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Sent: Thursday, September 06, 2012 11:33 AM
To: Fairleigh, Larry (PARKS)
Cc: Stanley, Christopher (OFM); Lewandowski, Steve (OFM); Triggs, Sandi (OFM); Frisch, Ilene (PARKS); Marshburn, Stan (OFM)
Subject: Initial thoughts on Fort Worden Business and Management Plan

Larry,

Following our meeting with the consultant and staff of the PDA, OFM staff has done an initial review of the Fort Worden Business and Management Plan (8/23/2012 version). This review has identified several areas of concern with the current draft that should be addressed in the final draft.

The budget proviso requiring the report (3ESHB 2127 Sec 303 (5)) specifies that the report to the Governor and legislature “...shall include a business and governance plan and supporting material that provide options and recommendations on the long-term governance of Fort Worden state park, including building maintenance and restoration. “

- 1) The current draft does not provide a series of options. Rather it only discusses the merits of the PDA managing the Campus Area of Fort Worden. At a minimum it should clearly discuss the status quo option and the recommended option. The report also discusses the option of a phase in of management of the Campus Area. This option needs to be better described and the pros and cons more clearly discussed.
- 2) The current draft does not clearly recommend a course of action and the components/ sideboards of that action that would clearly result in a successful outcome for the business plan. The preferred option and requirements for State Parks, the PDA and the legislature as well as anticipated costs and revenues should be clearly stated in a way that would demonstrate success.
- 3) The current draft discusses a plan for \$85 million in capital investments over 11 years. This amounts to \$15 million a biennium. Over the last ten years the legislature has only invested \$13 million in upgrading Fort Worden facilities. This is in contrast to \$305 Million in requests. (See attached files). As the report clearly states, it will be difficult for the state to make major new investments in the park. The report needs to discuss how the plan would be impacted if the historic level of state capital funding (approximately \$2M a biennium) continued into the future and the risks to the successful implementation of the plan. It is also unclear how the recommended capital plan would contribute to the success of the business plan.
- 4) It is not clear what are the current revenues to Fort Worden from the campus area nor what is the current level of investment by State Parks in maintaining Fort Worden. This information is important to make a comparison of the pro forma staffing plan and the status quo. Data in Appendix B on revenue and expenses is from the 2004-2007. This

information should be updated with 2008-2011 data and incorporated into the analysis.

5) There is no rationale for the staffing proposal in the Pro forma. How does this compare to other similar facilities such as Fort Mason and Asilomar State Park. There does not appear to be any staff dedicated to marketing or fundraising. If these functions are not covered by PDA staff, what are the costs of private firms that would complete this work?

6) It appears that the net positive revenue in the Statement of Activities is largely dependent upon alcohol sales in the park. (See section on Additional Revenue Opportunities). Does State Parks or the PDA have legal authority sell liquor at Fort Worden? Any necessary legal/rule changes needs to be discussed.

7) The language in the report is sometimes excessively dramatic and seems biased towards the option of the PDA managing the central campus. The report should be reviewed to make the language more neutral and less dramatic.

8) Although we do not need this for the September 15 draft it would be helpful to revise the 60 Mile Radius Service Market Analysis in Appendix A to break it down to all the Non Seattle Metro areas within 60 miles vs the Seattle Metro area. Because of the long time to travel to the park from the Seattle/Metro (two hour +) it would be better to understand the difference between the Seattle/ Bellevue/Tacoma/Everett market and the surrounding area that can be accessed more quickly by car.

Happy to discuss these comments with you, the consultant or the PDA staff.

Thanks

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