

## 10 Questions About Fort Worden Hospitality Corp. and a Plea for More Community Voices

**The following answers to your questions are below. We interpreted your reference to “Fort Worden Housing” to apply to Fort Worden Hospitality (FWH).**

1. Is a WA nonprofit corporation the appropriate structure for Fort Worden Housing, an organization whose main purpose as shown in its business plan is to operate a hospitality business?
  - a. **Yes. The PDA Board, leadership team, and attorneys reviewed options including status quo, a for-profit business, a non-profit business, or an outside concessionaire, and determined that the best model was the not-for-profit model.**
  - b. **FWH will be focused on hospitality while the PDA remains to address the other obligations it has with State Parks.**
2. As a WA nonprofit corporation which intends to raise funds from the public and hire staff, will Fort Worden Housing register as a WA charitable organization as required? Can it do so if its main purpose is a hospitality business?
  - a. **FWH is applying with the IRS to determine if it meets the requirements as a charitable organization. If it does not, it will serve as a non-charitable nonprofit.**
  - b. **There are no plans to raise funds from the public as a charity.**
  - c. **It will hire staff as required.**
3. What is Fort Worden Housing’s exempt purpose, and if charitable, which charitable purpose will it serve, that qualifies it to be a tax exempt 501 (c)(3) organization under IRS rules, one of your stated goals?
  - a. **The purposes proposed are the education element and support of the mission at Fort Worden as a Life Long Learning Center.**
  - b. **IRS will determine if FWH meets the criteria to be classified as charitable.**
4. Why is a new charitable organization needed when the Fort Worden Foundation exists to support the PDA and the Partners and help meet State and Federal charitable purposes tests?
  - a. **There are many non-profits operating on this campus, and likely to be several more in the future with the opening of Makers Square and the existing partner model.**
  - b. **The Fort Worden Foundation will continue to exist, and their mission is unique from the mission of Fort Worden Hospitality.**
  - c. **To fulfill its mission, FWH may take efforts that will require it to apply directly for support. Having its status as a 501c3 may facilitate its mission.**
5. What is the role of investors in Fort Worden Housing, how will it accept and use private investments, and what return, security, and guaranties will it provide to investors?
  - a. **The investors are being asked to create a \$400K collateral pledge to secure a \$1M startup loan. The funds pledged will be set up in an interest-bearing account that the lender will administer.**
6. How is raising the emergency bridge financing and investment needed to sustain Fort Worden and PDA operations possible though Fort Worden Housing, a new entity with no credit, capacity, or collateral?
  - a. **FWH is proposing a pledge of \$400K cash to secure the \$1M startup loan.**
  - b. **FWH is also proposing as collateral its concession contract for the balance of the start-up loan.**



- b. No PDA Board members can serve concurrently on the Fort Worden Hospitality Board based upon the opinion of the initial incorporator.**
- 10. Would Fort Worden, the PDA and community be served as well or better with more attentive leadership, emergency response plans, and adequate reserves, rather than a complicated and rushed major structural reorganization that reduces public accountability and oversight?
  - a. This appears to be more rhetorical statement than a question. Any answer would be subjective and can be best addressed by reviewing the process that began last spring 2020.**

*Please provide the community more information and real opportunities to influence the reorganization and business plans before Fort Worden Housing marches forward.*

- b. Please review the recorded public meetings and multiple presentations available on the PDA's web site.**

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