

Option 1: Co-Management of Fort Worden State Park Partnership

This option provides for the development of a mutually beneficial partnership and cooperative management agreements to facilitate the Lifelong Learning Center project. It is based on an “evolutionary” model of cooperative management that would likely involve a building-by-building approach. The goal would be to work towards the possibility of a long-term alternate management and/or ownership model at Fort Worden State Park. This alternative would include legislation that both parties would support to resolve long-term lease issues (i.e., the need to renegotiate long-term leases every five years). Co-management would allow the parties to work together, over time, to build the capacity of the FWPDA to manage and operate the park. At some future time, based on the completion of mutually agreed upon milestones, the FWPDA could enter into a lease or transfer agreement for all or part of Fort Worden State Park upon the approval of the Washington State Parks and Recreation Commission.

Key Concepts

- Fort Worden remains a state park
- Discover Pass remains in place; Fort Worden is subject to future state budget cuts
- Co-management model is based on a cooperative agreement for joint decision-making
- Completion of a number of agreed upon milestones would be needed prior to entering into a lease or transfer agreement
- Will take more time for FWPDA to demonstrate it has the financial and management capacity to operate all or a portion of Fort Worden State Park
- Legislation is straightforward and would not put FWPDA and State Parks in an adversarial position. Legislation is encouraged for 2012, but would not be required at this time to successfully implement this approach.
- Park management would remain the same (but with a new park manager)
- Long-term leases could be entered into on a building-by-building approach. Leases would require approval by the Commission

PRO:

- **State Parks supports this approach**
- **Gives the FWPDA some standing--allow for FWPDA to enter into joint decision-making process with State Parks**
- **Allows for an evolutionary process—no great risk to either party**

- Joint legislation could resolve long-term lease issue (minimum necessary to recruit private businesses and investment)
- Provides for ongoing state funding for operational and capital development at FW

CON:

- **Will take more time to implement the Lifelong Learning Center project**
- **Discover pass still in place and adverse impacts to Partners would continue**

CON (cont'd.):

- **May result in conflicting roles and responsibilities**
- Fort Worden still subject to future state funding cuts
- Does not accelerate private investment in the park
- Major decisions will need State Parks or Commission approval; requires ongoing negotiations at every step of the process
- No mechanism in place to agree on milestones for implementation
- FWPPDA cannot afford to support a long transitional process

Option 2: The Campus at Fort Worden State Park Lease/Transfer of Campus Area

In this option, the PDA assumes the operation and management of the developed campus area of Fort Worden State Park as outlined in the attached map (112 acres out of 434). The geographic boundaries specified include all the buildings (accommodations, meeting facilities, leased facilities, administrative and operations facilities). There are shared areas of responsibilities with State Parks which would include infrastructure (utilities, roadways). The PDA through a lease and/or transfer ensures that the campus area continues to be accessible and serve the local and regional public while implementing the Lifelong Learning Center vision. An 18 month lease/transfer period is anticipated to allow for the thoughtful resolution of outstanding issues related to the change in management and operations. Legislation may or may not be required to successfully complete this option.

Key Concepts:

- 18 month transition period culminating in a complete transfer by July 2013 or sooner
- The phased lease/transfer will allow for the following:
 - Preparation of a Transfer/Lease Agreement with Washington State Parks
 - Ensuring the associated operational proceeds remains within the Park (date specific)
 - Completion of on-going and scheduled capital projects within the park in the current biennium
 - Disposition of management and operation of Fort Townsend and Rothschild House
 - PDA oversight on lease negotiation during the transfer period (including building 202)
 - Resolution of a segment of the staff and union status
 - Retention of the Park management with past involvement in the Lifelong Learning Center planning process
 - Elimination of the Discover Pass program in campus and concessions areas
- Preparation of a Transition Schedule and Plan within 60 days of verbal agreement with State Parks or adoption of Legislation if required. The Transition Schedule and Plan shall follow the key concepts identified above.

PRO:

- **Reduce adversarial relations with State Parks due to retention of some revenue generating areas (camping and Discover Pass)**
- **Leases, concessions and revenue producing operations would not be subject to State Parks policies and procedures**
- **Managing the campus area is not a State Parks strength; PDA could provide innovative entrepreneurial opportunities**
- May not require legislation (a lease would require legislation; a transfer would not if State Parks agreed with the proposal—which is a low probability)

PRO (cont'd.)

- Ease to complete quickly with a higher level of success and reduced risk for PDA in its current status as a new entity
- Campus area is more focused on program and facility development, not on park areas
- Surrounding area remains State Parks land which could reduce maintenance costs and ease public relation issues associated with a complete transfer to the PDA

CON:

- Discover Pass remains in some areas which causes confusion in message and management
- Separation of costs and revenues becomes cumbersome between PDA and State as well as confusing to guests, possible negative influence on future investors
- Current and future State Park policies, decision and financial issues could impact PDA operations of campus area
- The PDA takes on huge liabilities for capital maintenance and future renovation costs
- State Parks could oppose due to loss of major revenue producing areas and previous level of capital investment of state resources
- Loss of camping revenue to PDA

Option 3 – Fort Worden Lifelong Learning Center Lease and/or Transfer of the entire park

In this alternative, the FW-PDA assumes the operation and management of Fort Worden. The PDA through a long-term lease (greater than 50 years) and/or transfer insures that the Park continues to be accessible for public recreation and serves the local and regional community while implementing the Lifelong Learning Center. An outright conveyance of the entire park has a number of advantages over a long-term lease. First, it would facilitate private investment in the Park by making it easier to accomplish, less time consuming, and less expensive. Second, ownership by the FW-PDA will provide a high degree of focused, long-term, and local accountability, as opposed to more remote authority and management that has not been able to give the property priority attention. Thirdly, outright conveyance would allow the FW-PDA to secure historic tax credits to support the renovation of buildings and other facilities. Lastly, an outright transfer preserves the public nature of the property and protects the Park from subsequent parks' policies or legislation and unpredictable consequences in the future. An 18-month transfer period is anticipated to allow for the thoughtful resolution of outstanding issues related to the change in management and operations. Legislation will be required to successfully implement this approach and would likely need to include some transitional or operations funding.

Key Concepts:

- 18 month transition period culminating in a complete transfer by July 2013
- The phased lease/transfer will allow for the following:
 - Preparation of a Transfer/Lease Agreement with Washington State Parks
 - Ensuring the associated operational proceeds remains within the Park (date specific)
 - Completion of on-going and scheduled capital projects within the park in the current biennium
 - Disposition of management and operation of Fort Townsend and Rothschild House
 - PDA oversight on lease negotiation during the transfer period (including building 202)
 - Resolution of staff and union status
 - Retention of the Park management with past involvement in the Lifelong Learning Center planning process
 - Elimination of the Discover Pass program within Fort Worden
- Preparation of a Transition Schedule and Plan within 60 days of adoption of Legislation. The Transition Schedule and Plan shall follow the key concepts identified here in

PRO:

- **Likely best return on investment**
- **Allows for local control and accountability– free from WSP policies and bureaucracy**

PRO (cont'd.)

- **Provides an entrepreneurial management model allowing for innovation and cost savings**
- Enhance opportunities for private investment to implement the Lifelong Learning Center
- Implements the vision contained in the adopted long range plan for Fort Worden
- Provides more accountability and support of Fort Partner organizations
- Establishes a philanthropic arm through the Fort Worden Conservancy
- Eliminates Discover Pass within Fort Worden

CON:

- **Requires legislation to implement – uncertain process and outcome**
- **Washington State Parks will strongly oppose this approach**
- **Significant undertaking – may be difficult to complete by July, 2013**
- Major issues such as funding have not been fully resolved
- PDA is newly established and has yet to demonstrate its institutional capacity--funding and operations
- Fort Worden will no longer be considered a state park
- Could be perceived by the public as privatization of a state park
- May result in local concerns regarding “take-over” by PDA (and/or City)
- This option will require extensive public outreach
- The Fort Worden Conservancy will require a significant investment in time and resources to develop it as a philanthropic partner of the PDA
- No detailed business plan has been developed that demonstrates that the FWPCA can manage and operate the Park on a sustainable basis
- Management of the entire park is a larger project than a Lifelong Learning Center project

Comparison Matrix of Options

	Option 1 Co-Management at Fort Worden State Park	Option 2 The Campus at Fort Worden State Park	Option 3 Fort Worden Life-long Learning Center
Requires legislation?	Yes – Minor for longer term leases	Yes – Major for transfer or lease	Yes – Major for transfer
Degree of dependence on philanthropic activities?	Low – Status quo	Moderate – To close funding gap for campus only	High – To close funding gap for park
Develops more complex commercial relationships with private sector?	No – Primarily preserves the status quo	Yes – Allows for private sector involvement	Yes – Allows for private sector involvement
Enhanced opportunities for strategic marketing?	No – Primarily preserves the status quo	Yes – but possible conflict/duplication with State efforts	Yes – Allows for focused efforts
Likely to be implementable without major issues in short term?	Yes – minimal change but limited return	Dependent on legislation then implementing MOU	Dependent on legislation then implementing MOU
Degree of local control?	Low	Moderate	High
Likely to be sustainable in a changing economic environment?	Less likely due to State budget woes	Moderately likely to be sustainable	Moderately likely to be sustainable
Supports the operational and management requirements of the Life-long Learning Center?	Limited support	Moderate support	Moderate support
Will management practices be flexible and market-driven?	Least flexible	Moderately flexible	Most flexible
Level of financial risk for WSP?	High risk	Moderate risk	Not Applicable
Level of financial risk for PDA?	Low risk	Moderate risk	High risk
Relative level of investment required by PDA?	Low	Moderate	High
Potential for return on investment?	Low return on investment	Moderate return on investment	High return on investment