

**Fort Worden Lifelong Learning Center Public Development Authority
Board Retreat • May 7, 2012 • Cotton Building
Approved Meeting Minutes**

Attendees:

Board Members: Cindy Finnie, Scott Wilson, Ted Springstead, Norm Tonina, Anne Murphy, Tim Caldwell, Bill Brown, Gee Hecksher, Lela Hilton
Staff: Dave Robison, Rick Sepler,
Liaison: Rodger Schmitt, State Parks Commission

Retreat Notes:

8:30 Welcome and Opening Remarks (Cindy Finnie)

- Introductions of PDA members and guests
- Review of Retreat Agenda
- Public Comment on Agenda (None offered)
- Approve Agenda (approved unanimously)

8:45 Review of 2008 Business & Operating Plan – Lifelong Learning Center Vision

Dave Robison presented the PROS business plan presentation that was used at the Cama Breach meeting on May 2nd. Dave indicated that many state parks are facing fiscal challenges and going through similar transitions. Dave made the following points on the 2008 business plan:

- New accommodations are the heart of the business plan.
- Coordination, consistency, communications is needed for programs
- All FW Partners need to “brand” themselves as part of Fort Worden State Park.
- Earlier business plan assumptions were never based on breaking even – for Parks or for the Partner entities.
- The Business Plan focused on Core Programs, Services:
 - = destination learning programs: arts, environment, health, outdoor recreation,
 - = retreats
 - = conference development
 - = events
 - = self-guided site experiences: cell phone audio tours

Scott Wilson remarked that we need to prioritize our Core Programs for the new consultant and this should be reflected in the RFQ. We want a Business Plan h that specifically looks at our top programmatic and capital priorities so it can be implemented effectively.

Dave reviewed Fort Worden facilities:
= Private (1,2,3-bedroom)

- = Semi private (4,5,6, 11-bedroom)
- = Group (dorms, barracks)
- = Campground
- Support services include:
- = Meeting space, catering
- = Business support, including wi-fi, A/V
- = Program packages

Dave reviewed the Management options starting with those suggested by the 2008 PROS report:

The four PROS options:

- = No management change: State Parks does everything
- = PDA as management consultant, paid a fee
- = PDA as partial manager, partners with SP
- = PDA as full manager, all employees transfer

Recent discussions between PDA/SP at Cama Beach point to this direction:

- Combined administration with State Parks (collaborative partnership based on strengths)
- Phased development over time

Board Discussion and comments on staff presentation:

- State Parks makes it clear it has no money, but State Parks (SP) does want us to succeed. (Cindy Finnie)
- State Parks sees this as gem of system, but on the other hand many in the SP system see it as a black hole, a money sink. (Norm Tonina)
- They broke Fort Worden away from rest of the parks system; put it under own umbrella. Caused some problems because it sat outside the normal channels (Rodger Schmitt)
- There is a tension between traditional park uses and 'other things.' Trying to advance paradigm shift for Parks, but resistance to going there. Partnerships, entrepreneurial attitude, etc. are not part of traditional Parks values. LLC must include all traditional park uses. (Rick Sepler)
- Many state agencies face loss of revenue. The "hope" strategy is not going to work. Our challenge is to educate the public. (Cindy Finnie)
- From my perspective there was a sea change at SP/PDA meeting: SP was thinking, these people have to propose to us. It became, we're in this together. (Rodger)
- It was clear in earlier meetings that SP management was not talking to its employees. Park management has to do a better job of keeping its employees informed. (Tim Caldwell)
- We need vision for growth in the future, financial sustainability, for what is delegated to us. (Norm Tonina)
- The PDA needs to show success, then the union may realize this can lead to more jobs across the SP system. (Rodger Schmidt) If \$700k is saved at FW, it's available somewhere else in the system.

PDA Board discussion on what the Lifelong Learning Center (LLC) should contain or focus on:

- Learning.
 - Private enterprise
 - Tie into local resources
 - Put heads in beds
 - 2-4 day packages
 - Winter programs
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- Of the five priorities presented in the PROS 2008 Business Plan, the “Destination Learning Programs” should have highest priority. That business model needs to be identified and developed by Business Consultant, so we have a real business plan. Put heads in beds during the winter, with tie-in to local resources. (Scott Wilson)
 - We need to think broadly. (Norm Tonina)
 - The majority of a future cash flow will come from conferences, retreats, and events. (Cindy Finnie)
 - We should look at other models like the Aspen Institute, facility for conference, learning, teaching. Wooden Boats, Rhody, Victorian festival. Or during winter, you can have lots of conferences, to do stuff during the day and learn during the evening. Softball teams. Games during the day; evenings to learn for the parents. (Bill Brown)
 - We need to recruit businesses that can operate during the winter (Tim Caldwell)
 - We must prepare people for the future. I think we should focus on sustainability issues. (Ann Murphy)

Scott and Rick compiled board discussion and description of LLC program content, to be included in RFQ for business consultant:

Draft Mission statement: *We will help sustain the traditional Park by recruiting organizations that bring in students of all ages for overnight stays during the winter months that offer programs that can tie into unique regional strengths (and regional enterprises) that have an orientation to a sustainable future.*

Scott proposed a rewrite of RFQ paragraph for Business Plan consultant, for inclusion in RFQ:

The FW PDA is seeking contractual assistance to complete a business and management plan to update the 2008 business and governance plan that will support the goals and objectives of both WA State Parks and the FW PDA in their collaborative approach for the long term success of Fort Worden Lifelong Learning Center. The contractor is directed to identify options that can make the FW PDA financially self-supporting. As governance models, the contractor is directed to consider the attached Option 1 (phased-in approach) and Option 2 (campus-wide approach). As a program/new revenue model for the Lifelong Learning Center, the

contractor is directed to consider, as the PDA's preferred option, new "Destination Learning Programs" as outlined in the PROS 2008 Business Plan. This means: We will recruit organizations that bring in students of all ages for overnight stays during the fall, winter and spring, that offer programs that tie into unique regional strengths and regional enterprises, and that promote a sustainable future. (For example, a marine education institute with educational programs on the future health of our oceans that can link to the existing Marine Science Center and Northwest Maritime Center.)

10:30 What are the business and management options for the PDA?

Dave Robison reviewed the 5 Governance and Operations Scenarios

Board Comments:

- SP is going to want justification in the Business Plan as to why you need a 99-year lease; why isn't 50-year lease sufficient? (Rodger Schmidt)
- A Long-term lease is needed to generate sufficient revenue. We need to staunch \$700k leakage.
- We need to break even. SP can't spend more than spending today. We have a \$700k operating deficit to work with. SP said they could not cede campgrounds to us. We did discuss revenue share with them at Cama Beach.
- "If they're serious about the PDA's success they have to throw that (campgrounds) into the revenue sharing mix." (Rodger Schmidt)
- SP not looking for FW to become self-sustaining. They are really looking to stop the \$700k bleeding. Also SP wants to bring in a new skill set to help manage the hospitality services. (Dave Robison)
- Janine from the Federation participated at the May 2 SP/PDA. The Union sees FW as a prototype for what might happen to other State Parks and are very concerned that it might set a pattern for other SP employees across the system. The Union feels left out since PDA got involved. Want to be heard, want all opinions to be heard and be validated. Now Parks Admin has a plan for talking to union and keeping them involved in monthly meetings (Dave Robison).
- One of our problems is that employees and other people are passing along miscommunications... we could do a 'rumor of the week' on our website. (Norm Tonina)
- It is important for the public to understand that a long-term lease is off the table for the entire park. The PDA/SP team did not feel it would go anywhere at this time. Instead we will start with selected buildings. Look at accommodations renovations for Bldg 298 and 225. (Dave Robison)

Dave Robison: Based on Cama Beach discussion with SP staff, we think we have two governance options in front of us:

OPTION 1

Rick Sepler outlined Option 1 that was developed at the SP/PDA work session on May 2 & 3:

- Renovate nine unused or underused buildings. Clean them up. Find new partners. Bring them online. Revenue would go to PDA. Lease terms to be resolved.
- State subsidy won't go up; PDA will need to break even
- Also explore hospitality management:
 - Campground share?
 - Officer row share?
 - Food, concession
 - Marketing
 - Programming
 - Reservations (This is big issue with Partners, but would affect SP employees)

OPTION 2

Rick Sepler outlined the overall strategy for this option.:

- PDA is property and operations manager.
- All of Option 1; plus transfer of all existing leases
- Manage existing leaseholders.
- Cost-sharing plan for maintaining facilities, infrastructure.
- SP provides traditional core park functions: maintenance of grounds and campgrounds, provides rangers and law enforcement, and capital and infrastructure maintenance.

Board Discussion:

- Option 1 doesn't work for us. Buildings are not problem; getting right partner is the problem. Only Option 2 can work. (Ted Springstead)
- How do you manage some leases and not others? Some partners lease with PDA; others lease with SP. If you're going to take on the leases, you need the reservations system. (Rodger Schmidt)
- We need control over campus re Discover Pass. Option 2 allows us to control the campus. (Ted Springstead)

Board discussion: We should hold a public meeting to take public input on the two options before we incorporate any options into the RFQ for the consultant.

Building 202 Update

Dave Robison: We will start fundraising for Building 202 after schematic design is completed on June 15

Public Comments and Questions (None)

3:30 Adjourn