

**Fort Worden Public Development Authority (PDA)**

**DRAFT MEETING MINUTES**

Special Meeting

**October 9, 2012**

Cotton Building

**Attendees:**

PDA Board Members and staff: Cindy Finnie, Norm Tonina, Gee Heckscher, Scott Wilson, Tim Caldwell, Lela Hilton, Ann Murphy, Rick Zajicek (volunteer) and Dave Robison (staff)

State Parks: Larry Farleigh, Mike Sternback, Ed Girard, Allison Alderman

Public: Gary Cummings, Kevin Alexander, Carla VanDerveen, Erin Fristad, Alicia Alvarez, David Goldman, Michael Adams, Alfred Chisholm, Linda Bacon and Bob Gray.

**Public Comment:** None

**Changes to the Agenda:** None

**Board Review of Changes to Working Draft Business Plan, October 2012:**

Dave Robison explained that the latest revisions of the plan are to address specific comments and feedback of Jim Cahill, OFM and the peer review of Rick McPherson, UW Foster School of Business. After we review the revisions based on their comments, staff and board representatives will give an update on last Thursday's meeting in Olympia between Dave, Rick Zajicek, Norm Tonina, and State Parks staff including Larry Fairleigh and Ed Girard and other state parks budget analysts as well as discussions that Dave and Scott Wilson had with Larry, Ed and Mike from State Parks this morning.

Dave facilitated a page-by-page review and Board discussion of the proposed revisions. All proposed changes in document since last version were highlighted in yellow so the Board could track the suggested revisions in the meeting. The following items were reviewed and discussed by the Board:

- Pg 3: Dave explained that the discussion that occurred since last week with State Parks and based on Cahill's comments was to make total mobilization fund (\$300k) the responsibility of the PDA instead of getting half of the fund (\$150K0 from State Parks. This is a change to the prior version of the plan.
- Pg 4: Changes to executive summary to talk about the improved accommodations. Discussion occurred around the fact if the PDA did not receive a revenue share form the 298 hotel concessionaire in years 7 – 10 that cash flows for those years would be negative. Belief is that this number is conservative and that the hotel could come online sooner.
- Pg 4: We added language that City of PT has no financial obligation should the PDA not be able to cover its losses. This addresses comments from both Cahill and McPherson's review.
- Pg. 4: Delete "pre-set" out of modified bullet re: the City not being responsible for losses.

- Pg 6: Take “4” out of the middle of “recommendations”
- Pg.7: Suggest changing “utilized” to “allocated to”; change “last 10 years” to “last 11 years”. Add “Reference tenant data sheets in the appendix for additional funds invested by FW’s Partners”.
- Pg 25: Make verbiage consistent re: capital funding with changes recommended on page 7
- Pg. 29: Change to “The Commission and the PDA would, under a co-management agreement, delegate...”
- Pg 29: Add “improved customer service”
- Pg. 29: Discussed changes outlined to governance from the way parks are managed today. Change to “The Commission and the PDA would delegate...”. Add “improved customer service” to bullet #4.
- Pg 36: Scott Wilson brought up the need for State Parks and the PDA to synchronize their planning cycles based on a fiscal year. Rick Zajicek doesn’t necessarily agree. This needs to be discussed further as we move forward with a management agreement.
- Pg 36: Changed “about” to “approximately”
- Page 48: Discussed the capital funding ratios between State Parks, PDA and Partner organizations. Scott asked about the dollar amounts assigned to each of the parties of raising the funds. Dave explained that the Partner amount includes new capital funding raised / brought to the table by new incoming partners, such as Building 298 coming on in Year 7 at a cost of \$10-20M..
- Pg 54: Moved reference of \$50K earlier in the sentence so it doesn’t leave the impression that the business plan cost \$50K.
- Governance section: The Board discussed concerns with the governance section of the plan. Dave suggested that we see this as a placeholder and realize that a lot of discussion still needs to take place regarding the roles and responsibilities of the parties listed in the Co-management Board and Operation Committees. Some members favored having the Co-Management board serve in more of advisory capacity as opposed to a decision-making authority..
- Pg 65: Need to add RCW # to the final document.
- Pg 65: Add disclaimer to the bottom of the page that says something like: “This proposed Governance Model is the result of our best thinking to date but will be revisited as part of the formal Co-Management Plan. Governance changes recommended in the Co-Management Plan will supersede those included in this section.”
- Pg 66: Remove FW Advisory Committee member removed from the Operations Committee.
- Pg 66 – Review and recommend budget and capital requests to state legislature, PDA Board, and Director of State Parks. Also change the bullet from “allocation of funds” to “recommend allocation of funds”

Other discussion topics covered by the Board:

- Building 202 is topic of conversation at Board of Trustees meeting today at Peninsula College.
- PDA members are agents of the City and covered by the City’s conflict of interest and code of ethics. PDA’s bylaws can also be amended to make this clear.

- Dave updated the Board on the PDA / State Parks meetings on October 4<sup>th</sup> and 9<sup>th</sup> and provided a summary handout of issues that were under discussion. Mike Sternback added details on:
  - Parks Operational Strategy for plan implementation
  - Issue analysis for commission meeting
    - When does cost avoidance start to occur?
    - Capital funding from new partner
    - How do we address Discover Pass and campground reservation fee?
      - State Parks is not totally on board with respect to campground reservation fee, because reservation system is also used at other State Parks (Camas Beach).
      - State Parks is undertaking an issue analysis of pros and cons of co-management that will be presented to the Commission on October 25
  - PDA Board and staff members will meet with State Parks leadership team again on Monday in Olympia to go through the round of discussion on outstanding issues discussed above

**Board Motion:** Approve the final draft Fort Worden State Park Business and Management Plan dated October 8, 2012, as amended by today's Board discussion, and submit the Draft Plan to the Governor, Washington State Legislature, and Washington State Parks and Recreation Commission for their review and consideration.

**Board Discussion:** Scott is ok moving this Draft Plan forward as these are the pieces of the puzzle but if State Parks changes the equation (e.g., campground reservation fee), we need to take a look at potential amendments. This puts a lot of fundraising on Dave's shoulders. PDA went into this with the spirit of making this work and we need State Parks to enter with the same mentality.

**Board Action:** Moved by: Norm Tonina; Seconded by Gee Heckscher. All board members voted yes including Bill Brown via email proxy to Scott Wilson.

**Public Comment:**

Erin Fristad: I am curious why there was a change in the co-management board making the Partners representative a non-voting member?

Dave Robison: This change was suggested by the Board last week. It helps to reduce the perceived conflict of interest concerns raised by other citizens.

No other public comments.

**Adjourn:** 3:35 p.m.