Board of Directors.
4. **Salary.** Timmons' salary shall be base salary of \$12,040 per month as and for a full time salaried position. In addition, Timmons shall receive the monthly the sum of \$892 as a benefit allowance. He shall not receive and not be entitled to any additional compensation or benefits unless agreed to in writing.

5. **Review of Full-time Position.** Periodically, and at least quarterly, as determined by FWPDA, FWPDA Co-Chairs and Timmons will review if Timmons’s position remains full-time. The first review is contemplated in mid-January. If the parties agree (as documented by email or letter amendment) that the position has become other than full-time, then Timmons’ salary shall be adjusted accordingly (for example, half time position at half the base salary). If the parties are not able to reach agreement, then either party may terminate this Agreement.

6. **Indemnification, Hold Harmless and Defense.** FWPDA shall indemnify, hold harmless and defend Timmons from and against any claims related to or arising out of the exercise of his powers and duties as Active Associate Executive Director.

7. **Entire Agreement.** This Agreement constitutes the entire agreement and supersedes any other agreements, oral or written, between the parties. This agreement may not be amended or changed by a writing signed by both parties.

DAVID TIMMONS

_____ Dated: _____

David Timmons

FWPDA

_____ Dated: _____

Todd Hutton

_____ Dated: _____

Norm Tonina