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November 21, 2012

Washington State Parks and Recreation Commission  
1111 Israel Road S.W.  
PO Box 42650  
Olympia, WA 98504-2650

Re: Fort Worden – Employee Alternative

Honorable Commissioners,

As I mentioned at the last Commission meeting, the employees at Fort Worden have prepared an alternative business plan to the Fort Worden Public Development Authority’s (FWPDA) business plan calling for a co-management arrangement. From the beginning of the efforts by the FWPDA to gain care, custody and control of Fort Worden, it was our expectation to work collaboratively with the FWPDA and have an opportunity to present our members ideas, suggestions and concerns for their development of the business plan. We have reported to you at each Commission meeting since February that that opportunity has been denied to us. It was not until the October Commission meeting that any discussion occurred and continuing discussions yield few definitive answers or resolution to member concerns.

As a bit of background, early on in the planning process the WFSE brought to the attention of the Commission, Parks management and Centrum that we believed the competitive contracting provisions that allow for employees to present an alternative apply. As a result, as part of the long range plan adopted in 2008, the Commission directed that one of the milestones to be completed in implementing the Life Long Learning Center would be to “Create an organization plan that includes coordinating the working relationship between state employees and employees of the non-profit”. In short, it was the Commission’s direction that state employees remain state employees or if not they would be transitioned to employment with the selected non-profit and that their wages and benefits would be provided for. This was a continued theme in the negotiation of the Centrum memorandum of understanding that led to the acknowledgement that collective bargaining and statutory obligations must be met before work customarily and historically performed by represented employees is removed. Parks management was verbally reminded of this obligation on August 29, 2012 and again in writing on September 12, 2012. Our concerns about the FWPDA stem from FWPDA’s failure to adopt elements of the Centrum MOU that were a significant part of the 2008 Long Range Plan.

We have received correspondence from Parks management indicating, in summary, that they do not believe the competitive contracting provisions apply because it is expected that the agency will be leasing the facilities to the FWPDA. We do not concur. The fundamental element of a lease that is missing from the FWPDA’s plan is payment to the property owner for the premises. In all that has been published by the FWPDA it appears that no remuneration for the properties comes back to Parks. In fact, their business plan requires Parks to surrender

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current revenues for the facilities and requires additional payment from revenues generated at the campground that are over and above their stated cost of the new reservation system and staffing. We believe this constitutes payment by Parks to the FWPDA for the purchase of services customarily and historically performed by Parks employees and is therefore subject to the competitive contracting provisions of RCW 41.06.142. That said, Parks management has agreed to receive any alternative proposal the employees, through their exclusive bargaining representative.

In reviewing the 2008 Fort Worden Long Range Plan the Commission is directed by legislative proviso to use as a guide in evaluating the FWPDA's business plan, we note a number of inconsistencies between the FWPDA plan and the 2008 Long Range Plan itemized as follows:

1. The plan adopted by the Commission called for a sharing of both expenses AND revenues. Certainly in the FWPDA plan the Commission retains significant expense obligations however the revenue sharing piece for the WSPRC is completely absent. Page 78 of the "Business and Operating Implementation Plan" that was adopted as part of the complete Long Range Plan anticipated WSPRC's contribution to expenses as follows:
  - Capital projects: Parks: 60% New Managing entity: 40%
  - Maintenance: Parks: 90% New Managing Entity: 10%

Other shared expenses were enumerated as follows (pg 78 & 79 of Business and Operating Plan):

- Salaries and wages
- Employee Benefits
- Goods and services
- Marketing
- Travel expenses related to business
- Execution of the Management Agreement

Revenue that was expected to be shared is enumerated as follows (pg 78 - 80 of Business and Operating Plan):

- Camping
- Concessions
- Contracted Services
- Membership fees and passes
- Management Agreement
- Leases
- Conference Services
- Donations
- Sponsorships and Advertising
- Miscellaneous

2. The plan adopted by the Commission in 2008 noted that because WSPRC was expected to invest to a greater extent than the New Managing Entity that a greater cost recovery was also anticipated. There is no cost recovery mechanism for WSPRC in the FWPDA plan. In fact, Centrum has announced that visitors attending their Summer 2013 events are exempt from Discover Pass further depriving the WSPRC of needed revenues.
3. The plan adopted by the Commission called for a phased-in approach where the New Managing Entity would take on smaller pieces and achieve certain benchmarks in fundraising and management in order to "build trust and the Commission's confidence" (pg 60 of Business and Operating Plan). Considering the FWPDA has no track record of fund-raising, managing the type of staff that performs the type of

functions needed at Fort Worden or executing leases this is a most prudent element the Commission should hold firm to.

4. The 2008 plan adopted by the Commission required the New Managing Entity to demonstrate that a minimum amount of funds were on-hand. This is not the case in the FWPDA plan. The FWPDA plan calls for \$550,000 in start-up costs and reserves however there isn't a fund-raising plan or schedule, much less achieved commitments. Further, the FWPDA plan cites the lack of existing funds and the anticipated difficulty in fund-raising ability as the basis for immediately receiving all revenues, excepting Discover Pass, upon execution of the Management Agreement (pg 32 of FWPDA business plan).
5. The plan adopted by the Commission in 2008 anticipated the sharing of revenue from reservations. In fact, it anticipated the sharing of ALL reservations. Centralizing all reservations at Fort Worden is a key element in the 2008 plan as well as the FWPDA plan and is incorporated into the employee alternative. The reason for this is the large amount of money that is currently being collected by tenant businesses with very little going to WSPRC. The WFSE identified nearly \$600,000 in revenue collected by only two of the tenant business that was by no means all-inclusive (WFSE Fort Worden Case Study Exhibit 1). An estimated \$1 million a year in revenue from reservations not paid to the WSPRC remains unaccounted for in the FWPDA plan, but would come to the FWPDA by centralizing all reservations.

Revenue from Building 202 is also unaccounted for as is the loss of revenue from Building 202 while it is "off-line" during construction. We are aware that Building 202 is currently off-line and that potential reservations have been steered away in anticipation of its closure. Without a fund-raising plan to cover the current \$1.2 million the Building 202 project is short, taking it off-line to reservations appears to premature.

Also unaccounted for is any sharing of the anticipated 8% commission on the gross revenue of the hotel (pg 80 of the Business and Operating Plan) as part of the FWPDA's revenue. In fact, as advised by Parks management at the last Commission meeting, the agency would have to increase the current annual deficit if the FWPDA plan is adopted as currently presented.

This is inconsistent with the 2008 plan that provided for WSPRC to share in these revenues.

6. There was an expectation that current park staff would be retained and/or retain terms and benefits into the future (pg 80 of the Business and Operating Plan). The FWPDA plan anticipates the termination of 10-15 employees (14 employees have been verbally informed of the potential elimination of their positions in October 2012) without any discussion about hiring the employees under the FWPDA. Yet, the FWPDA plan calls for staffing levels similar to what is already in place. Recent discussions between the WFSE and the FWPDA have disclosed that the FWPDA Board has not developed the job classifications or tasks that are to be performed, that the FWPDA intends to bring in a "hospitality crew" to help develop the staffing requirements and hasn't contemplated even minimal hiring preferences for existing employees.

This is not only inconsistent with the 2008 Long Range Plan but is inconsistent with the FWPDA's own plan outlining staffing needs and associated costs.

7. The plan adopted by the Commission in 2008 called for a framework of partner support including the ability to generate and support residential learning programs and increasing the number of visitors to the park or increasing length of stay. The 2008 plan called for tenants to "participate and contribute to a shared economy" which included marketing and facility support (pg 69 of Business and Operating plan). The plan also included a requirement for a framework that details performance expectations, levels of investment and fees associated with conducting business on site at Fort Worden. None of these elements are present in the FWPDA plan.

There is also little mention in the FWPDA plan of any restructuring of the tenant leases either in pricing or in achieving the anticipated benchmarks, both of which were requirements in the 2008 plan adopted by the Commission. Specifically, the 2008 plan identified the thresholds of investments that would be required of tenant businesses in order to be eligible for leases longer than one year.

8. The plan adopted by the Commission in 2008 noted that the tenants are currently arranged by what buildings were available at the time and required the least amount of investment in order to occupy them. The plan called for a new organization of the main post so that it makes sense to the visitor and enhances the overall visitor experience (pg 11&12 of Site & Facilities Plan). This is another element that is completely absent from the FWPDA plan.

It was noted in the 2008 Long Range Plan that a conflict exists with the current composition of businesses. This was noted in the WFSE's "Case Study" as an "incongruence". Currently, Centrum and other tenant business are actually in competition with each other and WSPRC for space at the park and the FWPDA plan does not address how to remedy that but assumes to retain the status quo.

9. Finally, and most glaringly, the plan adopted by the Commission in 2008 required a minimization of the impact of implementing the Life Long Learning Center to the rest of the agency. The FWPDA plan makes little attempt to do this by proposing that all revenue generated would go to the FWPDA.

Further, Park Management's projected fiscal impact analysis anticipates \$240,000 a year in Discover Pass revenues however the FWPDA plan only discusses that a long-term resolution on the current exemption is needed. The WFSE is aware that discussions regarding the tenant's exemption from Discover Pass with Commissioner Schmitt, Parks management and the tenant businesses are continuing as recently as early November 2012. Clearly, the WSPRC's ability to achieve the anticipated Discover Pass revenues at Fort Worden remains uncertain and therefore relies on the rest of the agency's revenues to support it.

In reviewing both the 2008 Fort Worden Long Range plan that includes both the Site and Facilities Plan and the Business and Operating plan we noted very thoughtful and deliberate direction by the Commission in the development of Long Range Plan. Regrettably, we have found numerous inconsistencies in the FWPDA plan and concerns about when the required SEPA review will be finalized. It is our belief that when the Long Range Plan is

reviewed in its entirety and compared with the FWPDA business plan that the Commission should reject the FWPDA plan.

It bears noting that the original plan contemplated numerous options for a New Management Entity including a PDA and found the best match for Fort Worden to be a private non-profit. The notion of co-management with a PDA was discarded. We remain unconvinced that it is necessary or desirable to have a PDA, whose make-up and accountability is to the local community, manage the majority of a state park. However, the WFSE recognizes that the FWPDA can serve an important role in partnering with the Commission. There are many examples of PDAs that focus only on capital development; we believe this is the best option for the FWPDA to operate under in this case.

The fundamental premise of the employees' plan is for Parks to retain management of the currently occupied structures, including all reservations for the park. This allows the WSPRC to retain control over appropriate uses of the facilities, receive appropriate revenues from the leased spaces and receive all revenues generated from rentals of the state owned premises.

Clearly, as it relates to alternate funding mechanisms, there could be a benefit to having the FWPDA as a partner; therefore the employees propose that Commission partner with the FWPDA for development of unused or under-utilized buildings based upon a development strategy that includes identifying potential tenants to fill current voids in the variety of offerings at the park. This allows the FWPDA to have standing at the park allowing them to proceed with fundraising efforts. Partnering with the FWPDA for projects in phases according to Parks priorities and the development of interested potential tenants gives a performance-based structure to the arrangement that leaves appropriate oversight authority with the Commission.

There are consistent themes with the FWPDA plan and ours:

- Partnerships with all stakeholders with an interest in Fort Worden increase the likelihood of success.
- Success will require investment by a variety of funding mechanisms that include public and private sources
- Innovative and creative skills and abilities are required to manage Fort Worden
- All reservations should be centralized with one entity
- Lease and rental rates should be fair and not cause the loss of tenants or rentals without a viable alternative or replacement.

There are critical differences to the FWPDA plan and the Fort Worden employees' plan:

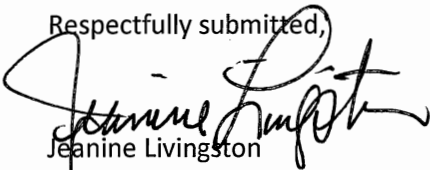
- The FWPDA plan does not address the need to reach out to statewide stakeholders for input. The current Commission structure provides for a much broader range of input.
- Parks should retain management and oversight of the park.
- Positions and their classifications, particularly in management, should be more closely aligned with the needs of the park
- Parks should retain all revenues from leases and receive some financial relief from concessions and tenant operations.
- Parks should manage and receive directly all revenues from rentals and conferences

- Fair market rates should be applied to rentals with the flexibility to adapt to mid-week and shoulder-season demands.

Lastly, the employees of Fort Worden State Park are fully aware of the financial condition of State Parks as an agency. The employees submit this alternative proposal not simply as a way to save jobs because their seniority ensures employment for most of the affected employees, but as a way to maintain the integrity of State Parks as a whole. The business plan submitted by the FWPDA increases the deficit at Fort Worden for not less than five years, causing a budgetary ripple effect across the agency. The proposal being submitted by the employees of Fort Worden State Park will address decreasing the deficit by more than \$700,000 (a savings of \$1.2 million over the FWPDA plan) and increasing revenue from day one, earning greater legislative and gubernatorial support as we enter the next session.

It is with this in mind the WFSE presents, on behalf of not only the members at Fort Worden but all Parks members, the attached proposal. We regret the short time frame for you to review alternatives to the FWPDA plan but we believe our strategy incorporates much of what the FWPDA has presented. We appreciate your consideration.

Respectfully submitted,



Jeanine Livingston

Contracting Compliance Manager

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WFSE Proposed alternative to FWPDA business plan  
Fort Worden State Park – 2008 Long Range Plan  
November 21, 2012

Since 2005 an effort has been underway to turn Fort Worden into a “Life Long Learning Center”. In that time much planning, strategizing and exploring has been done. Unfortunately, in the seven years since the initiation of this effort, no one has been able to actually create a workable plan much less implement a fully funded project to move in that direction. The plan presented by the Fort Worden Public Development Authority is further evidence that the idea of an external entity managing the main operation of Fort Worden should be abandoned. It is time to alter course. The employees at Fort Worden are prepared to submit an innovative way to preserve and develop Fort Worden into a place where generations to come can experience its’ history and be part of its’ future in accordance with the letter as well as the spirit of the 2008 Long Range Plan adopted by the Commission. Our plan is detailed herein.

**Objective:** In accordance with the authority of the Washington State Parks and Recreation Commission and the 2008 vision as a Life Long Learning Center; develop Fort Worden and its resources to provide natural, cultural and historical resource interpretation so that the citizens of Washington will appreciate the value of this asset and act to preserve this important legacy for generations to come.

- To create a cohesive environment throughout the park that is welcoming to recreational, interpretive and culturally significant activities.
- Create a confluence of recreation, interpretation and preservation of cultural and natural history and celebrations thereof.
- Generate sufficient revenue to eliminate the current annual park deficit and generate a return on initial investments needed for preservation and growth and address ongoing maintenance and renovation needs.

Acceptable uses of the Park facilities are those that enhance visitor experiences, entice repeat visits and foster a desire to contribute to the preservation and enhancement of Fort Worden as a state park.

**Vision:** A hybrid of collaborative partners that includes all interested stakeholders, statewide and national. As Parks moves to a statewide “enterprise model” of operations, the employees at Fort Worden foresee the same as the best model for Fort Worden. The proposed vision is in compliance with the Commission’s statutory authority and deeding documents for the property acquisitions that now comprise the whole of Fort Worden. It is our expectation that many of our proposed improvements will serve as a model for replication throughout the state. Fort Worden is a state park and can not only sustain itself but contribute to the parks system as a whole.

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**Current conditions:** According to Parks' position paper on Fort Worden, the park is currently operating at a \$1.3 million annual deficit. Current tenants at the Fort are paying substantially less than market rates and many enjoy exemptions from the Discover Pass for their clients.

Further, entities such as Centrum control properties for which they receive rents from sub-tenants increasing their revenue and depriving Parks from vital revenue for Parks assets. These conditions, as well as the loss of General Fund support, have resulted in severe disrepair, maintenance and renovation needs that cannot be met under the current business strategy. The 2008 Long Range Plan noted the reduced rents, incongruent flow of businesses and called for specific improvements to the current business model. These elements are incorporated in the employees plan for the development of Fort Worden.

The employees at Fort Worden envision the following:

**Operational improvements:** Savings can be achieved through efficiencies. The employees at Fort Worden have identified the following:

- It's imperative to the success of an enterprise model that a cohesive, team environment be facilitated. This team concept is not exclusive to employees at Fort Worden but to the tenants as well. The success of Fort Worden is dependent on everyone involved being in sync. Therefore we propose the following:
  - Renegotiate operating agreements with on-site tenants in accordance with the benchmarks and financial commitments outlined in the 2008 Business and Operating Plan.
  - Regular meetings of each workgroup must occur to ensure goals are being met and adjustments to activities are made timely – whether to stop activities that are not yielding anticipated results or increasing focus on activities that are achieving greater than anticipated results. Being nimble is essential within the boundaries accepted by the Commission in this plan.
  - Regular updates and check points with tenants must occur with a singular liaison.
  - The vision of Fort Worden as a Life Long Learning Center presents a unique environment that is unparalleled to any other Washington state park. For this reason, the entrepreneurial and business skills necessary to manage this park are well beyond the skill levels of other park managers. Therefore, we recommend reclassifying the Park Manager position to an exempt management position as an Enterprise Program Director to oversee the entire operation, evolve the business plan to fruition and act as primary contact for tenant organizations, FWPDA and other stakeholders. This position would be responsible for moving a team environment to the forefront and foster a positive environment where all employees, tenants and interested parties have ample opportunity to provide feedback on success, needed improvements and contribute to the future business operations at Fort Worden. This position would report and be accountable directly to Parks Executive Leadership Team (ELT).
- With fewer staff available to answer phones, the voicemail backlog is increasingly difficult to manage and diminishes a visitor's experience from the beginning. Currently, every call has to be transcribed into a log and returned in the order received. Several staff spend close to three hours per day each on average that could be used to create sales packages, take advantage of up-sell opportunities, respond



timely to RFPs and other revenue generating activities. There are technology solutions that can be acquired reasonably that record every voicemail and notify the employees as messages are left. Voice messages can be forwarded to the correct individual or department or responded to more timely without transcription. We have reviewed a variety of options that range from \$13 per month to \$300 per month. Deciding on a technology solution is dependent on current phone system attributes and requires further evaluation.

- All departments should have the ability to receive or send job orders. For example, if event staff has a need for room set-up an email could be sent rather than manually writing an order and delivering it to the unit.
- Staff, in collaboration with tenant businesses should develop off-season programming. The 2008 Long Range Plan anticipated the development of interpretive materials, self-guided tours and packages that feature programs and events offered to the public in ways that would be appealing to visitors at the park. Emphasis on developing multiple options for visitors is the first step of a marketing strategy designed to enhance and increase attendance and increase length of stay.
- Utilize flexible pricing for camp sites and rentals. During the summer guests could be enticed to stay longer, particularly in view of increased programming they may not have been aware of, if unreserved, mid-week discounts are available. Off-season rates should be implemented immediately. The proposed rate schedule presented by Steve Hahn at the last Commission work session is recommended.
- More effectively divide functions: We have reviewed current job classifications and find that in order to expand into more marketing, interpretive development and conferencing functions that adapting into Program Assistant, Program Specialist and Event Coordinator classifications better accommodates the needs at Fort Worden. For example, Customer Service staff could perform outreach and marketing activities however, that isn't described in that job classification. The front desk area of the Parks office could be used as a gift shop or expanded info center to increase the sale of goods and interpretive materials.

In reviewing the proposed changes to job classifications and their corresponding salary ranges we have determined that these changes can be achieved in a cost neutral way for existing staff.

- Maximize downtime of rentals when under repair or renovation and schedule interior renovations for the off-season. In order to maximize rental opportunities, if a rental is being repaired (ie roof replacement) it makes sense to schedule an interior deep cleaning or renovation project that is funded but scheduled for a later time. It also makes sense to reserve as much work on rentals as possible for the off-season. Rental opportunities should not be impaired by having a location "off-line" unnecessarily. Currently, Building 202 is off-line however the project remains \$1.2 million short of the necessary revenues and no plan to generate these revenues has been presented. The current status of Building 202 needs to be reevaluated to determine if the building can still generate revenue in some form until the renovation project is ready to move forward.
- Fort Worden employees can do the work of PT Hospitality year round with in-house custodial staff and operate the Laundromat much less expensively. The revenue generated by bringing the service in-house would more than offset the cost of adding staff. Using the current figures provided by Port Townsend Hospitality, Parks currently receives \$57,096.01 of the \$680,404.47 in revenue generated. If Parks were to manage a custodial crew using the Custodian series of classification and adopt the same level of

staffing, the cost including benefits would total \$518,047. This leaves \$162,357 for supplies and revenue recovery. We do not believe the stated staffing levels by PT Hospitality are necessary for Fort Worden and would result in a better rate of return. Further, communication with the maintenance department regarding needed repairs is improved resulting in more timely repairs with integrated staffing within the same organization.

**Revenue generation:** Achieving savings through efficiencies is not enough to breach the significant deficit and plan for future growth. The WFSE has analyzed our plan against the FWPDA proforma and the very preliminary draft of the fiscal impacts to WSPRC developed by Parks management should the FWPDA plan be adopted. It is attached as Exhibit 1.

1. It must first be noted that a review of rates charged by tenants to their customers identified that full market rates for the King-Pierce county area are being charged for many of the services at Fort Worden. Clearly, the local market is able to bear full market rates, Fort Worden tenants should be no exception. For this reason, it is imperative to the Fort Worden economy to bring tenant leases up to local market rate standards. In the Port Townsend area commercial lease spaces run as follows:
  - Water front or prime, high traffic space \$1.20 - \$1.24 per square foot
  - Moderate traffic locations \$0.89 - \$1.10 per square foot
  - Remote locations with little traffic or access \$0.45 - \$0.75 per square foot

The locations at Fort Worden should be categorized similarly based on waterfront views, high traffic and desirability of the location. Starting with market rate figures, adjustments to the market rate should be applied based on a cost benefit analysis of the tenant based the following factors:

- Investment into building improvements (excluding expenses for leasehold improvements that remain the property of the tenant)
- Contribution to ongoing revenue generation at Fort Worden.
- Cost of ongoing maintenance, repair and renovation needs based on a projected schedule over the life of the requested lease period. This can be offset by contributions to maintenance by the tenant.
- Whether the tenant is willing to actively engage in the sale of Discover Pass and day-use passes for their clients specifically and to the public in general.
- Anticipated volume of client visits to incorporate value of lost Discover Pass revenue in lease amount should the tenant wish to offer free parking to their clients.
- Lease amount will be filtered with an analysis of the amount of revenue the park could generate on its own or with another type of tenant. (ie. Madrona Mindbody Institute versus other recreational uses of the gym or Corvidae Press' 60-70 members versus additional lodging).

All Fort Worden tenants shall have clearly defined roles, responsibilities and considerations outlined in the lease documents.

All Fort Worden tenants will have lease agreements with Parks. (ie. Synergy Sound, Corvidae Press and Copper Canyon Press).

In order to centralize all reservations and building uses and in order to ensure timely payment for such reservations, all sublet use will be managed by Parks staff. (ie. Artist in residence for Centrum and residencies for Goddard).

Current buildings used for “artist in residence” programs will be rented by WSPRC with booking preference for Centrum programs. When the buildings are not in use, WSPRC conferencing and event planning will have preference for reservations. This allows greater utilization of existing rental opportunities while making more attractive premises available for weddings and other large group events.

Reservation preferences will be re-prioritized for WSPRC conference and event bookings. Currently prioritization is Centrum programs first, legacy groups, tenant groups then WSPRC conferencing and public request. This has resulted in reduced opportunities for the development and expansion of broader public use in favor of the development of tenant businesses. In order to turn revenue generation for WSPRC around, the recommended priorities are Legacy groups, historic Centrum summer events, WSPRC conferencing and events, other Centrum program needs, tenant business needs then public request.

Friends of Fort Worden’s agreement should be the template agreement used by Parks that specifies clear roles and parameters of the Friends and should be based on realistic expectations for fundraising efforts and revenue generation.

2. Develop printed interpretive materials. Fort Worden has a rich history that is highly appealing to visitors. Greater emphasis should be placed on this opportunity for learning. The employees at Fort Worden recommend the following:
  - Collaborate with Friends of Fort Worden, Jefferson County Historical Society and Coast Artillery Museum for the development of historical interpretive “coffee table” books, photo albums and brochures.
  - Develop more comprehensive tour maps of Fort Worden noting all locations of the main post, beach area and batteries for self guided tours. These maps should include a brief description of the use and interesting features of each location.
  - Collaborate with the Marine Science Center, Department of Fish & Wildlife and Department of Natural Resources for development of interpretive materials describing the local marine life, wild life and plant life on and around the Fort.
  - Solicit contributions or reduced pricing in exchange for recognition from the local paper mill for the paper used for printed materials.
  - Collaborate with Copper Canyon Press in exchange for rent considerations and recognition on the printing of the materials.
  - Collaborate with Corvidae Press in exchange for rent considerations and recognition for work with publishing historical photos of Fort Worden.
  - Collaborate with local Native American tribes for interpretive materials, photos and programs.

- Print a monthly calendar of activities so guests and visitors can take full advantage of programs and events.
3. Theater in the park program: The Wheeler Theater is a great place of high interest to the public and could be quickly brought to use for the broader public.
    - Local theater, including high school and local theater troupes, could be scheduled to perform there.
    - The theater could host movie nights year round that feature older classics and newer movies with little cost. During the summer a weekly “movie in the park” event could be featured on the parade grounds and the food concessionaire could sell “picnic” baskets and treats for park guests.
    - Host dance and music recitals or artistic display and readings for Centrum and other tenant programs.
    - Summer entertainment in the campgrounds. Campfire songs and interpretive programs
    - Feature natural resource, Native American, Military and other cultural interpretive programs
  4. Guardhouse and information center: As the first place visitors see when they arrive onto the main post, turning the Guard house into more of an information center makes sense to the employees at Fort Worden.
    - Sell Discover Pass and day-use passes
    - Sell printed interpretive materials
    - Make self-guided tour materials available
    - Provide schedule of events
    - Sell limited comfort items including bottled water and beverages
    - Sell other souvenir items approved by parks.
  5. As a longer range objective, renovation of the pier the Marine Science Center sits on is essential before full development of a “summer vendors on the pier” program can be developed. Regrettably, the pier is in such severe disrepair, the employees at Fort Worden are concerned that under the scrutiny of a marine survey, the pier could be deemed unsafe. Until that situation is remedied, development of vendor spaces is tabled. A cost analysis of needed repairs should be pursued in collaboration with the Marine Science Center and given priority in the capital development plan.
    - Current park users such as the Kite Makers and Quilters as well as other local artisans and food concessions would attract visitors and facilitate longer-term stays by creating a festival environment on the pier. This was envisioned in the original deeding of the pier.
    - Make boat mooring available for public access
    - Collaborate with the Marine Science Center to update and enhance programming and displays for broader public education and appeal. Collaboration with NOAA and the Seattle Aquarium are options that should be explored and could create new funding mechanisms.
  6. Given that Fort Worden’s history began with military defense, it makes sense to increase the honoring of that history at Fort Worden. Off-season use can be increased by incorporating military and veteran’s programming into Fort Worden’s vision. Military programs bring in more stable funding sources that are less vulnerable to adverse travel and weather conditions. Increasing military programs would be a

source of new legacy events and programs that increase volume of visits as well as length of stay by bringing a relatively untouched demographic to Fort Worden.

- Collaborate with the VFW, American Legion, National Guard and other military groups, private and public, to increase programming and celebrations for our military and veteran community.
  - Veteran's Day celebration is in November
  - Officer's ball (celebration of making the next rank) typically happens in the Fall and early Spring
  - Retirement events

With military funding for such events, attendance from a broader geographic area can be achieved resulting in increased return visits from outside the local community. This benefits not only Fort Worden but the local community as well.

- Work with the Workforce Development Council (WDC) to fund training programs for veterans similar to the program created at Olympic College in the Bremerton area.
  - Having a local WDC presence at the Fort could also benefit the local community with employment training and job placement.
- Collaborate with park tenants for the development of veteran training (ie. Port Townsend Woodworking School). If WDC funds can be used to support this effort, the tenants benefit from the development of their businesses and Parks would also benefit from renovations and repairs at Fort Worden by the school.
- Collaborate with Washington State legislative committees and Congressional representatives for funding and resource mechanisms for veterans.

7. Event planning: Employees at Fort Worden are skilled at conference and event planning and recommend the following:

- Opportunities to host a special event such as weddings, graduations, local celebrations should be promoted. Feature pictures of locations, photos of previous events and available packages that include lodging and other event needs on the internet, social media, statewide event shows, etc.
- Offering meal packages and catering options with broader appeal for conference planners needs is essential to attracting and encouraging return conferences and large meetings. Negotiations with the current tenant need to be initiated immediately and development of a solicitation for replacement vendors should be initiated in preparation for the expiration of the current contract in 2014.

Our proposal is for a variety of food options so conference and event planners have multiple options to choose from. This increases the attractiveness of holding events and conferences at Fort Worden while benefitting local businesses interested in being on a "pre-approved vendor list".

- Bidding preference for a food services entity should be given to educational entities that provide sustainability curriculum in their culinary program and are interested in partnering in the development of the Chinese Gardens as a sustainability food provider to the park.
- Partner with businesses in town and events such as Wooden Boat to have specials in the off season.
- Feature regular GPS scavenger hunts

8. Marketing: At parks around the state there are examples of employee innovations in marketing with little or no initial investment required around the state. Both of these suggestions promote input and

outreach beyond the local community that would not only solidify current visitation levels but promote increased visitation and increase the potential for fund-raising opportunities. In addition to more sophisticated marketing strategies to be implemented with the FWPDA and tenant businesses the employees at Fort Worden suggest the following as a start:

- A web site featuring the event and conferencing services provided by the park. The site should include the monthly calendar of events, photos of previous events, special park features and identify current available rental opportunities for the last minute traveler.
- Publish a monthly e-newsletter to an ever growing email listserve. This is currently being done at Deception Pass and features articles on what plant life is in bloom, what animals may have offspring in the area, identifies current events, etc. Visitors to Fort Worden and tenant businesses can sign up for the e-newsletter either in person or through the web site.

**Building renovation:** Substantial renovations of structures are required after years of unfunded needs. A strategy for renovations and repairs must be prioritized based on anticipated revenue generation. Currently, that prioritization is being developed based on cost and anticipated rate of return.

- Turn the Canteen into a year around store and sell items that campers and visitors find attractive. The FWPDA plan suggests this as a possible location for the sale of liquor however the distance from the main post and the proximity to the beach and campground areas results in a need for increased enforcement that is unnecessary. One of the buildings on the main post, or as part of the increased single-occupancy accommodation locations is preferred.
- Turn several campsites in the upper campground into premium sites by adding cement pads, wifi, better campfire rings, etc.
- Convert the Mule Barn area into a true group camp or rally area that would attract bicycle groups and various other groups that would like the privacy. It would be a great benefit to have this amenity in several parks within a day's ride.
- Building 203 is at the very store front of Fort Worden. The FWPDA plan calls for the eventuality that it would be converted into more college classrooms starting in year 6 (pg 50 of FWPDA plan). Building 203 should be targeted for an art gallery as the main floor reception area featuring tenant businesses and local artists as well as photography of Fort Worden. This is a better suited location for the additional single-occupancy accommodation plans than the hospital given the exceptional view and access.
- The hospital should be looked at as an interpretive center that includes medical history and possibly a regional medical intern program. This would allow for new fund-raising targets in the area of medicine and education with the added benefit of an on-site infirmary all while preserving the historic integrity of the structure.

**Staffing plan:** The employees at Fort Worden recognize the need to attract and retain creative, innovative leadership as well as retain the tremendous skills over the decades of experience current staff possess. To build into the enterprise model needed at Fort Worden, a new structure and reevaluation of appropriate job classifications and motivations that include incentives for performance are required. We propose the following:

Basic management structure

- Divide staffing and areas of responsibilities into three program areas:
  - Fiscal unit oversees leases, contracts, grants, fundraising and volunteer activities and accounting, billings, accounts payable and incentive monitoring.
  - Facilities unit oversees maintenance, grounds keeping, custodial and renovation activities including RFP solicitation and project oversight that includes volunteer activities.
  - Operations unit oversees reservations, marketing, customer service, day-to-day operation and program development.

Realign job classifications to program needs

- Add two reservation staff: With the proposal to bring all reservation activities in-house, additional staff to handle the increased demand and active recruitment of new conferences and events requires additional staffing.
- Add one marketing coordinator: It is necessary to add a marketing professional to the staffing plan to coordinate all partner and tenant efforts as well as to act as lead in the development and implementation of a multi-faceted marketing plan.
- Align customer service and marketing functions into Events Coordinator, Program Coordinator or Program Assistant job classifications. This allows for staff to perform functions currently not described in the Customer Service job classifications and is more closely aligned with the mission.

Fiscal Analysis: In preparing the WFSE's recommendations for Fort Worden we adopted the FWPDA assumptions for revenue and expenses. We recognize that the agency management presented very early draft figures at the last October Commission meeting and that they are preliminary figures. However, without any revised data it was necessary to use the agency's preliminary data for our analysis. We believe the figures used to be an accurate analysis of the difference in total cost to operate Fort Worden under the FWPDA plan.

The WFSE's plan would save \$1,177,142 over the FWPDA's business plan. By only increasing tenant rents in increments and bringing all reservations in house, not only is the current deficit nearly eliminated in the first year, but a solid foundation for future increases in revenue is created that has a greater opportunity for success.

The analysis we have prepared does not anticipate capital expenditures because we subscribe to the basic prioritization and estimates for funding needs in the FWPDA plan. The difference in our plan is that the project list will proceed as the FWPDA, the Friends of Fort Worden (being reconfigured to the Fort Worden Conservancy), the Parks Foundation and WSPRC are able to materialize specific funding mechanisms. This again is a performance-based measure to ensure the development of the park is in keeping with Commission guidelines and the historic preservation of Fort Worden.

In summary, by keeping the management of the main post with WSPRC the integrity of the 2008 Long Range Plan is ensured in a way that is not if management is transferred to an external entity. It is the hope of the employees at Fort Worden and the rest of the state that we have demonstrated not only a willingness to partner with the WSPRC but an ability to provide valuable insights and alternatives. We appreciate your consideration.



**WFSE Fort Worden Long Range Plan Alternative  
Exhibit 1**

	PDA Plan 1st Year		Parks 10/2012 Estimate Current Year		Parks 10/2012 estimate 1st year		Total operation cost of Ft Worden per PDA plan		WFSE Plan 1st year plan		Cost difference between PDA plan & WFSE plan	Explanation	
<b>Revenue</b>													
Conference Housing	\$1,545,000		\$1,233,581		\$1,545,000		\$1,545,000		\$0			\$0	
Meeting Rooms	\$300,000				\$300,000		\$300,000		\$0			\$0	
Vacation Housing	\$159,000				\$159,000		\$159,000		\$0			\$0	
Reservation Administration	\$250,000				\$250,000		\$120,000		\$130,000			(\$130,000)	Parks should be compensated for booking all tenant organization reservations. Transfer of cost from tenant business' reservation staff to addition of 2 reservation Parks employees
Camping			\$354,272		\$359,772		\$359,772		\$0			\$0	
Hotel Bldg 225					\$0		\$0		\$0			\$0	
Hotels Bldg 298					\$0		\$0		\$0			\$0	
Leases	\$110,000		\$108,615		\$110,000		\$185,000		\$75,000			\$75,000	Incremental increase to get closer to Fair Market Value or compensation from lost DP revenues due to exemptions
Lodging tax rebate	\$43,000				\$43,000		\$43,000		\$0			\$0	Is there a reason why the tax rebate couldn't go to the agency?
Partner Shared Service Reimbursement	\$50,000				\$50,000		\$100,000		\$50,000			\$50,000	Expectation is that FWPPDA and tenant businesses will share in marketing expense
Other	\$29,000		\$38,010		\$38,770		\$38,770		(\$29,000)			(\$29,000)	
Discover Pass			\$240,000		\$240,000		\$240,000		\$0			\$0	
Total	\$2,486,000		\$1,974,478		\$638,542		\$3,124,542		\$3,090,542			(\$34,000)	
<b>Expenses</b>													
Salaries/wages/benefits	\$808,000		\$1,740,623		\$986,689		\$1,794,689		\$1,991,000			\$196,311	Add 2 reservations & 1 marketing staff. Increase pay of Enterprise Program Director from Park Manager conversion
Utilities	\$528,000		\$572,582		\$127,636		\$655,636		\$572,582			(\$83,054)	No explanation why the FWPPDA anticipates such an increase in utilities. Appears to be room for significant savings if energy efficiencies are implemented
Goods & Services	\$934,000		\$597,447		\$313,399		\$1,247,399		\$750,000			(\$497,399)	PDA and Tenant organizations to contribute to additional Goods & Services costs anticipated by PDA plan
Major Equipment purchase					\$0		Not in 1st year						

WFSE Fort Worden Long Range Plan Alternative  
Exhibit 1

Reservation related costs		\$250,000	\$250,000	Included in Salaries		(\$250,000)	Parks would not incur any additional reservation related costs other than what is contemplated in the staffing plan.
Mobilization fee		\$0	\$0	Not needed			
Advertising/Marketing	\$150,000	\$150,000	\$0			(\$150,000)	Parks contribution to marketing is in the hiring of a marketing person included in the staffing plan
Information management	\$162,000	\$162,000	\$15,000			(\$147,000)	An entirely new system is not needed to operate all reservations. An upgrade to existing software would cost less than \$10k but installation and supplier support would be needed.
Legal & accounting	\$30,000	\$30,000	Included in Salaries			(\$30,000)	
Insurance/Risk mgt	\$50,000	\$50,000	Included in operation			(\$50,000)	
Human Resources	\$15,000	\$15,000	Included in Salaries			(\$15,000)	
Other-Misc Contingency	\$185,000	\$185,000	Not needed			(\$185,000)	
Total	\$2,862,000	\$2,910,652	\$1,677,724	\$4,539,724	\$3,328,582	(\$1,211,142)	
	(\$376,000)	(\$936,174)	(\$1,039,182)	(\$1,415,182)	(\$238,040)	\$1,177,142	