

FORT WORDEN TASK FORCE GOVERNANCE RECOMMENDATIONS Updated June 24, 2008

Note: the Fort Worden Task Force developed the recommendations on governance described in this document. Agency staff is currently considering the Task Force's recommendations, but has not reached any conclusions or developed any recommendations at this time.

In 2007, the State Parks and Recreation Commission (Commission) adopted a publicly supported vision for Fort Worden as a center for life long learning. As envisioned, the Fort will become a full-service, year-round destination providing a diverse array of meaningful experiences for people of all ages, backgrounds, skills, and interests through its programs, events, services, and facilities. A multitude of resident partners will create a shared economy that supports state of the art programming in the arts and culture, health and wellness, natural science, outdoor recreation, and historic preservation. With a variety of conference facilities and accommodations ranging from camping to residences and single guest rooms, plus high-quality food service focused on locally grown ingredients, the new Fort Worden will allow visitors to design their stay around their needs and preferences.

As part of its adoption of the life-long learning center vision, the Commission recognized that it alone did not have the resources required to achieve the vision. It needed to find a way for non-profits and businesses operating at the Fort to participate fully – sharing resources, expanding program offerings, caring for facilities, building financial support, and better collaborating with one another.

As a first step toward this vision, the Commission chartered a task force to evaluate applicable governance structures and recommend the one best suited to manage a life-long learning center. The Director appointed members to the Fort Worden Task Force experienced in organizational development and governance and from a variety of organizational perspectives including:

- State Parks and Recreation Commission Member
- State Arts Commission Staff/Commissioner
- County Commissioner/City Councilmember
- Fort Worden Advisory Committee (2)
- Experienced Former State Legislator
- Philanthropic Community
- Washington Federation of State Employees (WFSE)

In developing its recommendation, the Task Force first identified characteristics and capabilities necessary or desirable to manage and develop the envisioned life-long learning center. Identified characteristics and capabilities fell into four major areas: Mission-Related; Structural; Resources and Operations; and External Relations.

Mission-Related

- Achieve life long learning center vision
- Nurture and sustain programming
- Effectively address state priorities in government

Structural

- Relative ease to establish
- Focus on Fort Worden
- Agility and Flexibility

Resources and Operations

- Partner with State
- Achieve predictability in state resources
- Behave entrepreneurially
- Generate capital and operating funds (public, philanthropic, enterprise)
- Embrace socially responsible business practices

External Relations

- Attract and integrate partner organizations
- Incentive to address statewide constituency
- Collaborate with local community

The Task Force then evaluated the status quo and a range of applicable governance structures in relation to identified management characteristics and capabilities to determine the best fit.

Applicable governance structures included:

General Purpose Government

- State (status quo)
- Local (e.g., City Parks Department)

Special Purpose Government

- State Chartered (e.g. State Trade and Convention Center, Safeco Field Public Facilities District, or Qwest Field Public Stadium Authority)
- Locally Chartered (e.g., Pike Place Market Public Development Authority)

Non-Profit Corporation

- Public Benefit Organization (e.g., Educational or Scientific Institutions, Arts and Culture Organizations, Churches, and Charities)

A for-profit corporation and a limited charitable foundation were two additional potential governance structures ultimately not considered by the Task Force for lead management at Fort Worden. The previous phase of conceptual planning specifically eliminated a for-profit corporation in the lead management role. A limited charitable foundation was considered best suited to a supporting role to the other governance structures under consideration.

From its analysis, the Fort Worden Task Force recommends that a non-profit corporation is best suited to manage a life-long learning center (Table 1). This management structure combines the fund raising capability and flexibility of non-profits with the potential for investment by private enterprise, and the financial capacity, stability and public accountability of state government. Lead management by a non-profit also breaks down isolation among the Fort's resident partners

and creates an incentive for them to work together and share in the long-term care of the park and its facilities.

ISSUES/ATTRIBUTES	General Purpose Government		Special Purpose Government		Not-For-Profit Corporation
	State	Local	State Chartered	Locally Chartered	
	(Status Quo)	(City or County)	(WSCTC; Safeco PFD; Owest PSA)	(PDA; PFD)	Education Inst; Charity; Church
STRUCTURAL:					
How Established/Relative Ease	X				X
Ability to Prioritize/Focus on Fort Worden					X
Flexibility/Agility in Responding to New Opportunities or Changed Circumstances					X
Ability/Incentive to Operate Transparently and Accountably	X		X		X
MISSION:					
Ability to Develop and Implement 3LC Vision/Mission/Business Plan	X				X
Ability to Nurture/Sustain Programming					X
RESOURCES/OPERATIONS:					
Ability to Effectively Partner with State					X
Ability to Achieve Predictability in State Resources			X		
Capital	X		X		
Operating			X		
Ability/Incentive to Behave Entrepreneurially					X
Ability to Generate Resources					X
Private					X
Enterprise			X		X
Capital			X		X
Operating					X
Philanthropic					X
Capital					X
Operating					X
Other Public			X		X
Capital			X		
Operating					X
Ability/Incentive to Embrace Socially Responsible Business Practices, Including Employee Issues					X
EXTERNAL RELATIONS:					
Ability to Attract and Integrate Partner Stakeholders					X
Ability/Incentive to Address Desires of Statewide Constituency	X				X
Ability to Collaborate with Local Community					X
Public Users					X
Volunteers					X
Local Governments					X
Local Businesses					X

Table 1: Fort Worden Task Force Governance Evaluation Matrix

While the Task Force recommends that a non-profit is best suited to manage, it is important to assure the public that Fort Worden will always remain a state park and operate according to the vision, mission, values, and principles the Commission has adopted for the Fort.

Should State Parks concur with the Task Force’s recommendation, the Commission would then direct agency staff to identify a prospective non-profit organization with which to negotiate a formal memorandum of understanding (MOU) to guide management transition. During the transition, the Commission will expect the non-profit to demonstrate it is capable of assuming management responsibility. Likewise, the Commission must demonstrate to the prospective non-profit that it is willing to transition significant management authority and has put in place financial commitments and administrative provisions needed to help realize the Commission’s and public’s vision for Fort Worden. This may take several years to accomplish (Table 2).

Task	2008				2009												2010 through 2013			2014
	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December				
Commission adopts facility plans and authorizes preparation of MOU																				
State Parks staff identifies prospective non-profit																				
Staff negotiates MOU with prospective non-profit																				
Commission and non-profit board approve MOU for execution by staffs																				
State Parks and non-profit staffs work to achieve milestones in MOU																				
State Parks and non-profit staffs negotiate long-term lease (or similar)																				
Commission and non-profit board approve long-term lease (or similar)																				

Table 2: Approximate Transition Timing

Staff should ask the Commission to authorize execution of a MOU with specific, measurable commitments that it and the prospective non-profit must satisfy in order for a management transfer to occur. Similarly, the non-profit’s board of directors should also be asked to authorize execution of the MOU, thereby committing itself to the transition. Both the Commission and the non-profit’s board must approve the final MOU.

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

The Task Force spent a lot of time discussing 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 recommends that a MOU between the Commission and prospective non-profit include 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, some elements of which are summarized below.

Program and Partner Development (Life-Long Learning Center)

The non-profit will:

1. Work with all organizations operating at the Fort to adopt a classification system and selection criteria to guide recruitment, retention, and development of long-term contractual relationships with non-profit and business partners.
2. Coordinate and manage new program offerings by *new* and *existing* partners to a level to be determined consistent with the life-long learning center vision.
3. Develop with all partners a marketing and communications (media) plan that promotes “Fort Worden” as a unifying brand.

Leadership and Governance

The non-profit will:

1. Develop organizational capabilities and capacities necessary to enter into a long-term master lease with the Commission, including hiring an executive team with skills/experience in management of a historic facility and the envisioned programs of a life-long learning center.

2. Recruit board members with widely recognized profiles, appropriate business acumen, and philanthropic capacity, and including a State Park representative.
3. Establish opportunities for engagement by partners in management of the Fort.
4. Put in place administrative and reporting systems that ensure management of the Fort is conducted fairly, ethically and transparently, consistent with State and Commission policy.

The Commission will work with the non-profit to establish ways for the public to continue to provide meaningful input into management and development of the Fort.

Business Development

The non-profit will:

1. Develop and implement a start-up business plan that is informed by the Business and Implementation Plan completed by PROS.
2. Develop and manage equitable means for all partner organizations to contribute to the long-term sustainability of programs and facilities.
3. Adopt a business strategy to develop and manage accommodations.
4. Work with the Commission to develop and implement a park-wide information management system.
5. Work with partners to align their organizational planning with that of overall Fort Worden program goals.
6. Increase concession and other earned revenues to levels to be determined.

The Commission will:

1. Confirm authority to establish long-term business relationships (e.g., long-term lease terms that encourage capital investment and concession agreements of longer than seven years).
2. Work with the non-profit to develop and implement the park-wide information system.
3. Work with the non-profit to develop a funding strategy for transition activities (i.e., completing milestones outlined in this document).

Operating Funding

The non-profit will:

1. Secure from all partners increased commitments that meaningfully contribute to on-going operation of the Fort (includes both monetary and non-monetary commitments to a level to be determined).
2. Complete a fund raising feasibility analysis/plan and secure donations to levels over time to be determined.
3. Assist individual partner organizations in raising donated funds.
4. Establish operating reserves, endowment and/or line of credit to demonstrate long-term financial stability.

The Commission will remain committed to the financial stability of Fort Worden and explore mechanisms through which it can provide it a predictable level of on-going operations support, provided this support does not result in significant financial impacts to the rest of the state park system.

Capital Funding

The Commission and the non-profit will:

1. Develop a shared long-term facility development plan that combines philanthropic, enterprise, and state funding.
2. Prepare 10-year capital plan approved by OFM to help ensure a multi-biennium capital and planned maintenance commitment to Fort Worden State Park.

Community/Constituent Relations

The non-profit will:

1. Develop park-wide data collection system to inform business decision making.
2. Develop and enhance volunteer and docent opportunities to a level to be determined.

The Commission will:

1. Work with City of Port Townsend to complete requisite environmental review for adoption of Fort Worden's Site and Facilities Use and Development Plan and Design Guidelines into the City's zoning code (SEPA Planned Action).
2. Work with the non-profit and City of Port Townsend and other local jurisdictions to address development of the transportation and utility infrastructure serving the fort.

Employee Relations

The Commission and non-profit will:

1. Work with current state employees at Fort Worden and their representatives to achieve mutually acceptable resolution of any employment and benefit issues associated with the management transition.
2. Create an organization plan that includes coordinating the working relationship between state employees and employees of the non-profit.