



APPROVED Meeting Minutes
Special Board of Directors Meeting
Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)
Wednesday, June 2, 2021 | 9 a.m.
Via Zoom (Remote Meeting Per Governor Inslee’s Proclamation 20-28)

The meeting recording and agenda materials are available on the public documents page of the FWPDA website: www.fortworden.org/category/pda-documents/

- ❖ **Action:** Motion to approve Resolution 21-03 authorizing the Executive Director to execute a Concession Agreement with Fort Worden Hospitality in substantially the form of agreement presented and to make non-substantive changes that do not materially alter the agreement presented to the Board on May 26, 2021, including changes in the form of agreement presented at the June 2, 2021 special meeting.
Unanimously approved

Regular Board Meeting

- I. **Call to Order:** 9:03 a.m.
The June 2, 2021 special 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 via email to the campus partner mailing list and other stakeholders.
- II. **Roll Call/Introductions of Board Members and Staff**
Fort Worden PDA Board Members: Norm Tonina, Todd Hutton, Jane Kilburn, Jeff Jackson, Herb Cook, Lela Hilton, Terry Umbreit, Gee Heckscher
Staff: David Timmons, Aislinn Diamanti, Natalie Maitland, Joan Rutkowski, and John Watts (legal counsel)
Guest: Matt Gurney, Fort Worden Hospitality Board President (present until approximately 9:35 a.m.)
- III. **Fort Worden Hospitality and Resolution 21-03 re Fort Worden Hospitality Concession Agreement**

Staff Report and Board Discussion

Timmons walked through the updated draft hospitality agreement, noting proposed changes and feedback from Washington State Parks and responses from the FWPDA shown in colored text and tracked comments (see board packet). He said there were few material changes, and the most significant was to the term. The proposed term is now 20 years, with a five-year extension that would be subject to Parks Commission approval. This allows the agreement to move forward

without Commission approval at the outset, he said. Language was added to state that Fort Worden Hospitality must conform at all times to the terms and conditions of the master lease, and if a conflict exists within the agreement, the terms and conditions of the master lease will prevail. Jackson and Timmons talked about the appropriate place for language that allows for compliance with privacy standards by third-party vendors who provide software for activities such as reservations. Timmons also noted an increase in the proposed concession fee from 3 percent to 3.5 percent, which State Parks asked for to help the FWPDA address its revenue sharing requirement with State Parks that is currently deferred until 2023. Timmons described how an alternative plan for revenue sharing may be developed. Non-material changes included moving most insurance details into Exhibit C and addressing formatting issues.

Interim Operations Director Aislinn Diamanti summarized the updated exhibits. She said the only item not governed by the master lease is that Fort Worden Hospitality will be developing educational and job training programs related to hospitality services. Board Secretary Jane Kilburn asked how events such as THING or the 4th of July celebration would be managed. Diamanti confirmed that partnerships will be explored for future events. She noted that there is a conversation in process with Port Townsend School of Woodworking about changes to the use of Building 304. Timmons added that Fort Worden Hospitality will have primary oversight management of the venues, and there will be a joint management process with partners for use of event venues so that one organization isn't in control of the calendar. Kilburn asked who will manage that process, and Timmons said the structure for that needs to be created.

Matt Gurney, the board president of Fort Worden Hospitality was introduced during the staff report. Gurney lives in Port Townsend and works for FareStart, a Seattle nonprofit that provides job training for individuals with barriers to employment in the food service industry and also runs catering, restaurants, and emergency food assistance.

Tonina asked if there were any public comments, and no comments were shared. Board member Terry Umbreit asked about previous agreements with partners on such matters as pricing and meals. Senior Sales & Marketing Manager Natalie Maitland said Fort Worden Hospitality plans to maintain the partner pricing tier for rentals and looks forward to additional discussions with partners about how to meet business needs and partner needs. The FWPDA employee meal pricing also is being looked at, she said. Jackson said the mission statement makes it clear that Fort Worden Hospitality intends to be supportive of campus partners, which includes discount pricing. He said transparency also is needed about the profit Fort Worden Hospitality is able to generate with the assets it has to work with, noting the challenge of maintaining old buildings and old equipment.

Action: Motion to approve Resolution 21-03 authorizing the Executive Director to execute a Concession Agreement with Fort Worden Hospitality in substantially the form of agreement presented and to make non-substantive changes that do not materially alter the agreement presented to the Board on May 26, 2021, including changes in the form of agreement presented at the June 2, 2021 special meeting. **Unanimously approved**

IV. Fort Worden Foundation Memorandum of Agreement

Staff Report and Board Discussion

Timmons said he talked with attorney John Watts about the need for a document that describes the flow of funds among Makers Square LLCs, Fort Worden Foundation, and the FWPDA. He said Makers Square expenses have been transferred to the LLC to correct how it was set up originally.

The proposed MOA lays out a general understanding of the relationships between the parties. Watts said some changes will be made to the draft, which hasn't been reviewed yet by the Foundation board of directors. FWPDA board member Herb Cook, who also is president of the Foundation, said he only recently saw the draft agreement. Cook said the Foundation board and legal counsel need to review the agreement, and he noted some changes he anticipates proposing. If the proposed motion authorizing Timmons to make non-material changes and execute the MOA is approved, the FWPDA board and its counsel would need to determine if the Foundation's desired changes are substantive enough to require bringing the agreement back before the FWPDA board, Cook said. Cook stated that he is clearly in a conflict of interest in this situation, and so he would recuse himself from the vote. He said FWPDA board member Cindy Finnie, who also serves on the Foundation board, wanted him to share that she also would recuse herself from the vote if she were present today. Kilburn said the agreement seems to need more time and is not ready for a vote; Hilton agreed. Timmons said the additional time wouldn't impede progress. Tonina said the matter would be revisited at the next board meeting.

Timmons announced the latest proposed timeline for the ongoing state audit, which involves a fraud investigation, an accountability audit, and a financial statement audit. He described recent progress. It was noted that the board has a meeting scheduled for June 23rd and it also may meet on June 30th.

V. Adjourn

The board adjourned its meeting at 9:58 a.m.