

**Fort Worden Public Development Authority**  
**Board of Directors Transition**  
*Draft 1/24/21 & 1/31/21*

**Purpose:** The purpose of the transition is to enable the implementation of the reorganization of the Fort Worden governance and management structure as announced at the October 2020 PDA board meeting. The current board of directors will transition responsibilities to a new, smaller board with more focused capabilities upon the completion of PDA reorganization.

**Objectives to be completed prior to transition:**

1. Continue working with partner organization to maintain focus on the mission as described in the Public Development Authority Charter that includes “facilitating the implementation of a Lifelong Learning Center.”
2. Review and respond to the Accountability Audit conducted by the Washington State Auditor’s Office (SAO). Ensure that SAO recommendations are evaluated and implemented.
3. Oversee the completion of the Makers Square project, including receipt of the certificate of occupancy and the purchase of Historic Tax Credits, and negotiate lease terms with Makers Square Landlord LLC and Fort Worden Foundation.
4. Approve the concession agreement with FW Hospitality Corporation, advise the PDA executive director, who currently serves as the registered agent for the Hospitality Corporation, and provide counsel about the transfer of services and management functions from the PDA to the Hospitality Corporation.
5. Approve adjustment of the interest rate and maturity date of the PDA’s Revenue Bond (2019A) and authorize other loan agreements and revisions as necessary for recovery process (e.g. Glamping, Capital funds, and Advanced Deposits).
6. Advise the FW executive director on establishment of an asset strategy to effect more sustainable methods to address long-term deferred maintenance, manage capital assets, and steward the historic properties of the Fort.
7. Advise the executive director on the public process for investigating more efficacious business practices and diversified revenue streams beyond the emergency reorganization now underway.
8. Advise the executive director, city manager, and mayor on recommended attributes for a new PDA Board of Directors consistent with executive director’s PDA Trust recommended objectives. Complete a full transition to a new board by no later than June 1, 2021. Possible attributes and qualifications may include property management skills, financial and legal expertise, as well as programming experience.

**PDA Trust Board of Directors Objectives**  
**Proposed by PDA Executive Director**  
**Draft 1/24/21**

**Purpose:** The purpose of the PDA Trust Board of Directors is to continue the implementation of the recovery plan of the Fort Worden Public Development Authority (FWPDA) and its governance and management structure. The primary mission of the PDA trust is to serve as a property manager for the campus area. Working with partner organizations, Directors are joined in a collaborative effort to sustain a vibrant Lifelong Learning Center at Fort Worden.

The most pressing need is to focus on the creation of an asset management strategy that will address the extremely high costs of deferred maintenance and capital investment necessary for the partners to sustain their investments in the Fort. Asset management can come in many forms such as a Public Facility District, an investment corporation or similar entity, or a combination of investment options. However, if the Fort and all those that depend upon the historic facilities are to survive, a solution is going to need to be identified to address the extremely high costs of maintenance and capital investment.

It is recommended the new PDA Trust Board of Directors should be selected and seated within the next few months ensuring an orderly transition. The FWPDA needs to focus on support to the partner organizations, and it can best do this by acting as a “Trust” overseeing the leasehold interests of the campus and finding solutions to address the high cost of maintenance and capital investment.

An additional core objective is to conduct an in-depth assessment of more efficacious business practices and diversified revenue streams, the exploration and establishment of an effective shared governance model with partner organizations, and the identification of ways that the PDA and the Partners can further support and advance the Lifelong Learning mission of Fort Worden.

It is important that FWPDA achieve this in an orderly fashion to maintain governance during this critical time. The current board members will continue to serve and advise the executive director, city manager, and mayor on recommended attributes for a new FWPDA Board of Directors. New members may be seated when the City Council so chooses. Current members can request to be considered. The goal is to have a complete full transition to a new board by no later than June 1, 2021. Possible attributes and qualifications may include property management, financial, and legal expertise, as well as programming.

**Objectives to be tasked to the new board:**

1. Continue working with partner organizations to maintain focus on the mission as described in the Public Development Authority Charter that includes “facilitating the implementation of a Lifelong Learning Center.”

2. Review and respond to any unresolved matters resulting from the Accountability Audit conducted by the Washington State Auditor's Office (SAO). Ensure that SAO recommendations have been evaluated and implemented
3. Monitor Makers Square lease with the Makers Square Landlord LLC to ensure an equitable return on the FWPDA investment.
4. Monitor the agreement with FW Hospitality Corporation to ensure compliance with terms and conditions, advise the PDA executive director, who currently serves as the registered agent for the Hospitality Corporation, and provide counsel about the transfer of services and management functions from the PDA to the Hospitality Corporation
5. Authorize loan agreements and revisions as necessary for recovery process to be successful
6. Resolve Partner leasehold interest needs as a priority and find equitable solutions to achieve sustainability for any partner leasehold interests along with the PDA Trust
7. Review the Master Lease with State Parks and pursue any recommended changes
8. Advise the FWPDA executive director on establishment of an asset management strategy and identify any and all options to effect more sustainable methods to address long-term deferred maintenance, manage capital assets, and steward the historic properties of the Fort
9. Advise the executive director on the public process for investigating more efficacious business practices and diversified revenue streams beyond the emergency reorganization now underway
10. Review and recommend Charter revisions to the city manager, mayor, and City Council
11. Conduct a search for a new executive director to lead the organization when the board feels they are ready to install new leadership