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STATE OF WASHINGTON  
WASHINGTON STATE PARKS AND RECREATION COMMISSION

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December 6, 2012

### **Item E-3: Fort Worden State Park - Future Governance - Requested Action**

**EXECUTIVE SUMMARY:** This item asks the Washington State Parks and Recreation Commission to authorize staff to enter into negotiations with the Fort Worden Lifelong Learning Center Public Development Authority regarding a co-management agreement to guide the future governance of Fort Worden State Park. This item complies with our Centennial 2013 Plan element, “Our Commitment – Stewardship”, and with our core values.

**SIGNIFICANT BACKGROUND INFORMATION:** At its September 2008 meeting, the Washington State Parks and Recreation Commission (Commission) adopted the Fort Worden Site and Facilities Use and Development Plan. This plan envisioned the future of Fort Worden State Park as a “Lifelong Learning Center” managed cooperatively by Washington State Parks (Parks) and a non-profit partner. The Commission also authorized staff to select a non-profit organization with which to negotiate a Memorandum of Understanding (MOU). (Appendix 1) After a national search, Centrum the arts organization at Fort Worden State Park, was selected as the non-profit with whom Parks staff would seek to negotiate an MOU to complete certain milestones in order to become a new managing entity at Fort Worden State Park. In the MOU adopted between the Commission and Centrum in March of 2010, it was acknowledged that the City of Port Townsend, represented by the then newly-chartered Port Townsend Public Development Authority (PDA) would support Centrum in its efforts.

At the January 27, 2011 Commission meeting, staff presented a progress report on the MOU with Centrum and a letter written by Centrum stating its desire to transition out of its role as lead on the implementation of the MOU. Staff also stated that, with Centrum bowing out, the PDA was interested in developing a working relationship with Parks for the management of Fort Worden State Park. The Commission authorized staff to begin conversations with the PDA and to return to the Commission with a management proposal at a future date.

The PDA was originally formed to address historic preservation needs in Port Townsend. The PDA was created through a charter approved by the City Council for the City of Port Townsend. In September 2011, the City of Port Townsend City Council approved an amended charter document and ordinance that renamed the PDA as the “Fort Worden Lifelong Learning Center Public Development Authority” and directed its focus to be solely on Fort Worden State Park. The PDA currently has an Executive Director and a nine member board. Information on the current PDA Board members and Executive Director can be found in Appendix 2 of this document.



During the 2012 legislative session proviso language was added to 3ESHB 2127 directing among other things the development of a report to be provided to the Governor and appropriate committees of the legislature regarding the creation of a Lifelong Learning Center at Fort Worden State Park (Appendix 3). Additionally, the Commission at its March 29, 2012 meeting directed staff to work with the PDA on a business and governance plan for Fort Worden State Park. As part of that direction to staff the Commission agreed to take action on such a plan no later than December 31, 2012, if it was consistent with the action taken by the Commission in September 2008. (Appendix 4) In June 2012, the PDA entered into an agreement with PROS Consulting LLC to create what became known as a business and *management* plan for Fort Worden State Park. The scope of work for the plan was reviewed and agreed to by Parks staff. During the creation of the proposed business and management plan Parks staff was involved in numerous conversations with both staff from the PDA and their consultant regarding the business and management plan. Staff also attended and participated in a number of the public forums and PDA board meetings to respond to questions and to assist in the review of the several drafts of the proposed business and management plan.

**PDA Business and Management Plan:** The PDA business and management plan proposes that Fort Worden State Park be managed in a partnership between the PDA and Parks. The plan proposes that the PDA manage the “campus” and Marine Science Center areas of the park while Parks would manage the balance of Fort Worden State Park (Appendix 5). The Executive Summary of the plan can be found in Appendix 6 of this document. The draft business and management plan has been reviewed by staff from the Office of Financial Management and a third party reviewer as requested by the Commission as part of action taken at its March 2012 meeting. The Fort Worden State Park Business and Management Plan, dated October 11, 2012 was then submitted to the Governor and appropriate committees of the legislature.

### **Synopsis of Major Issues:**

#### 1. Human Resources:

Implementation of the PDA business and management plan proposal would impact several current Parks employees at Fort Worden State Park as some functions would be taken over by the PDA while others would continue to be the responsibility of Parks. Displaced Parks staff would be given options in accordance with the Collective Bargaining Agreement (CBA) between Parks and the Washington Federation of State Employees (WFSE). Options available to staff may include “bumping” other employees, filling an existing vacancy, or separation. Most “bumping” options would involve relocation to state parks outside of the Port Townsend area. Displaced Fort Worden State Park staff would also be able to apply for employment with the PDA based on job duties and qualifications to be determined by the PDA.

#### 2. Financial Impact:

Staff has not attempted in this document to provide a detailed analysis or projection of the financial impact of a completed co-management agreement with the PDA. The exact financial and operating responsibilities of both Parks and the PDA would need to be negotiated before operating costs and revenues can be accurately described and included in a

draft negotiated co-management agreement for public comment and consideration by the Commission and the PDA Board. To date, staff has developed an operating model and associated fiscal impacts based on a response to the PDA business and management plan developed by PROS Consulting. Based on assumptions within the PDA plan staff's preliminary determination is that a partnership with the PDA would initially result in an increase in the current net operating deficit at Fort Worden State Park. However, as noted above there remain multiple unresolved issues that would affect a more informed fiscal analysis. These include further clarification on transition expenses, agreement on on-going operating and capital improvement responsibilities and expenses and performance expectations of both parties to name only a few of the topics that would need to be resolved if the Commission authorizes staff to negotiate a comprehensive co-management agreement with the PDA at Fort Worden State Park.

Parks current "fee for service" business model and recent significant system-wide budget and staff reductions makes the on-going financial impact of a potential co-management agreement with the PDA a more critical consideration than it might have been in 2008. Fort Worden State Park currently has the largest net operating deficit of any of the Washington's 117 state parks. In a "fee for service" business model a deficit in one park must be made up for with revenue from another park or funding source. Staff believes that a co-management agreement between Parks and the PDA must ultimately result in a net reduction of Parks operating costs at Fort Worden State Park and additionally not have an adverse financial impact on the rest of the state park system.

3. Capital Plan and Funding:

The Fort Worden State Park Business and Management Plan estimates a ten year capital fund backlog of \$89,000,000. Staff from Parks and the PDA are in agreement that it is very difficult to put a number of that size in context. Staff additionally agree that it is more useful to describe specific capital development priorities over a shorter period of time and in the context of the investment necessary to generate the visitation and revenue stream required to support the successful implementation of a PDA business and management plan. A capital plan, negotiated as part of a Parks/PDA co-management agreement, would also inform capital budget requests that Parks would make to meet public and employee health and safety and infrastructure renovation needs at Fort Worden State Park. The PDA business and management plan specifies that funding for capital improvements would come from a variety of both public and private sources. Only time would tell the extent to which the PDA would be able to attract new public and private capital investment into Fort Worden State Park. Parks will continue to seek capital project funding for its needs and responsibilities at Fort Worden State Park as part of its biennial Capital Budget Request to the Governor and Washington State Legislature as prioritized by the Commission in the context of needs within the entire state park system.

4. Discover Pass:

During the 2011 legislative session the Washington State Legislature, in response to a significant budget shortfall, removed virtually all General Fund support for Parks and created the Discover Pass. The effect of this legislative policy choice is that Parks is now primarily a “fee for service” provider dependant on the public making the specific choice to both visit a state park and purchase a Discover Pass. The several businesses and organizations that are located at Fort Worden State Park expressed concern that the requirement for the Discover Pass would have a negative impact on their ability to attract customers and event attendees. In response to this concern and given the suddenness of the requirement for the Discover Pass for state park users the Director waived the requirement for the Discover Pass on the campus portion of Fort Worden State Park. As of December 31, 2012 this 18 month long waiver period is set to expire. Staff believes that any further waiver of Discover Pass requirements in its current form for the campus portion of Fort Worden State Park is no longer appropriate. Parks staff is working with stakeholders at Fort Worden State Park to resolve this issue for 2013 and beyond.

5. Governance:

A mutual goal shared by both Parks and PDA staff is to describe a governance model that would facilitate the long-term relationship of trust and cooperative decision making required to successfully implement a partnership at Fort Worden State Park between Parks and the PDA. A final proposal for the exact structure, responsibilities and authority of a co-management governance model at Fort Worden State Park has not been fully fleshed out. Staff believes that the details of a co-management model should be part of a negotiated comprehensive management agreement if the Commission authorizes staff to negotiate such an agreement with the PDA.

6. Campground Reservation System:

The PDA business and management plan proposes that the PDA assume responsibility for operating the campground reservation system at Fort Worden State Park in exchange for a payment from Parks of \$250,000 in years one (1) through three (3) and in decreasing amounts through year ten (10) thereafter. Staff believes this proposal represents a combination of both a fee for a service rendered and a contribution for start-up operating costs to help support the PDA. Staff does not support this proposal in the form presented in the Fort Worden State Park Business and Management Plan. It is staffs belief that the proposal should be considered in its two separate parts. Staff is willing to recommend, with conditions as negotiated, some level of operating support for the PDA. Staff believes that determining how to best manage the campground reservation system at Fort Worden State Park is best resolved as part of a co-management agreement negotiation between Parks and the PDA.

7. Washington Federation of State Employees:

Due to the potential impact of the PDA proposed business and management plan on certain staff at Fort Worden State Park there has been and will continue to be concern on the part of the WFSE to ensure compliance with the CBA. Parks staff has been in communication with both WFSE members at Fort Worden State Park and WFSE staff as the PDA has developed

its business and management plan. WFSE provided Parks with notification of intent to form of an Employee Business Unit (EBU). Staff responded to WFSE that an EBU is not warranted at this time, however, staff has welcomed open dialogue with WFSE on operating recommendations they develop. Staff will continue to work with WFSE members and staff in good faith to communicate the impacts of a potential Parks/PDA partnership and in compliance with the CBA.

**OPTIONS:** In advance of making a staff recommendation staff has considered several options. Those options include:

1. Transfer Fort Worden State Park to the PDA: Parks staff does not support or recommend this option. Proviso language in 3ESHB 2127 directs that “the state shall retain title to the property”. Since 3ESHB 2127 is a budget bill this language has the effect of law through the time period of the biennium in which it was passed. In this case the proviso language expires on June 30, 2013. Parks staff strongly believes that title and ownership of all of Fort Worden State Park should permanently remain with the State of Washington and the Washington State Parks and Recreation Commission. Parks staff believes that if the Commission authorizes staff to enter into negotiations with the PDA that a non-negotiable condition of those negotiations should be that permanent title and ownership of all of Fort Worden State Park remain with the State of Washington and the Washington State Parks and Recreation Commission.
2. Continue to Operate Fort Worden State Park Without a Partner: Parks staff does not support or recommend this option. Parks staff understand that a co-management agreement with the PDA would have a substantial, and for some, potentially negative impact on agency employees currently at Fort Worden State Park. Parks staff also believes that if the Commission were to ultimately approve entering into a co-management agreement with the PDA that the PDA must have the freedom to recruit and hire staff and skill sets of their choosing. In September 2008, the Commission directed that staff seek a non-profit partner to achieve the vision of Fort Worden State Park as a Lifelong Learning Center. Even more so now than in 2008 that vision cannot be achieved with a viable non-profit partner. Continuing to operate Fort Worden State Park without a partner would require putting the notion of a Lifelong Learning Center in abeyance.
3. Operate Fort Worden State Park with a Partner Other Than the PDA: Parks staff does not support or recommend this option. Unless directed to do so by the Commission it would be premature to consider or evaluate proceeding with a partner at Fort Worden State Park other than the PDA. As part its March 2012 action regarding Fort Worden State Park the Commission stated that it would not seek another partner at Fort Worden State Park unless the PDA “abandons its efforts”. Staff believes that the PDA has put forth in the Fort Worden State Park Business and Management Plan a proposal that can serve as a solid starting point for seeking to negotiate a comprehensive co-management agreement with the PDA.

4. Authorize Staff to Negotiate a Co-Management Agreement for Fort Worden State Park With the PDA: Staff supports and recommends this option. Staff believes seeking to negotiate a co-management agreement for consideration by the PDA Board and the Commission has the best possibility of achieving the vision of Fort Worden State Park as a Lifelong Learning Center.

**STAFF RECOMMENDATION:** Staff believes that the work done to date meets both the spirit and intent of the 2012 legislative proviso as found in 3ESHB 2127 Section 303 (5) and the March 2012 direction from the Commission regarding Fort Worden State Park. Staff further believes that the Fort Worden State Park Business and Management Plan is a substantial milestone from which negotiations could begin towards creating a comprehensive co-management agreement between Parks and the PDA. The authority for the Commission to enter into such an agreement with the PDA is found in RCW 39.34 Interlocal Cooperation Act. Staff recommends that the Commission *accept* the Fort Worden State Park Business and Management Plan but not formally adopt it as written due to elements of the plan that are not agreeable to Parks and would require negotiation. Staff believes that a co-management agreement would contain three major sections;

- A. The establishment of the rights and terms of the PDA managing a portion of the park,
- B. A description of the management, maintenance, and financial responsibilities of both Parks and the PDA, and
- C. A co-management governance agreement.

The recommendation to enter into negotiations with the PDA includes certain conditions in recognition of the legislative policy decision to make Parks a primarily “fee for service” agency.

Staff recommended conditions for entering into negotiations with the PDA for a co-management agreement are:

1. Parks will provide financial support to the PDA at Fort Worden State Park as negotiated and contingent upon available funding from either statewide earned revenue or legislative appropriation of additional funding so long as there is no adverse financial impact on the rest of the state park system.
2. That any proposed co-management agreement brought to the Commission for consideration projects a cumulative reduction of net cost to Parks for its operational responsibilities at Fort Worden State Park by no later than the end of fiscal year 2020 through net revenue increases and/or cost avoidance assumed by the PDA.
3. That title and permanent ownership of all of Fort Worden State Park will remain with the State of Washington and the Washington State Parks and Recreation Commission

Finally, staff recommends that any proposed co-management agreement for Fort Worden State Park be reviewed and approved by the Washington State Parks and Recreation Commission and the Fort Worden Lifelong Learning Center Public Development Authority Board following ample public review and comment.

**LEGAL AUTHORITY:** RCW 39.34 and RCW 79A.05.030, 79A.05.070.

**SUPPORTING INFORMATION:**

- Appendix 1: Direction from Washington State Parks and Recreation Commission, September 2008, Item E-7 Fort Worden Long Range Plan II (minus appendices)
- Appendix 2: Information on Executive Director and Board of the Fort Worden Lifelong Learning Center Public Development Authority.
- Appendix 3: 2012 Provision Language Related to Fort Worden State Park from 3ESHB 2127, Section 303 (5)
- Appendix 4: Direction from Washington State Parks and Recreation Commission, Item E-5, March 29, 2012.
- Appendix 5: Area Proposed for Management by the Fort Worden Lifelong Learning Center Public Development Authority.
- Appendix 6: Fort Worden State Park Business and Management Plan Executive Summary

**REQUESTED ACTION FROM COMMISSION:**

*That the Washington State Parks and Recreation Commission:*

1. Following review, staff has determined that the action proposed for the Commission by staff is exempt from the State Environmental Policy Act (SEPA) pursuant to WAC 197-11-800(14)(h).
2. Expresses its appreciation to stakeholders and the public for their participation and comments related to Fort Worden State Park potentially being managed in partnership with The Fort Worden Lifelong Learning Center Public Development Authority.
3. Accepts the Fort Worden State Park Business and Management Plan as submitted by the Fort Worden Lifelong Learning Center Public Development Authority as being consistent with the spirit and intent of the action taken by the Washington State Parks and Recreation Commission in September 2008 regarding the creation of a Lifelong Learning Center at Fort Worden State Park.
4. Expresses its strong support for realizing the vision of Fort Worden State Park as a Lifelong Learning Center in partnership with the Fort Worden Lifelong Learning Center Public Development Authority and directs the Director to make every reasonable effort to achieve this vision so long as any proposed co-management agreement does not adversely impact the rest of the state park system.
5. Will provide financial support to the PDA at Fort Worden State Park as negotiated and contingent upon available funding from either statewide earned revenue or legislative appropriation of additional funding so long as there is no adverse financial impact on the rest of the state park system.
6. Directs that any proposed co-management agreement brought to the Washington State Parks and Recreation Commission for consideration projects a cumulative reduction of net cost to Washington State Parks for its operational responsibilities at Fort Worden State Park no later than the end of fiscal year 2020 through net revenue increases and/or cost avoidance assumed by the Fort Worden Lifelong Learning Center Public Development Authority.

7. Authorizes the Director and/or designee to negotiate a co-management agreement that is consistent with action taken by the Washington State Parks and Recreation Commission in September 2008 creating a Lifelong Learning Center at Fort Worden State Park.
8. Directs and reaffirms that in any proposed co-management agreement with the Fort Worden Lifelong Learning Center Public Development Authority ownership and title to all of Fort Worden State Park shall remain with the State of Washington and the Washington State Parks and Recreation Commission. The Washington State Parks and Recreation Commission will consider temporary title encumbrances on very limited parts of Fort Worden State Park as may be necessary to secure grants and tax credits for capital redevelopment projects.
9. Intends to provide ample opportunity for stakeholders and the public to review, understand and comment on any proposed co-management at Fort Worden State Park prior to taking action.
10. Directs that the Director, upon completion of a negotiated draft co-management agreement with the Fort Worden Lifelong Learning Center Public Development Authority, bring that agreement to the Washington State Parks and Recreation Commission for review and final consideration no later than June 30, 2013.

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**Reviewer(s):**

**Randy Kline, SEPA REVIEW:** Following review, staff has determined that the action proposed for the Commission by staff is exempt from the State Environmental Policy Act (SEPA) pursuant to WAC 197-11-800(14)(h).

**Terri Heikkila, Fiscal Impact Statement:** The decision requested by staff of the Commission is for authority to negotiate a comprehensive co-management agreement with the Fort Worden Lifelong Learning Center Public Development Authority. That request on its own does not involve a fiscal impact. Staff has requested that a condition of negotiating such an agreement is that by fiscal year 2020 Washington State Parks will realize a net reduction in the cost of operating Fort Worden State Park. The Commission will be asked to consider a proposed co-management agreement no later than June 30, 2013 at which time fiscal impacts and responsibilities will be described.

**Jim Schwartz, Assistant Attorney General:** November 20, 2012

**Larry Fairleigh, Assistant Director**

**Approved for Transmittal to Commission**

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**Don Hoch, Director**

**APPENDIX 1**  
**DIRECTION FROM WASHINGTON STATE PARKS AND**  
**RECREATION COMMISSION, SEPTEMBER 2008, ITEM E-7 FORT**  
**WORDEN LONG RANGE PLAN II (MINUS APPENDICES)**

September 25, 2008

**Item E-7: Fort Worden Long Range Plan II - Requested Action**

**EXECUTIVE SUMMARY:** This item asks the Commission to adopt *Guidelines for Rehabilitation* and a *Site and Facilities Use and Development Plan* for Fort Worden State Park. The item also seeks Commission approval of a framework and process to guide transition of carefully selected portions of park management functions to a non-profit organization and authorization to proceed with initial steps. This item complies with our Centennial 2013 Plan element, “Our Commitment – Facilities & Financial Strategy” and with our core values.

**SIGNIFICANT BACKGROUND INFORMATION:**

Long-range planning for Fort Worden State Park (Fort Worden) began in the fall of 2004. During the past four years staff worked with the public to complete a series of planning tasks leading to the facility plan, rehabilitation guidelines, and approach to park governance recommended in this agenda item. Long-range planning included three prior Commission actions:

- Adoption of a vision and mission statement for Fort Worden (March 2005)
- Approval of a roadmap and assumptions to guide long range planning (August 2005)
- Adoption of land classifications, long-term boundary, value statements, and park use and development principles (January 2007)

Commission Direction

As part of its January 2007 action, the Commission refined its vision for the park, seeking to establish Fort Worden as a center for life-long learning (Appendix 1). The Commission directed staff to complete several additional tasks towards achieving this vision including:

1. Prepare a *business and operations implementation plan* to guide program development, financial management, and operation of a life-long learning center;
2. Prepare a *site and facilities use and development plan* to guide long-term use and development of the park and complete related environmental review;
3. Prepare *design guidelines* to guide on-going rehabilitation of structures and landscapes and ensure protection of the Fort Worden National Historic Landmark;  
and

4. Assemble a volunteer task force to evaluate park governance and recommend a management structure best suited to achieving the Commission's life-long learning center vision.

### Planning Process

The effort to complete the above tasks incorporated work by a consulting team led by PROS Consulting, a nationally recognized leisure and recreation-oriented management consulting firm. Planning followed four general stages:

- Stage 1: Assessment of existing conditions,
- Stage 2: Exploration of alternatives,
- Stage 3: Development of preliminary recommendations, and
- Stage 4: Preparation of final recommendations for Commission action.

For each stage, staff posted documents to the agency's website, met with individuals and organizations, and held workshops to present information and receive input. Planning has included extensive participation by the Fort Worden Advisory Committee, directors and staff of Fort Worden's non-profit and business partners, the City of Port Townsend, park visitors, staff, neighbors, and interested members of the public. Participants also provided follow-up input by mail and e-mail.

In August 2008, staff provided the Commission a report on progress towards completing directed tasks. This report provided the Commission with preliminary recommendations in the areas of business and operations implementation, site and facilities use and development, guidelines for rehabilitation, and park governance. The report also described issues raised through the planning process and staff's approach to addressing them. Written input from public workshops and follow-up correspondence was also provided to the Commission.

### **STAFF RECOMMENDATION:**

Staff recommendations for the Site and Facilities Use and Development Plan, Guidelines for Rehabilitation and park governance are outlined below.

Staff also prepared a Business and Operations Implementation Plan (Appendix 2) as directed. This plan is intended as a working document to guide implementation of the life-long learning center vision in a manner that is financially feasible and sustainable. Because it is a working document, staff does not anticipate seeking its adoption by the Commission.

### Site and Facilities Use and Development Plan

Staff recommends the Commission adopt the Site and Facilities Use and Development Plan as included in Appendix 3. To accommodate unforeseen uses as Fort Worden grows and evolves, the plan avoids setting particular building functions/users and instead assigns each building a use category. This approach provides flexibility, yet still allows planning for infrastructure, circulation, transportation, and other park-wide systems. Working with the City of Port Townsend Planning Department, staff hopes to propose adoption of the plan by the City Council into its zoning code. This will require additional environmental review and adoption of a "Planned Action" under the State Environmental Policy Act (SEPA).

### *Recommendations for Upper Campground Expansion*

The upper campground currently provides thirty hookup sites. Expansion of this facility would allow existing park host sites to be relocated out of the main campus' historically significant landscape. Aside from improving the appearance of the main campus, relocating host sites to the upper campground puts them in closer proximity to restrooms, showers, trash receptacles, and other RV-related support facilities and amenities.

The forested areas surrounding the upper campground and the Peace Mile Trail provide a significant natural experience in an otherwise largely developed campus. Consequently, staff recommends limiting development of new sites in the upper campground to the existing footprint and previously disturbed areas. Expansion should target ten to twelve additional sites to replace host sites removed from the main campus.

Addition of host campsites to the upper campground may require removal of vegetation. A number of public planning participants have expressed specific concern over this possibility. Consequently, staff will work with interested members of the public during the design of campground improvements to minimize removal of trees and vegetation, limit cut and fill of slopes, and potentially reroute the Peace Mile Trail to maintain its natural experience.

If site constraints preclude adding ten to twelve additional campsites to the upper campground, an alternative could construct a small number of additional sites in conjunction with development of staff housing on the south slope of Artillery Hill. This would require retention of some host sites in their present location until new staff housing that incorporates necessary support facilities (e.g., restrooms and showers) is constructed.

### *Recommendations for Park Entrance Relocation*

The City of Port Townsend suggested moving the park's main entrance from Fort Worden Way to a reconfigured west gate entrance (from Admiralty Street). This would encourage visitors to access the park via San Juan Avenue where the City has completed sidewalks and other safety improvements. Staff received considerable public input urging the entrance not be moved. Issues included potential impacts to natural features and nearby trail experiences caused by increased traffic and related roadway improvements. Rerouting traffic would also have external effects, relocating traffic from one residential neighborhood to another.

Staff recommends that in order to give these issues consideration due, decisions regarding entrance relocation should be conducted as a separate, more detailed planning process. The City of Port Townsend and Fort Worden staff should work together to complete a full evaluation of the advantages, disadvantages, and environmental impacts associated with changing the main entrance. This should include an evaluation of physical constraints, safety, cost, and effects on nearby neighborhoods. Proposed actions resulting from this evaluation will require additional environmental review and consequently, the public will have opportunities to provide additional input.

### Guidelines for Rehabilitation

Staff recommends the Commission adopt the Guidelines for Rehabilitation as included in Appendix 4. By Commission policy, work on historic structures and landscapes at Fort Worden must adhere to the US Department of Interior Secretary's Standards for the Treatment of Historic Properties. While these standards provide guidance on the treatment of historic properties in general, they provide little specific direction on how to preserve the integrity of a particular

historic property. The Guidelines for Rehabilitation recommended by staff provide a critical intermediate step between the Secretary's Standards and design of specific improvements at Fort Worden.

The guidelines provide architects, builders, property managers, tenants, maintenance staff and others with parameters on how much change can be introduced in adapting a site, building, or feature to a new use. Their overall purpose is to ensure that Fort Worden retains its authenticity and historical integrity while allowing flexibility to adapt the site and structures to address evolving needs of the park.

#### *Recommendations for Interpretation of Guidelines and Plan Review*

The State Parks Historic Preservation Officer (SPHPO) should provide on-going interpretation and plan review for proposed projects if or until such time as a Commission-approved non-profit management entity appoints a qualified on-site preservation official to fulfill this function. Alternatively, the Commission may choose to appoint a qualified on-site preservation official without approving a non-profit management entity. The qualifications for the on-site historic preservation official should be agreed upon in a Memorandum of Understanding or other formal agreement between the Commission and the non-profit management entity.

Appointment of an individual, as opposed to a committee, is preferred to promote responsive, timely and predictable decision-making. A review committee may be formed at the discretion of the SPHPO or appointed on-site preservation official, but should only serve in an advisory capacity.

Staff proposes to develop a formal process for review and approval of proposed new construction and rehabilitation projects at Fort Worden. Staff will prepare this process for approval by the Director within six months of Commission adoption of the Guidelines for Rehabilitation. The approved process should include a "pre-application meeting" where the SPHPO or on-site historic preservation official can meet with a project proponent and identify any technical investigation necessary to proceed (e.g., Historic Structure Report, see National Park Service Preservation Brief #43) and establish review requirements, schedule, and other considerations related to the proposed project.

The approved review process should also set a series of review thresholds based on a project's magnitude and the extent of change to historic structures, landscapes, or small-scale features expected to result. This should include a minimum threshold under which no formal review is necessary for work completed by someone with basic training in historic preservation (e.g., routine maintenance and minor improvements). Intermediate and higher thresholds requiring review by the on-site historic preservation official, SPHPO, the Commission, or others should also be established where helpful in fostering predictability, efficiency, or timeliness of review while ensuring the park's historical integrity is preserved.

#### *Recommendations for Revisions and Additions to the Guidelines*

Historic preservation is not a static endeavor. The Guidelines for Rehabilitation will likely require revision to reflect significant changes in the Commission's historic preservation policies, accepted preservation practices, accessibility requirements, and other mandates, or to correct any errors or omissions. Putting the guidelines into actual practice may also reveal situations where additional or more refined guidance on appropriate rehabilitation is necessary or where guidelines lead to an erroneous result.

To ensure they retain their usefulness and remain state of the art, the guidelines should be reviewed on a two-year cycle. As part of regular review, the Fort Worden State Park Manager or non-profit management entity should solicit input from stakeholders (e.g., Advisory Committee, Partners, and City departments/boards) and transmit proposed amendments through the historic preservation officer (either the SPHPO or on-site preservation official) to the State Parks Director and ultimately to the Commission for approval. Commission approval will require an opportunity for public comment as well as environmental review in compliance with SEPA.

Any amendment of the guidelines will require close coordination with the City of Port Townsend, particularly once the City adopts the guidelines into its zoning code as envisioned. Proposed amendments may require separate approval by the City. Amendment of the guidelines will also include consultation with the National Park Service National Historic Landmark Program to ensure consistency with and retention of Fort Worden's National Historic Landmark designation.

In extraordinary circumstances, changes to the guidelines necessary to respond to an emergent issue/need may be proposed for Commission approval outside of the regular review cycle.

#### Governance

In fall 2007, the Director appointed seven members to the Fort Worden Task Force to evaluate park governance and recommend a structure best suited to achieving the Commission's life-long learning center vision. Agency staff, a member of Centrum's staff, and a Special Assistant Attorney General appointed specifically for this project, supported the work of the Task Force. Appendix 5 describes the composition of the Task Force, its evaluation process, and its recommendations.

The Task Force's evaluation included three underlying premises: First, the status quo has not produced a satisfactory result and does not appear financially sustainable over the long-term. Second, the current management structure tends to isolate partner organizations and creates little incentive for them to work together for the good of the park as a whole. Third, the agency alone cannot achieve the Commission's vision for the park. A vibrant, sustainable life-long learning center will require the park and its non-profit and business partners to work together effectively – sharing resources, expanding program offerings, caring for facilities, building financial support, and better collaborating with one another.

The Task Force concluded that management by a non-profit is the structure best suited to achieving the life-long learning center vision. Staff concurs with this recommendation, however understands that implementation will require resolution of significant and challenging issues – particularly those related to safeguarding employment and benefits of park staff and committing the agency to set levels of financial support.

Ultimately, negotiation of long-term agreement may stop short of transferring lead management authority to a non-profit (see Extent of Non-Profit Management below). Nevertheless, staff believes that engaging non-profit participation in management to the greatest extent practicable creates the best chance of achieving the Commission's vision for Fort Worden.

Staff therefore recommends that the Commission pursue integration of a non-profit in management and operation of Fort Worden State Park through the processes and framework outlined below.

#### *Recommended Non-Profit Selection Process*

Perhaps most critical to achieving the life-long learning center vision is the selection of the best-suited non-profit organization with which to partner. Staff recommends that the Commission authorize the Director to select a potential non-profit partner through a two-stage process. The first stage should include a national solicitation asking prospective non-profits to submit a letter of interest describing characteristics and qualifications of their organization applicable to management of the life-long learning center envisioned for Fort Worden.

Receipt of two or more letters of interest from organizations meeting minimum qualifications (as determined by the Director) should initiate a second stage of selection that includes a formal Request for Qualifications (RFQ) or Request for Proposal (RFP) solicitation. With a response from only one qualified organization, the Director may elect to begin negotiations immediately with that organization.

#### *Recommended Transition Process*

The Fort Worden Task Force developed a process to guide a transition to a non-profit management structure. The recommended transition process is purposefully methodical and could take several years to accomplish. The first step involves formulating a Memorandum of Understanding (MOU) with the selected non-profit organization. Not an end agreement in itself, the MOU would set forth a process through which both State Parks and the non-profit would earn each other's confidence and build a working relationship that could lead to a long-term agreement.

Through the MOU, the Commission would ask the non-profit to demonstrate it is capable of assuming management responsibility. Likewise, the Commission would demonstrate to the prospective non-profit its willingness to transfer significant management authority, set necessary policy, and commit adequate resources.

The Task Force developed a framework for setting milestones for each party that once achieved, would demonstrate the organizational capability and capacity necessary for the success of a long-term agreement. Measurable milestones and commitments negotiated between the parties would form the basis of the MOU. Both the Commission and the non-profit's board would be asked approve the final MOU before proceeding.

Both parties would agree that if respective milestones and commitments are met, transfer of management authority and responsibility would be negotiated. Ultimate transfer of management would likely take the form of a long-term lease or management agreement.

Staff recommends that the Commission authorize the Director to negotiate a MOU with the selected non-profit organization for approval by the Commission. Negotiation of the MOU should be guided by the management transition process recommended by the Fort Worden Task Force in Appendix 5 and as described above.

### *Recommended MOU Negotiation Framework*

The Fort Worden Task Force discussed at length the kind of accomplishments needed to assure the Commission, Governor, Legislature, and the public that a non-profit could manage Fort Worden in the public interest – and achieve the life-long learning center vision. To that end, the Task Force developed a framework to guide negotiation of an initial MOU between the Commission and prospective non-profit. The framework includes provisions in the following areas: Leadership and Governance; Business Development; Program and Partner Development; Operating Funding; Capital Funding; Community and Constituent Relations; and Employee Relations.

Staff recommends the Commission approve the framework as recommended by the Task Force in Appendix 5 to guide negotiation of a MOU with the selected non-profit organization.

### *Extent of Non-Profit Profit Management*

The extent and specific areas of management and operation appropriate for the Commission to transition to a prospective non-profit remains for the two parties to negotiate and determine through the MOU process and ultimately a long-term agreement. The Fort Worden Business and Operations Implementation Plan – Consultant Recommendations (Appendix 2), describes four scenarios that incorporate management and operation by a non-profit in varying degrees.

Allowing a non-profit greater participation in park management and operation creates an incentive for it to commit its efforts and resources to achieving the life-long learning center vision. With greater participation by a non-profit, however comes proportionately less administrative control by the agency. The recommended MOU Negotiation Framework therefore identifies sideboards to ensure that the park, its staff, and the agency are not adversely impacted through any management transition and risk to the agency is otherwise minimized.

Staff recommends that the Commission direct staff to negotiate the MOU with the ultimate goal of integrating the non-profit into park management to the greatest extent practicable within limits specified in the approved MOU Negotiation Framework. Staff also recommends that negotiation of issues related to employment and benefits include close coordination and consultation with employees and their representatives.

### **SUPPORTING INFORMATION:**

- Appendix 1: Excerpts from Fort Worden Long Range Plan – Conceptual Facilities, Programs, and Services Recommendations December 2006
- Appendix 2: Fort Worden Business and Operations Implementation Plan – Consultant Recommendation *August 2008*
- Appendix 3: Fort Worden Site and Facilities Use and Development Plan – Staff Recommendation *August 2008*
- Appendix 4: Fort Worden Guidelines for Rehabilitation – Staff Recommendation *August 2008*
- Appendix 5: Fort Worden Task Force Recommendations on Governance *June 2008*

### **REQUESTED ACTION OF COMMISSION:**

*That the Washington State Parks and Recreation Commission:*

1. Thank members of the Fort Worden Task Force for their passion, care, insight, and service to the Commission and the public in preparing their recommendations and successfully completing their charter;

2. Adopt the staff recommended Fort Worden Site and Facilities Use and Development Plan included as Appendix 3;
3. Adopt the staff recommended Fort Worden Guidelines for Rehabilitation included as Appendix 4;
4. Authorize the Director to select a non-profit organization with which to negotiate a Memorandum of Understanding (MOU) for Commission approval, guided by the selection process and management transition process recommended by staff and the Fort Worden Task Force;
5. Approve the MOU Negotiation Framework as recommended by staff and the Fort Worden Task Force;
6. Direct staff to negotiate the MOU with the ultimate goal of integrating the selected non-profit organization into park management and operation to the greatest extent practicable within limits specified in the approved MOU Negotiation Framework and in a manner that does not result in significant financial impacts to the rest of the state park system;
7. Direct staff to consult with park employees and their representatives on any issues related to employment and benefits during negotiation of the MOU; and
8. Direct staff to provide the Commission regular progress reports on the status of MOU negotiations.

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**Reviewer(s):**

**Chris Regan, SEPA Review:** Following review, staff prepared separate environmental checklists and "threshold determinations" on August 6, 2008 for the *updated preliminary recommendation – site and facilities use and development plan* and *updated preliminary recommendation – guidelines for rehabilitation* finding that the action proposed by the Commission staff was minor and the environmental effects not significant.

Copies of these documents have been provided to members of the Commission, and will be made available to other interested parties upon request.

**Ilene Frisch, Fiscal Impact Review:** The agency's 2009-2011 budget submittals include operating and capital requests for Fort Worden State Park. It also dedicates additional revenue earned as a result of these new projects to paying some of their operational expenses. The proposal to competitively select a non-profit organization to manage the Lifelong Learning Center when completed will not negatively impact the agency or its employees.

**Jim Schwartz, AAG Review:** 8/26/08

**Gerry Johnson, SAAG Review:** 8/25/08

**Larry Fairleigh, Assistant Director**

**Judy Johnson, Deputy Director:** \_\_\_\_\_

**Approved for Transmittal to Commission:**

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**Rex Derr, Director**

**APPENDIX 2**  
**INFORMATION ON EXECUTIVE DIRECTOR AND BOARD OF THE FORT**  
**WORDEN LIFELONG LEARNING CENTER PUBLIC DEVELOPMENT AUTHORITY**

**FWPDA Board of Directors Job Description and Expectations**

**Job Description Summary:**

The FWPDA Board of Directors sets policy for the organization; ensures that it is operated in a legal, ethical, open and professional manner; and oversees its operation. Collectively, the Board has direct authority over the executive director, who implements the policies, programs, projects and funding plans approved by the Board. Board members acknowledge that they are “agents” of the City of Port Townsend and must comply with the Open Public Meetings Act when conducting business regarding the Public Development Authority. In addition, Board members are governed by the Charter establishing the FWPDA (City of Port Townsend Ordinance No. 3018, September 8, 2009) and any subsequent amendments to the Charter, resolutions or inter-local agreements between the City of Port Townsend and the FWPDA.

Serving on the Board is part of a community changing process, which involves learning, empowerment, and involvement on the part of all Board members. Board members serve three-year staggered terms beginning in October 2011. The Board will consist of seven to nine members to govern the affairs of the FWPDA.

The Board meets on a monthly basis. The regular meeting date, time, and place will be approved by resolution at the board’s first meeting. The annual meeting will be held in April.

**Board Member Responsibilities\*\*:**

- Provide organizational leadership and advisement.
- Develop and create policies and oversight procedures.
- Oversee financial management, including adoption and oversight of annual budget.
- Identify project priorities, program planning efforts and evaluation mechanisms.
- Be informed about the organization's mission, services, policies and programs.
- Act as an advocate and good-will ambassador for the FWPDA.
- Use sound judgment in weighing facts and issues for decision making.
- Recognize conflicts of interest between the position as a board member and one’s personal and professional life. Declare any conflicts before the board and refrain from voting on matters in which there is an appearance of conflict.
- Observe and comply with the Open Public Meetings Act and display courteous conduct in all board and committee meetings.
- Make decisions on legal issues based on review and clear understanding of advice from counsel.

*\*\* Members of the board share these responsibilities while acting in the interest of the City of Port Townsend and Fort Worden State Park. Each member is expected to make recommendations based on his or her experience and understanding of what furthers the public interest.*

**Expectations of Board Members:**

- Attend and participate in Board and committee meetings and special functions.
- Review agenda and supporting materials prior to Board and committee meetings.
- Assist the Board in carrying out its fiduciary responsibilities.
- Serve on committees or task forces and offer to take on special assignments as necessary.
- Be alert to community concerns that can be addressed by the PDA's mission, objectives, projects and programs.
- Help communicate and promote the mission and objectives of the organization to the community.
- Support in a positive manner all actions taken by the board as a whole even when in a minority position on such actions.
- Establish and oversee implementation of policy by the executive director and staff.
- Refrain from intruding into day-to-day administrative or operational issues.
- If unable to carry out the above responsibilities and expectations, resign the position on the board of directors.

**Board Member Qualifications/Selection Criteria:**

- A passion for Fort Worden State Park, with an understanding of many of the economic challenges facing the sustainability of the Park.
- Support for the FWPDA's role in the Park as well as the City's involvement and oversight of the FWPDA.
- Ability to work as a member of a team.
- Willingness to volunteer personal and professional expertise and experience without financial reward.
- Interest level and time availability.
- Political clout and community influence.
- Specialized skills (e.g., real estate development, construction or project management, financial management, marketing, programming, hospitality and conference management, etc.)

**As a board member, I understand that:**

- Special or unscheduled meetings may be called on occasion.
- It is my responsibility to contact the Board President if I cannot attend a meeting.
- I agree to accept the responsibilities and expectations for serving on the FWPDA Board of Directors.

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Signature

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Date

## **Fort Worden Public Development Authority Board Member & Staff Bios**

### **Cindy Finnie**, Chair, Executive Committee

Cindy Finnie recently retired from Allstate Insurance after 38 years as an insurance executive, specializing in small business development, sales, marketing, human relations and financial management. She is co owner and President of Rainshadow Properties, Inc, a hotel and property management company in business for 17 years. Community activities include serving for 8 years on the Washington State Arts Commission and currently in the third year as Chair of the Commission. She has served on the Centrum Board of Directors since 1998 and currently is on the Board of Directors Jefferson County Community Foundation since 2008, as well as the City of Port Townsend Lodging Tax Advisory Committee. Cindy was recently elected to the Board of Directors of First Federal Bank in Port Angeles.

### **Scott Wilson**, Vice-Chair, Chair Executive Committee

Scott Wilson is owner and publisher of the Port Townsend & Jefferson County Leader, an independent community newspaper and digital marketing company. The company employs 25 residents. His focus is on business development and marketing, both locally and regionally, through print and digital media. He has been co-owner since 1989 and publisher since 2001. Wilson has been president of the Washington Coalition for Open Government, the Washington Newspaper Publisher's Association, Port Townsend Rotary Club and United Good Neighbors of Jefferson County. He is currently president of the WNPA Foundation.

**Treasurer** (vacant position—to be filled in December 2012)

### **Norm Tonina**, Secretary, Executive Committee

Norm is the Chief Human Resources Officer at Grameen Foundation (Washington D.C.), driving strategic alignment, organizational effectiveness, and human resource re-engineering initiatives, and serves on the Foundation's five-person Executive Committee. Norm began his career at Digital Equipment Corporation in 1987 and joined Microsoft Corporation in 1993 as a Finance Manager for its Systems products, eventually becoming CFO of Microsoft's Platforms and Applications business. In 1999, Norm migrated from Finance to Human Resources, where he has held a series of corporate HR leadership positions and directed major strategic global HR initiatives in the areas of executive and high-potential development, and organization effectiveness. Norm earned his Bachelors degree in Business Administration from Northeastern University, a certificate in Executive Human Resources Leadership from the University of Michigan, and a Masters in Organizational Psychology from Antioch University. Norm is a lecturer in University of Washington's (UW) Technology Management MBA Program as well as an adjunct faculty member at the graduate level at Seattle Pacific University. In 2010, Norm was instrumental in co-creating and launching UW's Strategic Human Resources Leadership certificate program, for which he also served as lead faculty member.

**Bill Brown**, Chair, Capital Projects Committee

Bill grew up in Yosemite National Park, where his father was a manager for the Park's private sector concessionaire. He is an avid outdoor activity participant and has always had an interest in Federal, State and Local Park operations and preservation. He is a retired construction manager with over forty years experience building complex commercial / industrial projects in the western US, Hawaii and Hong Kong. Many of the projects were co-managed joint ventures of contractors, or co-managed partnerships with private sector owners or government entities. Examples include project management on the Weyerhaeuser complex in Longview, WA; with the US Navy at Pearl Harbor and with the Jockey Club in Hong Kong. He is a relatively new resident of Port Townsend, but has been an active community volunteer with the Rotary Club and the PDA. Prior to Port Townsend, he lived in Park City, UT where he was a prominent volunteer during the 2002 Winter Olympics, a Trustee of the local Historical Society, President of the Cemetery Association and a ten year elected Trustee of the Water Reclamation District working extensively on Capital Facilities planning. Educational background includes an AB degree from Dartmouth and an MS degree in Civil Engineering from Stanford.

**Gee Hecksher**, Capital Projects Committee

Gee graduated from architectural school at the University of Pennsylvania and spent 3-1/2 years as a Marine Corps officer. Gee's career has included working as an architect for 13 years in Boston and Portland, Maine. From 1980 to 1997, Gee spent 17 years working in a preservation architectural firm in San Francisco serving as a construction project manager working on many seismic upgrades and rehabilitations of historic structures in the Bay Area as well new construction. In 1997, Gee returned to preservation architecture working on many west coast projects including numerous National Park Service structures and culminating in the seismic upgrade and rehabilitation of Pasadena City Hall. Since moving to Port Townsend, Gee has been involved as a member of the Port Townsend Historic Preservation Committee and currently serves on the Port Townsend Planning Commission. As a volunteer member of the board of the Jefferson County Historical Society, Gee provided project management duties overseeing construction of a new 10,000-square-foot artifact storage building. Other current activities include being a founding board member of the Port Townsend School of Woodworking and Preservation Trades located at Fort Worden, board member of the Northwest Chapter of the Association for Preservation Technology and board member of the Washington Trust for Historic Preservation which recently hosted the National Preservation Conference in Spokane.

**Lela Hilton**, Chair, Communications Committee

Lela Hilton is Academic Director for the Jefferson Clemente Course, and national Program Director for the Clemente Course in the Humanities. The Clemente Course is an internationally recognized program that brings college-level humanities courses to low-income students. She also teaches at Edmonds Community College and has a background in adult education and environmental policy. Lela was the original Program Coordinator for the WSU Learning Center in Port Hadlock, whose mission was to bring diverse educational programs to underserved residents of Jefferson County. As a consultant she has worked as an evaluator, researcher, writer, fundraiser, grant-writer and program designer for diverse non-profits and organizations funded by the Ford Foundation, the National Endowment for the Humanities, the National Science Foundation and the State of Washington. She is a past recipient of the Humanities Washington Award which recognizes outstanding achievement in public humanities, and she has

served on various boards, including the Boiler Room Wild Olympic Salmon, and the Women's History and Culture Center.

**Anne Murphy**, Communications Committee

Anne Murphy is in her 23<sup>rd</sup> year as Executive Director of the Port Townsend Marine Science Center, a 30-year old, nationally recognized, education- and conservation-focused organization located in Fort Worden State Park. She has been involved in watershed and coastal education since completing her B.S. in Natural Resource Management and Environmental Education at Oregon State University in 1975. At the Marine Science Center she and her staff have built a strong community and regional science education program serving students, teachers, adults and families as well as agency, university and non-profit partners. Anne places a high priority on creating learning environments in which citizens are able to become familiar with the ecological complexities of their local environment and take action for its preservation and has cultivated a vital citizen science program that responds to local and regional issues by involving citizens in monitoring, research and restoration. Anne led the capital campaigns for a facility expansion to add a natural history exhibit and a renovation for a new Orca exhibit at Fort Worden. Anne has a long involvement with the Northwest Straits Marine Conservation Initiative, serving on the Jefferson Marine Resources Committee from 2000-present and on the Northwest Straits Commission from 2000-2006. She was awarded the Warren G. Magnuson Puget Sound Legacy Award in 2009 for her work in regional environmental education.

**Tim Caldwell**, Communications Committee

Tim was born and raised in Port Townsend and served as the Port Townsend Chamber executive director for 17 years. Tim is a member of the Fort Worden Advisory Committee and has been involved in the fort's Lifelong Learning Center visioning process since 2007. Tim currently is Puget Sound Energy's customer service manager for Jefferson County. Tim has a Master's degree in Military History from Norwich University, Maine, and his thesis highlighted the career of John Worden, the officer that Fort Worden State Park was named in honor of.

**Dave Robison**, Executive Director

Dave has worked for over 20 years in planning and development, including working as a planner and Director of Building and Community Development for the City of Port Townsend. Dave was the founding executive director of the Northwest Maritime Center and was responsible for all aspects of the planning, design, permitting, project management, fundraising and community relations necessary to construct the \$13 million, 27,000 square-foot maritime education facility. Dave also served as the project manager during the construction of the Maritime Center. Dave has extensive experience and success in fundraising, securing over \$20 million for capital projects and programs, and specializes in working with local, state and federal agencies as well as private foundations and individual donors to complete community projects. Dave has served as a consultant to the City of Port Townsend and Centrum in the development of the Lifelong Learning Center at Fort Worden State Park. Dave is also an affiliate faculty and teaches three planning practicums in the Masters of Urban Design and Planning at the University of Washington.

Dave's fundraising experience includes:

- A \$2.25M Washington State Capital Budget Appropriation
- Over \$2.5M in Economic Development Initiative Federal Appropriations
- Over \$6.5 in competitive federal grants (e.g., NOAA, HUD, FEMA, DOT)
- Over \$4M in competitive Washington State grants (e.g., IAC, ALEA, CZM, RCO, Heritage Capital Projects)
- Over \$3M in competitive private foundation grants (e.g., Norcliffe, Murdock, Kresge, Gates)
- Over \$3M in major gifts by individual donors

**APPENDIX 3**  
**2012 PROVISO LANGUAGE RELATED TO FORT WORDEN STATE**  
**PARK FROM 3ESHB 2127 SECTION 303 (5) P. 138**

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Passed%20Legislature/2127-S.PL.pdf>

16 (5)The state parks and recreation commission, in cooperation with  
17 the Fort Worden lifelong learning center public development authority  
18 authorized under RCW 35.21.730 shall provide a report to the governor  
19 and appropriate committees of the legislature no later than October 15,  
20 2012, to create a lifelong learning center at Fort Worden state park.  
21 This plan shall support and be based upon the Fort Worden state park  
22 long-range plan adopted by the state parks and recreation commission in  
23 September 2008. The report shall include a business and governance  
24 plan and supporting materials that provide options and recommendations  
25 on the long-term governance of Fort Worden state park, including  
26 building maintenance and restoration. While the commission may  
27 transfer full or partial operations to the public development authority  
28 the state shall retain title to the property. The state parks and  
29 recreation commission and the public development authority will agree  
30 on the scope and content of the report including the business and  
31 governance plan. In preparing this report the state parks and  
32 recreation commission and the public development authority shall  
33 provide ample opportunity for the public and stakeholders to  
34 participate in the development of the business and governance plan.  
35 The state parks and recreation commission shall review the report and  
36 if it is consistent with the 2008 Fort Worden state park long-range  
37 plan shall take action on a long-term governance and business plan no  
38 later than December 31, 2012.

**APPENDIX 4**  
**DIRECTION FROM WASHINGTON STATE PARKS AND RECREATION**  
**COMMISSION, ITEM E-5, MARCH 29, 2012 – SUBSTITUTE PROPOSED**  
**REQUESTED ACTION**

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**Substitute Proposed Requested Action for Item E-5 – Possible Transfer of**  
**Fort Worden State Park**

That the Washington State Parks and Recreation Commission:

1. Expresses its strong commitment and reaffirms its September 25, 2008 approval of the Fort Worden Long-range Plan and related planning documents to transform Fort Worden State Park into a Lifelong Learning Center (Agenda E-7). The Commission also reaffirms its previous resolution (March 2011) supporting the Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) to serve as the managing entity for the Lifelong Learning Center.
2. Intends, prior to taking any final action on the best governance model to achieve the goal of Fort Worden State Park becoming a Lifelong Learning Center, to provide ample opportunity for the public, stakeholders and the legislature to learn about and express their views to the Commission.
3. Recognizes that the FWPDA does not seek a transfer of the park. The Commission affirms its intention to maintain ownership of Fort Worden State Park and to ensure that Fort Worden will remain a State Park.
4. Directs the Director to designate a lead staff person to work collaboratively with the FWPDA in the development of a business plan and governance model (Plan) for the long-term management of the Lifelong Learning Center at Fort Worden State Park.
5. Agrees that State Parks will support the development of a Plan with staff support and other resources as may be mutually agreed upon.
6. Directs that the Plan and supporting materials provide information, options, and recommendations on matters related to the long-term governance of Fort Worden State Park including, but not limited to: terms regarding the scope and holdings of real and personal property; time frames; the long term sustainability of park operations, including sources of revenue, estimated revenue, as well as estimated annual operating and capital maintenance costs; potential risks and liabilities for the state, as well as potential mitigation measures; potential impacts on and transition plans for any affected state employees; ensuring the sustainability of the park in perpetuity; and contingency plans to address significant funding or other park challenges that may arise.

7. Urges the FWPDA to complete the Plan meeting the above requirements and submit it for third-party review by a mutually-agreed upon business plan consultant and OFM no later than September 1, 2012.
8. Urges the FWPDA to submit the Plan with findings and/or recommendations from the consultant and OFM, to the Commission no later than October 1, 2012. If the Plan is found to meet the above requirements and can stabilize the Park's operations and achieve sustainability the Commission shall review the report and Plan for consistency with the adopted 2008 Fort Worden Long-range Plan.
9. Subject to findings of consistency with the Fort Worden Long-range Plan, feasibility of sustainable operations and consistency with the interests of the public and State Parks system, the Commission agrees to vote no later than December 31, 2012 on its acceptance of the Plan and, if appropriate, enter into a management agreement with the FWPDA.
10. Acknowledges that it will not seek another management entity on or before December 31, 2012, unless the FWPDA abandons its efforts.

# APPENDIX 5

## AREA PROPOSED FOR MANAGEMENT BY THE FORT WORDEN LIFELONG LEARNING CENTER PUBLIC DEVELOPMENT AUTHORITY



## APPENDIX 6

# FORT WORDEN STATE PARK BUSINESS AND MANAGEMENT PLAN EXECUTIVE SUMMARY

### Fort Worden Public Development Authority

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#### Executive Summary

The 2012 *Business and Management Plan* is an evaluation of the financial viability of a management partnership between the Washington State Parks and Recreation Commission (Commission) and the Fort Worden Public Development Authority (PDA).

- A management partnership can be successful for the Commission, the PDA, Fort Worden State Park, the public it serves, and the Lifelong Learning Center mission adopted by Parks. Conditions for success include close cooperation in policy, management and operations; clear division of roles and responsibilities; a mobilization fund (\$300,000) provided by the PDA to kick-start marketing, advertising, website upgrades, improved reservation systems and transition costs; an initial cash reserve of \$250,000 provided by the PDA for cash flow; and subsequent agreements that detail capital facilities priorities for the PDA to pursue its enterprise solutions and new partnerships within the context of lifelong learning.
- Fort Worden has always operated under a management partnership, given that the park was created concurrently with Centrum in 1973 as a center for artistic and cultural education. That original arrangement has not expanded to keep up with the times, however. Fort Worden State Park is unique among other similar sites elsewhere in the United States in that it is not operating under a management partnership that more successfully supports the State's ability to manage and maintain facilities and infrastructure, and deliver diverse services at the park. Multiple similar sites to Fort Worden have evolved their management approach to a partnership model to achieve more sustainable stewardship and management of the site including Fort Baker and Fort Mason in California, Jekyll Island in Georgia, and Fort Vancouver here in Washington.
- In 2008, the Commission acted on a four-year extensive public process that Fort Worden should not be managed as a traditional state park. The Commission approved a *Business and Operating Plan* that demonstrated that Fort Worden could succeed as a Lifelong Learning Center, although with an annual state subsidy. A recession began that same year that has, by 2012, resulted in significant budget cuts and employment cuts for State Parks on the whole. Fort Worden has seen its overall visitation hold static over 10 years, and conference attendance decline by 31 percent over that period. Lack of marketing is one identified contributor to this unfortunate slide. In 2011 and 2012, the Commission authorized the pursuit of a management partnership with the PDA to implement the Lifelong Learning Center mission to see it realized without a substantial ongoing subsidy from Parks. This Business and Management Plan was explicitly listed as a condition of formalizing any such partnership.
- Fort Worden is a major economic driver in Port Townsend and Jefferson County. The events and accommodations at the park bring over 1,000,000 visitors to the area each year, and generates over \$11,600,000 in local and state revenues not including the direct revenues of the park. Fort Worden provides for up to 200 local jobs at the site, and supports approximately 237 additional jobs in the area. Fort Worden provides an estimated annual contribution to local household earnings of over \$3,400,000.
- It is recommended that the Commission continues to own 434-acre Fort Worden and be responsible for its overall management. Parks will focus on its traditional strengths: managing the campgrounds; enhancing recreation opportunities for day-users or campers; serving as steward of natural, historic and cultural resources; overseeing and supporting facility and infrastructure repair and maintenance; providing public access to the beaches, trails, natural areas and historic monuments; and providing law enforcement for the entire park.

## Fort Worden Public Development Authority

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- It is recommended that the PDA manage the 100-acre campus area of Fort Worden and focuses on the development of the Lifelong Learning Center. This includes:
  - Management of partners, programs, conferences and events, the recruitment of new learning-oriented partners toward the same; management of leases
  - Management of and renovation of a range of accommodations options, including new accommodations
  - Coordination of reservations, food service and facility management toward a more efficient and centralized visitor experience
  - Marketing, sales and recruitment toward building partner programs and fulfilling the Lifelong Learning Center and financial sustainability
  - Assist in the fundraising to complete the Building 202 renovation project as a multi-use college center as the cornerstone capital project of the Lifelong Learning Center.
- Sustaining and improving the historic facilities of Fort Worden should be a shared responsibility of State Parks and the PDA, as well as new and existing partners, in accordance with a management agreement and a capital facilities plan. Capital repair and replacement initiatives will come from both public and private sources. The study has identified \$89 million facility and infrastructure needs that will take creative financing and fundraising. This is anticipated to be shared between multiple parties with the State retaining \$8-15 million in capital funding responsibilities at the site over the next ten years, focused primarily on infrastructure and utilities. The remaining capital needs would optimally be funded through current and future partners and outside funding sources.
- Market analysis concludes that there is substantial opportunity for growth for the kinds of programs and associated revenues envisioned by the Lifelong Learning Center, with the bulk of participation to be drawn from within the Pacific Northwest. Opportunity is especially evident through improvements in the mix and quality of accommodations, which must be a priority of the PDA.
- Financial analysis concludes that the PDA can be financially self-sustaining in the long run without ongoing government subsidy, under the following conditions:
  - The PDA needs a start-up fund of \$250,000 to cover cash flow projections during its first five years. This reserve should come from both public and private resources.
  - The PDA needs to raise \$300,000 to mobilize resources prior to any transition for coordinated marketing services, development of a comprehensive reservation system, website and initial staffing.
  - The PDA would provide campground reservations for State Parks in order to provide a seamless experience for the visitor. A proportion of campground revenues would go to support this management service with the PDA and revenues to the PDA would taper down over 10 years.
  - The PDA needs to recruit a private investor/hotel operator to invest in the redevelopment of historic building(s) to provide improved accommodations by its seventh year. Revenues from this concession are important to the long-term financial health of the Lifelong Learning Center.
- At its launch as a management partner, the PDA would employ between 10-15 persons at pay rates comparable to existing Parks rates, and with benefit (health and pension) packages comparable to private businesses or nonprofits; however these benefits are below those of state employees.
- An effective governance structure must be guided by a co-management policy board made up of Parks, PDA and state-wide representatives. The mix ensures both a regional and statewide perspective to guide Fort Worden. This board sets broad policy for Fort Worden State Park, and directs an Operations Committee of Park and PDA managers. Day-to-day operations are guided by a management agreement.
- The City of Port Townsend has no financial obligation to subsidize the PDA. The management agreement will include provisions for close monitoring of the PDA toward its program and financial obligations. State Parks will have early notice in the unlikely event that the PDA is failing financially, and State Parks would reassume control over the campus area.