

Fort Worden PDA Recovery Plan – *March Update*

State Audit

Capital
Project(s)
Financing

2020 Finances

2021 Budget

Organizational
Restructuring

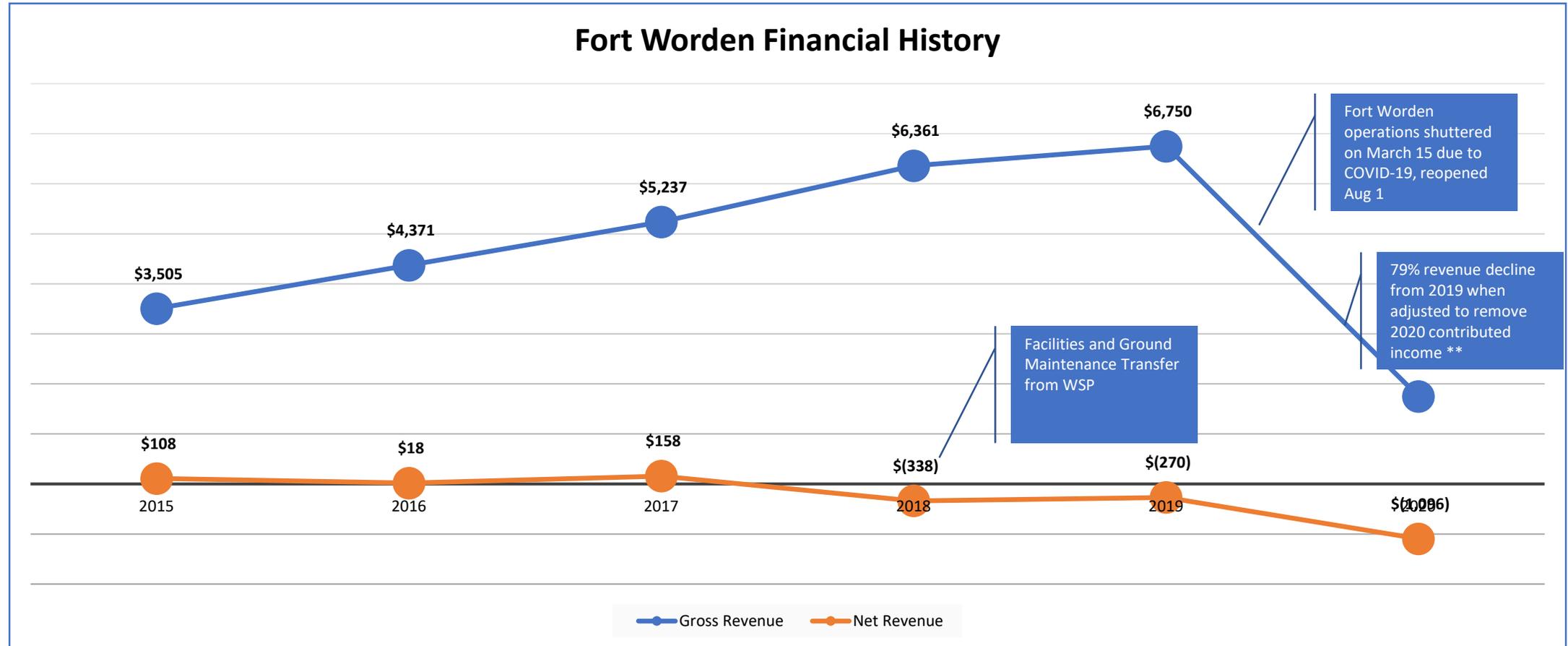
PDA
Leadership
Change

PDA/Partner
Relations

PDA/
Foundation
Relations

PDA/State
Parks Relations

COVID-19 Impacts on PDA



** 2020 Contributed Income inflated due to Board / public gifts to fund to cover healthcare due to employee furloughs

Response to a crisis

Talking Points In General (Overview)

- Having little to nothing in the way of recovery assistance, the FWPDA was left to find a path forward on its own.
- Solutions with the organization's financial conditions are at critical implementation stages.
- The final reorganization framework for financial recovery could be in place in the next few months.
- Stopping now will cause irreparable damage to the PDA, City, State, Partners, and community as a whole:
 - Still operating on a month-to-month basis
 - Recovery loan requests are pending
 - If we fail, everything will come to a halt – “failure is not an option”

Response to a crisis

Talking Points – Reorganization

- Absent any recovery assistance, the PDA found a path forward by reorganization of itself.
 - A strategic and diversified business model was approved that divides the roles of the FWPDA into three parts: Trust, Asset Management, Hospitality Services. Proposed solutions with the organization's conditions are at critical implementation stages.
 - Each will have separate business models with the Trust ensuring that all are viable and therefore growing the Lifelong Learning Center mission.
- Efforts have been focused on maintaining minimal operations and launching the reorganization, while restoring finances and successfully completing critical capital investments.
- This is an “all or nothing” reality that stakeholders have to understand.

Response to a crisis

Talking Points - Financial Condition

- Business on the books is recovering rapidly.
- Reorganization timeline underway to fully implement by July 2021.
- Refinancing plan for the FWPDA's debt is being presented to the PDA Board at the next regular meeting.
 - It's critical to the recovery success that all stakeholders support the PDA's request to Lenders.
- All issues relating to the irregularities reported by FWPDA to SAO are and continue to be addressed fully.
- Makers Square is nearly complete and reconciled.
 - Final Lease terms accepted by the Foundation in compliance with HTC and Grant Agreements.
- A proposal to complete Glamping is awaiting approval from lender.

Response to a crisis

Talking Points – Code Changes

- FWPDA supports the need to review and update areas of the code that could be beneficial to all stakeholders.
- Priority should be given to language that will enable the seating of a new board as soon as possible.
- Oversight should be provided by the stakeholders relating to their respective interests in the FWPDA's areas of responsibility: Maintaining leasehold interests (State Parks); Maintaining mission with the advancement of the Lifelong Learning Center goals (City).
- Oversight should also be triggered by events and framed in a supportive manner in response to a crisis that a future FWPDA may find itself in due to no fault of its own: COVID-19+

Response to a crisis

Talking Points – Help to get through this

- To a person, people are angry/saddened by the current state of affairs, but all ask “What can we do to help?”
- What the City has done to help:
 - Provided \$5,100 to help defer overdue FWPDA accounts.
 - Provided additional police patrols.
 - Authorized the DPW to assist in emergency maintenance needs.
- What more can the City do to help:
 - Help FWPDA obtain financial aid from State and Federal government.
 - Continue sharing of existing resources as available.
 - Prioritize seating a new FWPDA Board as soon as possible.
 - Delay oversight language until after the SAO issues their report and the FWPDA successfully negotiates loan terms necessary for a full recovery.