

Fort Worden

— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

Fort Worden Lifelong Learning Center Strategic Plan

July 23, 2024



Acknowledgments

Organizing and facilitating a robust process that results in a creative, forward-looking and inclusive parks master plan is significant endeavor. The Consultant Team would like to thank the numerous members of the community, partner organizations, and local leadership and staff that generously contributed to the development of this strategic plan. This includes but is not limited to those listed below.

Fort Worden Hospitality
Northwind Art
Port Townsend School of Woodworking
WA State Parks
Centrum
Port Townsend Marine Science Center
City of Port Townsend
Peninsula College
Fort Worden Lifelong Learning Center Public Development Authority Board of Directors
United Earth Networks
KPTZ 91.9 FM Port Townsend
Rainshadow Recording
Madrona MindBody Institute
Fort Worden Foundation
Jefferson County Commissioner, District 1
Copper Canyon Press
Friends of Fort Worden
Jamestown S'Klallam
Port Gamble S'Klallam
Pacifica Law Group
Bridgeton Hospitality
The Presidio Trust
Fort Vancouver Historic Trust
Kitsap Bank

THANK YOU!

Table of Contents

Executive Summary	3
Brief History of Fort Worden and the PDA	7
Objectives of this Strategic Plan	9
Key Issues and Constraints.....	10
Summary of Stakeholder Input	15
Market Analysis.....	19
Economic Impact Analysis of Fort Worden	35
Governance, Operations, and Hospitality Analysis	37
Key Recommendations	63
Strategic Action Plan	69
Conclusion	73
Appendix A – Market Analysis Detailed Findings	74
Appendix B – Core vs. Casual Participation Trends	103
Appendix C – Community Tapestry Segmentation	110

Executive Summary

To begin, there are a few contextual statements that need to be established in defense of all the people and players that have worked or voluntarily served at Fort Worden especially over the last 12 years at the Fort Worden Public Development Authority (PDA or FWPDA), Washington State Parks, Fort Worden Hospitality (FWH), or any of the other institutions working at the park. Clarity in hindsight is a luxury and it is easy to pick apart the actions of the past. This report at times points out errors in how decisions may have been made or prioritized but that is not in an effort to villainize or blame anyone involved. Looking back on things from our present point of view, we have no idea the circumstances surrounding those in leadership and their decisions. Where this report may identify and describe decisions that may not have produced their intended outcomes or value, it is merely in an attempt to identify mistakes in the past for the purpose of avoiding them in the future.

As a result of this plan being completed in June 2024, a working group was formed to evaluate alternatives and determine the best path to move forward. The working group included leadership from State Parks, the PDA, City of Port Townsend, Fort Worden Hospitality, and Centrum and they have concluded that the PDA would not be financially viable by the end of the current calendar year. Discussions of a new operating strategy with that in mind are ongoing. That's said, the ability for the PDA to charge fair market rents and leases for occupancy and use of the facilities by tenants and partners could be part of the solution to the PDA's operating cash flow problems.

After 16 years, the Lifelong Learning Concept at Fort Worden as currently implemented is not economically viable and requires rethinking and restructuring to ensure the future of the Fort Worden experience. During Washington State Parks' tenure, 40+ years of deferred maintenance coupled with typical annual repair and maintenance costs resulted in an operational deficit of approximately \$1M. Neither PDA 1.0 (2013-2020) with Hospitality integrated nor PDA 2.0 (2021 – 2023) with an independent Hospitality operation were able to generate enough revenue to offset this constant and growing repair and maintenance deficit. While the deferred maintenance issues were well known in 2013 with the onset of the PDA, it was expected and envisioned the PDA would be successful in raising funds from outside public and private sources to address the maintenance needs. This turned out to be more challenging than originally thought and the level of capital needed was not actualized.

One of the biggest issues that impacted the PDA and its finances was there was not sufficient financial preparation by the PDA to take on the maintenance and repair burden they inherited on the fifth year of their lease with Washington State Parks. Steps were taken, yes, to be operationally prepared such as hiring maintenance staff, but a capital reserve fund that could sustain their initial years of these responsibilities was not established at the necessary scale. Through the terms of executed subleases with the other entities on site, PDA 2.0 deferred most of the maintenance and repair responsibility to "partners" and concessions in a distributed set of agreements that results in a somewhat chaotic and disconcerted approach to repair and maintenance. There is no clarity or shared understanding around what is required to maintain the campus, and specifically one's own leased facilities.

The Fort Worden Lifelong Learning Center model as envisioned in the 2008 Plan, and as currently implemented through predominantly a set of small and poorly capitalized non-profit and for-profit organizations cannot sustainably support these significant and disruptive campus maintenance needs nor the increasing operational costs driven by inflation and the sheer inefficiency of the physical plant.

Lodging inventory – when it's not offline due to repair and maintenance issues – is limited to group-type facilities without single occupancy rooms, focusing on serving and supporting campus needs without the capacity to serve typical tourism market opportunities. The maintenance and repair backlog diminishes any real revenue potential in the current model.

Future economic viability requires a more diversified mix of uses than is currently allowed by State Parks' land use rules - specifically housing - to drive other commercial uses that could be more financially viable. More diversified land use is further constrained by rigid historic preservation guidelines that may be outdated and/or exceed even federal requirements, as well as federal limitations stemming from certain past funding sources.

In this report, we make seven key recommendations for restructuring the Fort Worden operations. These seven key recommendations, however, are built on a set of assumptions that we can procure significant public and private investment. These underlying assumptions constitute an updated operating framework with State Parks that includes:

- Significant enough investment by State Parks and the State in their own property to demonstrate good faith to potential investors and funders, including ~3 years of operational support in addition to capital funding.
- Reframing the Lifelong Learning Center model to allow for wider diversification of campus use.
- State Parks should exercise as much flexibility as possible within the restrictions they have including possible changes in historic preservation guidelines and partnership practices to further enable diversification of uses and expand approaches to updating the campus.
- Collaborative partnership between State Parks and the primary operating partner.

Within a new operating framework with Washington State Parks, we then recommend:

- 1. Primary operating partner to State Parks.** The logic that led to the creation of the FWPDA in 2012 was sound in that the magnitude and nature of the responsibilities of operations, partner management, and program delivery at Fort Worden goes well beyond the resources of Washington State Parks. Some of the most successful examples of similar parks, including Fort Vancouver National Historic Site and The Presidio, all operate with a primary partner to the public land-owning entity. This creates an opportunity for additional resources to be pursued and leveraged and adds more flexibility in operational practices than traditionally possible through a state agency. The primary operating partner will need to work closely with State Parks to ensure that challenges created by issues as noted above can be thoughtfully and carefully addressed to ensure success.
- 2. The Future of Hospitality Services.** Based on a thorough review of the operations and performance of Fort Worden Hospitality by the Consultant Team, it is believed the organizational shift to have hospitality services as a separate entity from the FWPDA has not been successful. It is recommended that the responsibility for delivering hospitality services be re-acquired by the primary operating partner. Additionally, it is recommended that a professional hospitality services firm be recruited to manage all aspects of hospitality at Fort Worden State Park with the exception of the two campgrounds. This includes overnight accommodations, meeting spaces/conference services, and food and beverage services. Additional services, such as retail, could possibly be added in the future.
- 3. Private Sector Fundraising Partner.** The future success of the primary operating partner will require both the use of earned revenues, as well as successful fundraising with private donors, funders, and institutional funding. To be effective, the primary operating partner needs a private sector fundraising

entity that is it is perfectly aligned with its priorities, core values, and operational and capital needs. It is recommended that the primary operating partner, be it either a new entity or the existing FWPDA, create and establish the new Fort Worden Conservancy for this purpose. It should be staffed with professional fundraising and development employees that have expertise and competencies in many areas including but not limited to private sector fundraising, major individual donor fundraising, institutional grants and funding opportunities, public sector fundraising at the state and federal level, donor onboarding and management, and successful fundraising events. If the preferred strategy for the primary operating partner is a non-profit organization or conservancy, this entity could perform all fundraising activities on its own behalf without requiring the partnership of a separate organization.

4. **Agreement Between the Primary Operating Partner and State Parks.** There are two primary options to consider as to the nature of the relationship between the primary operating partner and Washington State Parks Commission. This will likely require that existing partner leases must be renegotiated with significantly improved clarity, equity, and terms.
5. **Prioritize Placemaking: Energize the Campus.** One of the distinctive differences between Fort Worden and two of the similar sites evaluated in this planning process (Fort Vancouver National Historic Site and The Presidio) is the whole feeling and nature of the visitor experience. Each of those places has a much more diverse, robust and broad set of tenants energizing those campuses with much more activity than at Fort Worden. There are private, commercial business tenants that are focused on visitor services, retail, and professional services tenants. Examples of this could include but not be limited to private health and/or wellness clinics, doctor offices, occupational therapy clinics, or a spa/massage therapy clinic. Other examples might include businesses such as financial services, appropriate retail, or even communal workspace for coworking. There are a lot of options to consider with the caveat that no organization be recruited that detracts from the intended vibe of Fort Worden – a place of peace, quiet, rejuvenation, enlightenment, and innovation.

The Consultant Team feels strongly that if we all looked at the campus through the lens of more intentional placemaking – being a great place to work and play – it would help to generate ideas and alternative for adaptive reuse of existing facilities and recruiting new partners/tenants that also would have the ability to pay closer to market rates on the leases.

Finally, the land on which Port Townsend and Fort Worden are located was very important to the S'Klallam peoples for thousands of years before Europeans and Americans began to show up. It is critical and a strong recommendation of this plan that discussions continue with the local tribes about new and creative ways in which to partner that would be meaningful to the tribes.

6. **Multi-pronged Approach to Facility Investment.** The largest and most challenging issue to overcome to secure a viable and sustainable future for Fort Worden is a significant investment in the integrity of facilities. Their current unreliability and state of deterioration is untenable and will not support a resilient business plan for any operational entity. The required investment in facilities is at such a scale that transforms their condition from being on the defensive and at constant threat of infrastructure failure, to being reliable and secure in their integrity so that industry-standard preventative maintenance strategies are the norm. The scale of this required investment is in the hundreds of millions of dollars. While a detailed inspection of facilities and related capital estimating was not within this scope of this plan, based on their experience and expertise the Consultant Team estimates this is likely in the range of

\$150-\$350 million over the next 10 years. That size of investment demands a multi-faceted approach that spreads the burden across multiple opportunities both in the public and private sectors.

7. Collaborative Branding, Programming, and Fundraising. First off in this category of recommendations is the need to develop a more compelling and market savvy sense of identity and brand for the lifelong learning center vision. As an identity and brand, “Fort Worden Lifelong Learning Center” is too wordy, clumsy, and has almost an institutional feel about it. And the acronym is “LLC”. While it may describe the vision of Fort Worden, it does not relay a sufficient sense of inspiration, intrigue, or mystery that would be compelling to our target markets or the public at large. Further, the implementation of the “Fort Worden Lifelong Learning Center” is limiting, inconsistent and not inclusive. The Consultant Team recommends to engage a professional marketing firm to explore what a new brand identity could be. In that process, it is also recommended to channel multiple themes into that discovery and development process:

- The sense of place
- Indigenous histories
- Environmental and regional uniqueness
- A sense of renewal and spirituality
- Health, wellness, and personal growth
- An institute of innovation, thoughtfulness, and exploration
- The integration of science, art, culture, education and the environment
- The designation of Fort Worden as a component part of the Port Townsend Creative District

There is a potential bright future for Fort Worden and the lifelong learning center vision but it will require patience, hard work, and a multi-dimensional approach to achieve as articulated in this plan. It is also possible that the reality of this vision will fade away if significant facility investments are not actualized, there is no other future primary operating partner to State Parks created, and buildings fall into disrepair and are shuttered. It would be a shame if that were the fate of Fort Worden but it is certainly in the realm of possibility given where the park campus stands today.

The local residents of Port Townsend are passionately supportive of Fort Worden but at the same time are sometimes its greatest challenge. There are strong feelings vocalized about keeping the park the way it was and in opposition to new strategies for how the facilities of the Fort can be invested in. This strong adherence to the conditions of the past and heavy local control of the park are strangling to many of the potential solutions that can save it. The needs of Fort Worden to remain as it has been or better are so great that only creative and diverse strategies that are potentially a departure from the past or tradition will be possible to address the issues. This is not only advice for the local community but also for the State Parks Commission.

In summary, for the campus of Fort Worden State Park and the vision of the lifelong learning center to survive in the long term every stakeholder, partner, and local resident will need to put their personal bias or adherence to tradition aside and think about what is best for the Fort. Washington State Parks Commission alone as an agency does not have the financial capacity to address the myriad facility issues on site. The City of Port Townsend does not have the financial capacity nor the interest to take on this challenge either. Aside from Centrum, the majority of existing partner organizations operating on campus do not have the financial capacity to deal with the facilities as needed. New strategies and new ways of thinking are absolutely essential in order to navigate these challenges moving forward. As a Consultant Team, we offer this plan as a hopeful set of strategies that can potentially avoid the alternative of the eventual decay of what once was envisioned as a bright future for Fort Worden State Park.

Brief History of Fort Worden and the PDA

The home ground on which Fort Worden State Park is located has been of immense significance and value to many peoples for thousands of years. It is a place of great meaning to first peoples of the Salish Sea for millennia before the first Europeans began to arrive in the 1770s. American settlers arrived in the area in the early 1800s and in 1851 the City of Port Townsend was founded. The Fort itself was first established in 1898 and began military operations in 1902. It was a pivotal Army and Naval installation for over 50 years as a part of the “triangle of fire” that protected the entrance of the Puget Sound from invasion by sea. It was decommissioned as a military fort in 1953, purchased by the Port of Port Townsend in 1956, and then sold to the State of Washington in 1957 to operate as a juvenile detention facility.

The State Park and Current Situation

In 1971, Fort Worden was transferred to the Washington State Parks Commission and in 1973 it was opened to the public as a state park. In that same year, Centrum was founded to provide arts and educational programming at Fort Worden State Park. Since that time, programming and visitor experience opportunities have expanded significantly and now include 15 partners operating on site including Washington State Parks and the Fort Worden Lifelong Learning Center Public Development Authority.

In 2012, the City of Port Townsend established the Fort Worden Lifelong Learning Center Public Development Authority (“FWPDA”) and in the following year Washington State Parks Commission executed a master lease agreement with the FWPDA to operate and manage the “campus” areas and facilities as the primary operational partner. This included managing all hospitality functions and performing as property management for all programmatic partners on site.

The financial performance of the FWPDA was fairly strong up until 2018 at which time it had assumed all facility and grounds maintenance responsibilities for the campus area over the previous two years per the terms of the master lease. Additionally, the FWPDA had taken on significant debt service as a part of the development project for Makers Square. Over 95% of the operational resources of the FWPDA were derived from the provision of hospitality services and with the onset of the COVID-19 pandemic in 2020, all hospitality services ceased for a period. This perfect storm of circumstances, as well as other organizational changes in 2022, has led to the current situation in which the FWPDA is financially obsolete.

FWPDA Business Model is Flawed

It been noted by both the Consultant Team as well as legal subject matter experts that were involved in negotiating the original master lease between FWPDA and the State Parks Commission that the original business model of the FWPDA was flawed, contributing to the current situation. This business model – which is still substantially in place - required FWPDA to perform all management duties on the campus including coordinating all the organizations operating at the park, and after the first four years of the agreement with State Parks also assume all site and facility maintenance of the campus area. The only operational resources available to the FWPDA to perform these duties were revenues generated by the provision of hospitality services, lease payments from organizations operating in Fort Worden facilities, and concession fees. It also envisioned that FWPDA would create within its organizational portfolio an enterprise focused on private sector fundraising to further support its operational resources. The latter was never achieved at the scale originally intended or expected, leaving the vast majority of FWPDA’s operational resources to the revenues stated above. The scale of the responsibilities of FWPDA particularly pertaining to site and facility maintenance far outpaced the operational resources available to support the needs of the campus, thereby committing FWPDA to operate from a defensive position from the beginning.

One Organization Into Three

In 2022, the FWPDA further exacerbated the challenging situation on campus by splitting out the fundraising enterprise to a newly formed entity named Fort Worden Foundation, and hospitality services to a newly formed entity named Fort Worden Hospitality. Of course, there were hopeful intentions this may have some benefits to improve the functionality of hospitality services and fundraising, but ultimately created more challenges as now there are three separate organizations providing the same services as the original FWPDA, thereby significantly reducing the role of the FWPDA moving forward and hindering the accountability of Fort Worden Hospitality and Fort Worden Foundation to support the FWPDA in meeting its obligations.

What is a “Partner”?

In 2013, the other organizations operating onsite came together to execute a memorandum of understanding amongst themselves for the purpose of working together towards the vision of a Lifelong Learning Center. Neither the FWPDA nor the State Parks Commission were included in these discussions or this agreement, and it was never re-executed every three years after that point, so it is an expired agreement currently. In that agreement, the organizations defined themselves as “partners” operating in collaboration with each other hence the advancement of that term for referring to the organizations on site. For the purposes of this plan and to create more clarity around the nature of relationships between different organizations, the term “partner” is more clearly defined here. Moving forward, the following definitions will apply to organizations based on the roles they play at Fort Worden.

Term	Definition
Primary operating partner	The organization in a master lease agreement with State Parks Commission for purposes of managing the campus area of the park and coordinating all the other organizations operating on site.
Operating partner	Any organization that, through an agreement with the primary operating partner, is managing a specific aspect of the operations of Fort Worden.
Programmatic partner	Any organization that, through an agreement with the primary operating partner or other programmatic partner, provides programs and services at Fort Worden to enhance the visitor experience and/or provide public benefit.
Concessionaire	Any organization that, through a concession agreement with the primary operating partner, other operating partner(s), or other programmatic partner(s) that provides programs and services at Fort Worden to enhance the visitor experience, and by virtue of that agreement provides a concession fee based on a percentage of their gross revenues.
Tenant	Any organization that, through a lease agreement with the primary operating partner utilizes a facility or facilities on the Fort Worden campus for private or commercial purposes. Tenants will provide a lease payment and financially contribute to utilities and other shared maintenance costs of the campus.

These definitions can be additive, so, for example, an organization can be a “partner” while also being either a tenant or concessionaire. Many organizations currently operating at Fort Worden are a programmatic partner as well as a tenant. Fort Worden Hospitality is an operating partner and a concessionaire.

Objectives of this Strategic Plan

PROS Consulting was engaged by the FWPDA in December 2023 to complete this *Strategic Plan* specifically focused on determining the most winning strategies for a bright future of Fort Worden State Park and its partners. The following key objectives have driven the development of this plan:

- **Engage key partners and stakeholders** to understand the vast operational needs and opportunities at Fort Worden State Park.
- **Evaluate current operational conditions**, management strategies, and governance structures.
- **Hold no bias** towards any existing conditions or organization, including that of the FWPDA.
- **Develop recommendations** that are **unique to Fort Worden State Park** and **founded on state and national best practices**.

Engaged Stakeholders

The foundation of this *Strategic Plan* and its recommendations is based on extensive and thoughtful insights and shared information from key partners, stakeholders and subject matter experts. Those engaged throughout the process included but were not limited to the following individuals and entities.

- FWPDA staff and Board of Directors
- Washington State Parks Commission and staff
- City of Port Townsend
- Jefferson County
- Fort Worden Hospitality
- Centrum
- Fort Worden Foundation
- Port Townsend Marine Science Center
- Friends of Fort Worden State Park
- Madrona Mindbody Institute
- Peninsula College
- Port Townsend School of Woodworking
- Puget Sound Coastal Artillery Museum
- Copper Canyon Press
- Northwind Arts
- Rainshadow Recording
- KPTZ 91.9 FM Community Radio
- United Earth Networks
- Gerry Johnson, Pacifica Law Group
- Kitsap Bank
- Bridgeton Hospitality
- Fort Vancouver Historic Trust
- Michael Boland, Presidio Trust
- Jamestown S'Klallam Tribe
- Port Gamble S'Klallam Tribe



Key Issues and Constraints

There are several key issues and constraints that were identified in the process around which the recommendations and strategies detailed herein were developed. The most prominent of these issues are described below.

Role of State Parks

The operational role of Washington State Parks on the campus of Fort Worden evolved over the course of the first few years of the agreement with the FWPDA per the terms of the Master Lease. While State Parks still maintains their offices in the headquarters building and provide visitor check-in services for visitors that are at the park to camp or to access areas requiring a Discover Pass, after the first four years of the agreement with the FWPDA, State Parks transferred site and facilities maintenance to the PDA and stepped back almost entirely from other operational duties on the campus. The agency still does provide periodic capital investment on the campus for major facility or infrastructure issues particular in the case of system failures, but all other operations, management and regular maintenance duties are that of the FWPDA. This more passive role of State Parks on the campus has also led to the struggles of the FWPDA to meet its obligations.

Leadership of the FWPDA

While well intentioned, the leadership of FWPDA in its first 10 years operated in a manner that significantly contributed to the situation we face today at Fort Worden. In defense of all individuals involved, it is noted that hindsight is a luxury and we should also be empathetic to what it was like at the time to be in a seat of authority making decisions in the moment. That said, there were a couple of issues that are key to point out for the purposes of creating the same situation moving forward with potentially a different primary operating partner or a reconstituted version of FWPDA.

Firstly, the Consultant Team and leadership of State Parks have observed that the original FWPDA did not appear to focus enough on the “shared economy of partners and concessionaires” which should have been a priority and needs to be addressed in future agreement(s), nor did it really invest in a productive relationship with State Parks. The current version of the FWPDA has placed significant time and energy into these relationships. Secondly, there also seems to have been a lack of full transparency and perhaps even full understanding by the FWPDA itself of the actual nature of their operating situation over the years. This was compounded by a series of poor financial decisions including not being financially prepared to assume site and facility maintenance on the fifth year of the master lease, prioritizing their first major capital project on the renovation of non-revenue generating facilities, and by not properly designing, resourcing or executing the glamping project.

Many of the issues the FWPDA was facing and further encountering over time could have been addressed earlier if there had been more open dialogue and communication with State Parks around the reality of their financial situation. The FWPDA at that time was not operating in the same type of partnership with State Parks as it has been over the last year. As noted later in this plan, while there can be improvements made to the agreements and the other recommendations contained herein can be implemented, ultimately State Parks will need to have a primary operating partner that is well run, transparent, and exercising good business practices or we will repeat the woes of recent history.

Facility and Infrastructure Integrity

With 423,302 square feet of historic buildings at Fort Worden State Park, there is a substantial footprint of aged facilities and infrastructure that require daily and regular maintenance in order to keep operational. This is by far the most significant limitation to the success of all the partners and particularly Fort Worden Hospitality (FWH) and the FWPDA at the park. The unreliable availability of facilities to be operational and usable specifically for the hospitality portfolio creates a serious problem for even knowing which facilities will be on-line and available for reservations and use on a weekly basis. Other operational partners report major problems with the buildings they are leasing, from plumbing and electrical issues to even front doors that do not operate properly. Additionally, because of the



nature of the lease agreements between the FWPDA and the operational and programmatic partners executed in 2022, it forces all organizations to be an operational partner by virtue of taking care of their own facility repairs and maintenance which is neither effective nor efficient. There has been no substantial and sweeping capital investment in the historic facilities and deferred maintenance has accumulated over the last 50 years. That said, Washington State Parks has invested \$7,238,520 in capital projects since 2019 that are almost exclusively addressing deferred maintenance issues (roof replacements, failing sewer lines, failing water lines, building exterior improvements, etc.).

Without a significant, strategic and multi-pronged approach to bringing facility and infrastructure conditions to a state in which the partners are not constantly operating from a defensive position, the FWPDA and Washington State Parks is only surrendering to the future of this park being some version of the status quo. Only an intentional and fruitful investment strategy in facilities and infrastructure at the park will be effective in securing a foundation upon which successful operations can exist.

Hospitality Needs To Be A Viable Enterprise

By far, the most significant source of operating resources and earned revenues to support the FWPDA and its responsibilities is currently derived from hospitality services. Since the onset of the COVID pandemic in 2020, hospitality services has not yet recovered to the level of service seen in the 2014-2019 timeframe. It is unclear to the Consultant Team as to the strategy behind separation of Fort Worden Hospitality from the FWPDA in 2022, as this has created significant problems and inefficiencies for the efficacy of both organizations. As noted later in this report, there are a number of issues affecting the success of FWH as a viable enterprise at Fort Worden including but not limited to uncertain and changing facility and portfolio inventory, optimal organizational structure, properly resourced marketing and sales, and reservation and pricing practices.

As of the time in which this report was developed, Fort Worden Hospitality is out of compliance with its concession agreement with the FWPDA and is not providing the revenues and utility reimbursements it owes to the FWPDA to support its own functions at the campus.

Poorly Structured Agreements

One of the first observations of the Consultant Team in developing this *Strategic Plan* was that among the foundational issues affecting the solvency and resiliency of the FWPDA and “partnership economy” of the park stems from the terms of the master lease between the FWPDA and Washington State Parks Commission. The intended partnership economy of the lifelong learning vision is one in which all organizations operating at the park in service to this vision financially contribute in some manner to the overall success of the enterprise by the provision of their unique services and through their leases, share common maintenance expenses in proportion to the scale of their organization, and financially benefit from their collective success.

There are many terms of the master lease agreement that are vague and obscure, leaving room for interpretation, misunderstanding, or even intentional non-compliance. Also, the terms were established in such a manner that the financial magnitude of the responsibilities assigned to the FWPDA far outpace the earned revenues and operational resources it can generate. This is especially true when it comes to facility maintenance as the FWPDA is not set up with the capacity to stay abreast of these issues within the confines of its earned revenues – and within the context of the magnitude of deferred maintenance. It was originally intended that the FWPDA would be able to fundraise investments from the private or public sectors to support facility and infrastructure maintenance and repair, but that has not yet occurred at any scale.

Following on from the master lease, the partner/tenant leases, including the concession agreement between the FWPDA and Fort Worden Hospitality, are similarly vague, obscure, and even sometimes contain terms that are self-contradictory. As a body of business contracts, they do not hold together to define an operational business model that can support the campus. The Consultant Team acknowledges there was some value to the FWPDA as to the deferment of facility maintenance and capital repairs / upgrades solely to the partner organizations through these leases in that it pushed over \$30 million in estimated deferred maintenance from the FWPDA’s responsibilities to that of the partners. That said, three critical errors exist in that logic in that:

1. Those maintenance responsibilities were deferred to organizations the majority of which do not have nor will ever have the financial capacity to meet those obligations and facility needs in a meaningful way.
2. This was done in exchange for relieving those organizations of any lease payments for the 25-year duration of their agreements.
3. The maintenance responsibilities are now fragmented across more than 15 organizations and still need to be centrally managed and administered by FWPDA resulting in a complicated and labor intensive administrative burden is more than FWPDA can bear under the current revenue and reimbursement models.

So not only has the responsibility to take care of facilities been deferred to organizations that are financially incapable of meeting those obligations, but the revenue resources also needed by the FWPDA to help meet its obligations on campus that stemmed from these leases was eliminated.

Fragmented Collaborative Branding, Fundraising or Calendaring

Despite the shared desire amongst all the partners to support Fort Worden as a lifelong learning center, a vision that was initially developed in 2008, currently we do not see any intentionality or actions being taken to develop a collaborative branding strategy that actually promotes the campus and its partners as such. There are very limited examples of collaborative programming amongst the partners, albeit there is some coordination maintained by Centrum with certain select partners. The outside world beyond the boundaries of the campus knows very little of the vision of Fort Worden as a lifelong learning center.

While most of the partners are non-profit organizations, the consultants did not identify any collaborative fundraising efforts. Each organization has their own donor and funder portfolios and do their fundraising independently from each other, with shared donors often receiving separate asks and proposals from multiple partners.

Finally, there is no master calendar of events and programs that is maintained currently. This has been identified as a need in the recent past by partners but has not yet been achieved. In order to support more collaborative programming and cross-pollination of visitors and participants, maintaining a shared calendar of events and programs is critically important.

All of this is a large issue affecting the success of the lifelong learning center enterprise. This issue has roots in an overall lack of staffing and lack of capacity across nearly every entity on the campus. This points out the underlying issue that even in a non-profit business, viability is critical to success. Throughout the history of Fort Worden State Park for what we know, there has never been a vetting or viability process to ensure that the partners could be active and contributing members of the community versus being standalone entities purely making use of the space with an intent of collaboration. This is not a judgement of right or wrong but simply points out that this has been the historical approach and does not enable a connected community that works together to create co-programming and development opportunities.



Conclusion

As noted, the current situation at Fort Worden and particularly the lifelong learning center enterprise is dire and will require a lot of patience, hard work, and a broad suite of actions in order to set it on a more sustainable and successful path. This is not something that will happen quickly but will likely take 1-2 years in order to fully actualize. One of the issues that is apparent is that the idea of what is the vision of the lifelong learning center at Fort Worden while commonly shared is not commonly defined. Some organizations interpret the vision in a very narrow manner that is most aligned with their own mission, while others adopt a broader definition. For the sake of clarity, this strategic plan provides a recommended definition that can help to guide future decision making and setting of priorities. It is our recommendation that the definition be broad and inclusive to enable the most opportunity in the future. Our suggestion is:

The Lifelong Learning Center at Fort Worden is a place that enables personal exploration, enlightenment, empowerment, and betterment through experiences that broaden the mind, heal the spirit, and awaken the senses. Experiences can be either personal or professional in nature, with the aim of improving knowledge, skills, competencies, and life enrichment within a personal, civic, social, and/or employment-related perspective.

Fort Worden is too special of a place to allow it to crumble around us. The challenges are immense, but so are the possibilities. The remainder of this reports builds on what has been presented in this executive summary with further granularity and detail, as we recommend action steps for moving forward. Fort Worden is worth saving, but it will take a collaborative, creative, concerted, and intentional effort, as well as a lot of work, in order to be successful.



Summary of Stakeholder Input

This planning process began on January 8, 2024, with a meeting of all the partners at Fort Worden State Park. Over the course of February through April, continued input, insights, and best practices were collected from additional external stakeholders relevant to this process. This was conducted through over 30 in-person and virtual meetings that included the following organizations and individuals:

- FWPDA staff and Board of Directors
- Washington State Parks Commission and staff
- City of Port Townsend
- Jefferson County
- Fort Worden Hospitality
- Centrum
- Fort Worden Foundation
- Port Townsend Marine Science Center
- Friends of Fort Worden State Park
- Madrona Mindbody Institute
- Peninsula College
- Port Townsend School of Woodworking
- Puget Sound Coastal Artillery Museum
- Copper Canyon Press
- Northwind Arts
- Rainshadow Recording
- KPTZ 91.9 FM community radio
- United Earth Networks
- Gerry Johnson, Pacifica Law Group
- Kitsap Bank
- Bridgeton Hospitality
- Fort Vancouver Historic Trust
- Michael Boland, Presidio Trust
- Jamestown S’Klallam Tribe
- Port Gamble S’Klallam Tribe

Summary of Findings

Throughout the course of these stakeholder conversations there were several overarching themes that continually arose. These are detailed below and on the following pages.

Strong Commitment to Success

In all the discussions with partners, Washington State Parks, and external stakeholders both private and public sector alike, there remains a strong desire and commitment for Fort Worden to be successful. There are different opinions amongst some stakeholders as to what the best strategies are to achieve long-term success based on their different experiences and perspectives, but all those engaged are aware that success may require change that in end may not be a perfect solution for everyone. It will be important to continually remind partners and stakeholders that success of the park, its partners, and the lifelong center vision is the overall goal and that may require not everyone getting everything they want.

Strong Support for Lifelong Learning Center Vision

The original idea of a lifelong learning center at Fort Worden State Park initially emerged in 2005, with its first strategic/operating plan completed in 2008. This vision is still very much alive amongst partners, the City of Port Townsend, and Jefferson County. All parties recognize that not much has been done to actually promote that concept to the outside world, but it is still very much alive as an internal construct.

The Agreements Have Always Been a Challenge

Everyone agrees that ever since 2013 when the master lease was executed between FWPDA and Washington State Parks Commission, the lease agreements have been challenging to work with. Partner leases were not fully executed until 2022 in some cases and reflected the same ambiguity and vagueness as the master lease which have continued to fan flames of frustration, confusion over responsibilities, and mistrust. There are some partners who prefer their current leases because of this ambiguity but overall this is an issue that must be addressed.

Deep Concern Over Lease Payments

It is important to acknowledge that in almost all conversations with partners there is a strong concern over the possibility of their leases being renegotiated and lease payments brought up closer to market value. Most of these partners are very small non-profit or sole proprietorships with very limited financial capacity. Concern of being priced out of their spaces that many of them have occupied for up to 20 years or more are valid. That said, there seemed to be reticent acceptance that something about lease payments likely need to be addressed in future agreements for the sake of the whole enterprise.

Relationship Challenges and Mistrust

Over the last 10 years since the FWPDA originally took over management of the campus area and the partners, there have been several occasions, experiences, and decisions made that many of the partners feel were harmful to the spirit of collaboration and overall relationships between the partners and FWPDA. Much of this harkens back to the “culture” of the partnership economy that the FWPDA was establishing at that time. That was reported to be more of a “parent-child” relationship with partners than that of true partnership. This has caused serious injury to these relationships and the current FWPDA leadership is working to improve upon that on a day-to-day basis. This will be one of the greater hurdles for the primary operating partner in the future in getting new ideas or new ways of doing business as a partnership accomplished, or even garnering support for some of the recommendations in this plan. The Consultant Team did observe that this issue does seem to be improving but will still require more time and shared successes to overcome.

Consensus on Facility Condition Challenges

Undoubtedly, there is consensus on the severity of challenges presented by the highly deteriorated condition of facilities across the campus. Some partners even report that they are in the process of considering moving their operations elsewhere from Fort Worden because the building(s) they occupy are in such poor condition. While everyone recognizes that considerable investment in facilities is an imperative need, most of the partner organizations are not in a financial position to making significant upgrades to their facilities. Centrum is successfully raising approximately \$20 million dollars to invest in facilities which they utilize, but this is an exception. KPTZ 91.9 FM community radio has invested in the renovation of their new facilities in which they are soon to occupy. In addition to Centrum, Port Townsend School of Woodworking Northwind Arts and the Port Townsend Marine Science Center are capable of fundraising at a scale to support their capital needs.

Detailed Partner Comments

In the January 8, 2024, meeting with partners, we led an open discussion around the desired goals, objectives, and outcomes they would like to see come from this process. Below are the comments received in that discussion.

- Strive for the potential collaborative, large-scale fundraising that could be possible.
- Addressing debt service of the FWPDA and whether its practical to manage it differently.
- Clarity of organizational design; roles and responsibilities.
- What is the governance structure that makes the most sense?
- With the “right size” of organizations for success?
- Need to address the tremendous capital needs of the campus.
- Address the role of Fort Worden within the larger community.
- Understanding better the desire of our community to interact with Fort Worden and its partners; to interact with this space for the community and understanding the needs of the partners.
- Community wants a Lifelong Learning Center+; how do we meld together all the missions; how do we share resources and not cannibalize each other?
- Exciting to acknowledge historical plans, but we need to look at this through today’s lens.
- This plan should enable us and support us in being more externally focused regionally and statewide.
- We need a framework for collaboration that gives the managing entity the ability to organize and get behind our shared vision and goals; leverage each other.
- Explore alternative methods for leveraging future lease/concession arrangements that bring considerable capital investment from a new partner.
- There is the possibility to build new facilities here if that creates new opportunities.
- Understanding the restrictions and opportunities related to being on the national historic register.
- Define in the modern context the highest and best use of Washington State Parks as a partner/landowner.
- How do we best generate and maintain good will with leadership in Olympia.
- Open up channels of communication and collaboration with other entities in Port Townsend and Jefferson County that we should be talking to.
- Better understanding the seasonality of Fort Worden and learning from how other sites deal with this.
- Utilizing Consultant Team skills to better understand the hospitality market and what opportunities we really have.

This page intentionally left blank.

Market Analysis

Introduction

A key component of the Fort Worden Operations, Management, and Governance Strategic Analysis is a Demographics & Recreation Trends Analysis. The purpose of this analysis is to provide the Fort Worden Public Development Authority (“PDA”) insight into the makeup of the population they serve and identify market trends in recreation. The report also helps quantify the market in and around Fort Worden State Park (“Park”), including Jefferson County (the primary service area for this analysis), a 2-hour drive time from the Park (referred to as the Secondary Service Area), and the ‘Extended Service Area’ (which is equal to a 4-hour drive from the Park). Engaging these areas in this analysis assists in providing a better understanding of the types of facilities and services used to satisfy the needs of residents both near and far.

This analysis is two-fold; it aims to answer the *who* and the *what*. First, it assesses the demographic characteristics and population projections of both County residents and residents of the secondary and extended service areas to understand *who* the Department serves. Second, recreation trends are examined on a national and local level to understand *what* the population wants to do. Findings from this analysis establish a fundamental understanding that provides a basis for prioritizing the community need for parks, trails, facilities, and recreation programs.



Demographic Analysis

The Demographic Analysis describes the population in Clallam County and Jefferson County (the primary service area), the population within a 2-hour drive time from the Park (the secondary service area), and the population within a 4-hour drive time from the Park (the extended service area). This assessment is reflective of the service areas' total population and their key characteristics such as age, race, and income levels. It is important to note that future projections are based on historical patterns and unforeseen circumstances during or after the time of the analysis could have a significant bearing on the validity of projected figures. **Figures 1a and 1b** show the boundaries used for each service area.

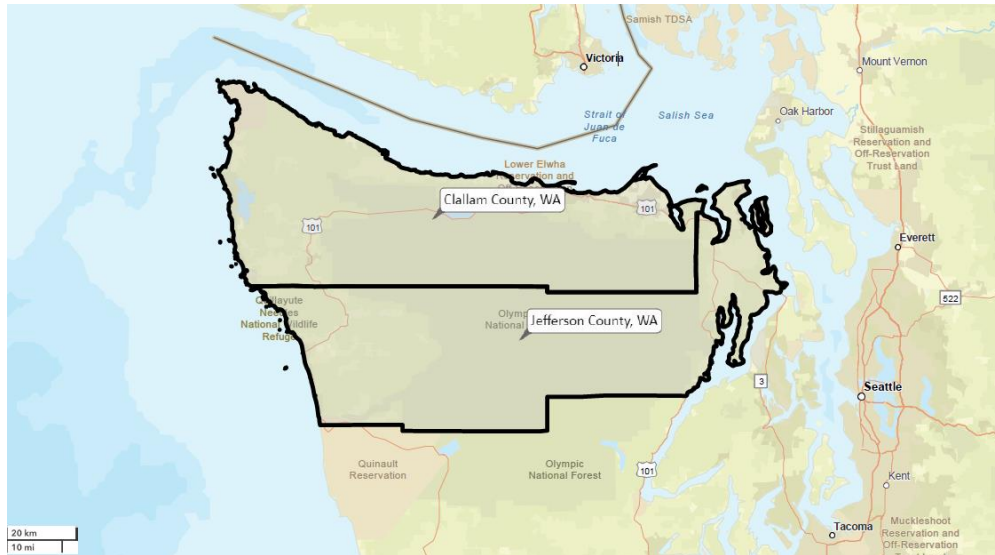


Figure 1a: Clallam County and Jefferson County

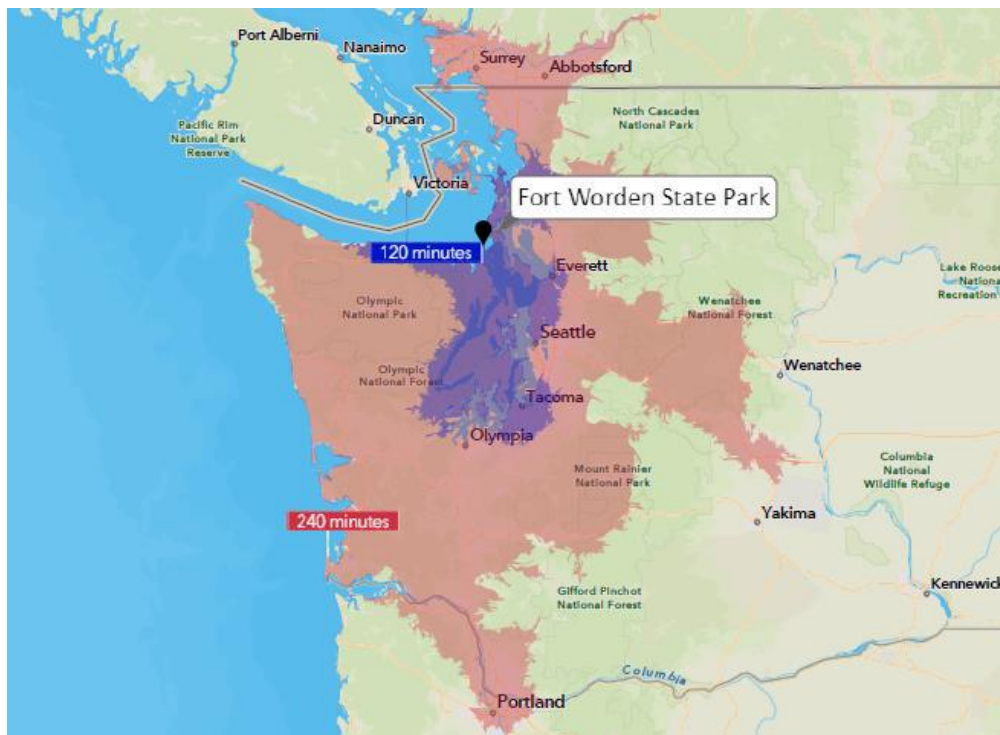







Figure 1b: 2-Hour and 4-Hour Drive Time Service Areas

Demographic Overview

The following is a summary comparison of the demographics for Jefferson County, the secondary service area, and the extended service area. Each of these demographics will be defined and analyzed further in subsequent sections (See Figure 2).

2023 Statistics	Clallam County and Jefferson County	2-Hour Drive Time	4-Hour Drive Time
Population 	112,608	2,771,563	7,221,163
Households 	51,465	1,105,631	2,857,376
Median Age 	39.1 Years	39.1 Years	39.1 Years
Median Income 	Per Capita: \$43,144 Household: \$64,434	Per Capita: \$52,835 Household: \$92,744	Per Capita: \$53,178 Household: \$94,297
Race 	82% White 1% Black 2% Asian 9% Two or More Races 6% Hispanic Origin	62% White 6% Black 12% Asian 12% Two or More Races 12% Hispanic Origin	64% White 5% Black 12% Asian 12% Two or More Races 12% Hispanic Origin

A complete report of the market analysis can be found in this Appendix of this report.

Figure 2: Primary, Secondary, and Extended Service Areas'

Hospitality Inventory Analysis

A key component of the Market Analysis is a Hospitality Inventory Analysis of not only Fort Worden, but also Port Townsend in 2023. The purpose of this specific analysis is to gather a better understanding of the available inventory in Fort Worden and Port Townsend, including overnight stays and short-term rentals of all types. Once the inventory is quantified, it will be easier to assess gaps in inventory availability, occupancy or utilization rates of that inventory, and create a path to increasing the occupancy and revenue of Fort Worden housing.

Available Inventory

Available Nights Per Month in 2023

The following table shows the number of available nights per month in both Fort Worden and Port Townsend throughout 2023. This data does not account for whether or not those nights were booked, just the number of available nights overall within each month of the year.

Available Nights per month: 2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fort Worden	1,600	1,450	1,605	1,552	1,603	1,549	1,600	1,602	1,286	1,338	1,289	1,342
Port Townsend	3,602	3,262	3,877	3,362	3,835	3,822	4,212	4,294	4,731	4,398	4,313	4,163

Overall, Port Townsend at any given month has at least double (and sometimes close to triple) the number of inventory that Fort Worden does, with Fort Worden's lowest available nights per month at 1,289 (in September) and Port Townsend's at 3,262 (in February). Alternatively, Fort Worden's highest availability for its housing inventory is in May with 1,603 available nights, while Port Townsend can see as high as 4,731 available nights (in September). For both Fort Worden and Port Townsend, the summer months typically had more nights available,

Available Nights Per Day in 2023

Similarly, the following table illustrates the number of available nights in Fort Worden and Port Townsend on an average day in each month.

Available Nights per day: 2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fort Worden	52	52	52	52	52	52	52	52	43	43	43	43
Port Townsend	116	117	125	112	124	127	136	139	158	142	144	134

Fort Worden remains mostly consistent throughout the year, offering 52 nights (per day) from January to August and 43 nights from September to December. Alternatively, Port Townsend's available inventory fluctuates much more, dropping as low as 112 in April and rising as high as 158 in September. Similarly to the previous section, Port Townsend itself is capable of offering over double that of Fort Worden's capacity at any given time.

Current Utilization

2023 Occupancy Rates

To fully understand the housing inventory of both Fort Worden and Port Townsend, an occupancy analysis was conducted; this analysis simply took the amount of booked nights in 2023 for both locations and divided them by the available nights. Therefore, the percentage that was calculated from that shows the number of available nights in each month that are actually being booked. The following chart illustrates the results:

Occupancy Rates: 2023												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fort Worden	9%	26%	24%	35%	23%	39%	63%	65%	56%	37%	35%	27%
Port Townsend	43%	52%	53%	65%	66%	75%	87%	87%	76%	64%	51%	54%

In terms of occupied rooms, the summer months are clearly home to the higher results, as both Fort Worden and Port Townsend saw their highest occupancy rates from June through September. However, in comparison, Fort Worden has a much lower occupancy rate than Port Townsend, with differences in some months as large as 43%.

This discrepancy in occupancy rate between Fort Worden and Port Townsend may be due to several reasons; Fort Worden housing is clearly a bit more expensive than some Port Townsend housing stock, and not everyone considers staying in Fort Worden as an option. This is further addressed in the Hospitality Operations Review and Analysis section of this plan.



Visitation Analysis

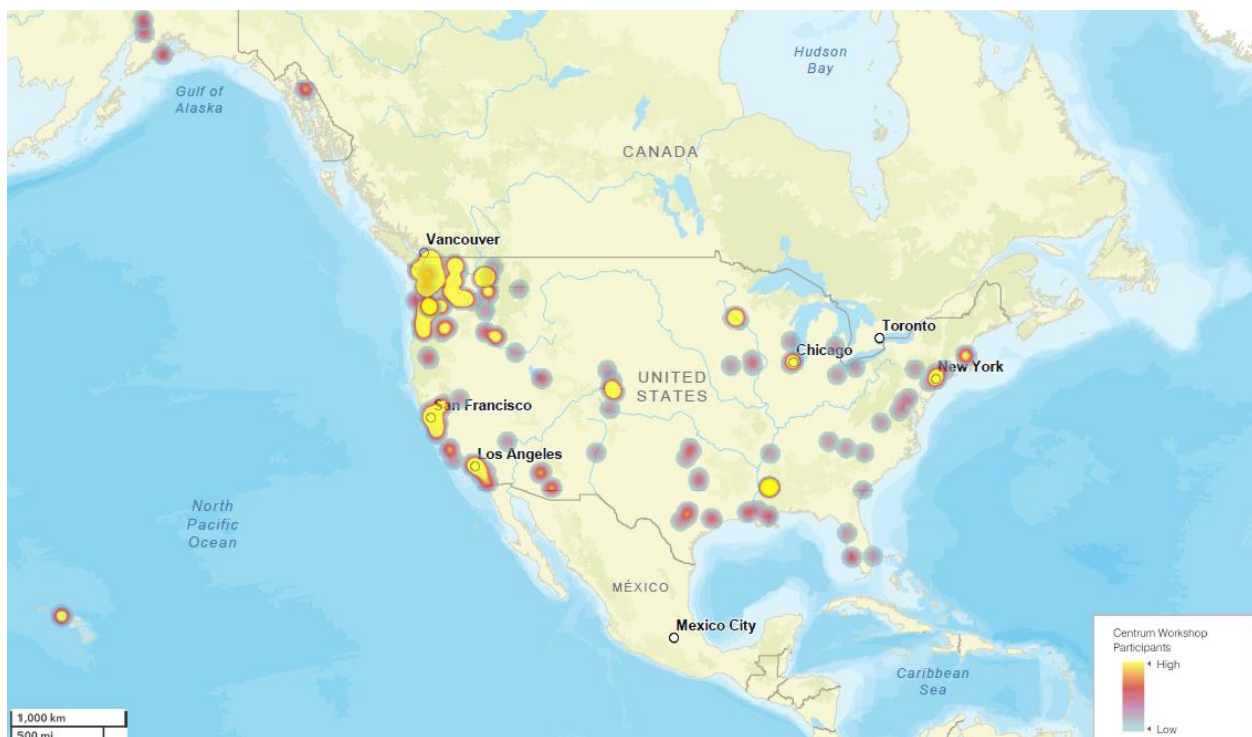
One of the major strengths of Fort Worden is that it is home to one of the region's most popular creative communities, Centrum. Centrum, a nonprofit arts organization that resides within Fort Worden, is a major draw to both Fort Worden and the surrounding region, bringing in a total of 23,413 visitors in 2023 alone.

As a result, this Visitation Analysis looks at the current zip code data of both Centrum workshop participants and ticket buyers (as supplied by Centrum) to identify trends in visitor data, including their demographics and their geographic origins. In doing this, the consultant team has been able to identify both the current market and potential new markets for Fort Worden. This analysis evaluated market characteristics including demographic and economic data and income levels of targeted groups. A typical analysis is performed with a circular mapping of various drive times; however, this specific analysis was modified to incorporate only the Centrum workshop participants or ticket buyers from 2023. The zip code information provided showed the broad reach and appeal of Centrum, far beyond the immediate surrounding region.

Centrum Visitor Origin in 2023

Centrum Workshop Participants

Using billing addresses from Centrum's **1,349 workshop participants** in 2023, the following heat map was created:



Obviously, the highest concentration of visitors originated from the Pacific Northwest and the region surrounding Fort Worden; however, there are interesting pockets around the United States that saw a relatively high rate of workshop participation. While Washington made up 958 (or 71%) of Centrum's workshop participants in 2023, some other states had a few attendees: **117 participants originated from Oregon (9%), 67 participants originated from Canada (with 47 specifically being from British Columbia), 19 originated from California, 10 originated from the state of New York, 9 originated from Alaska, while Arizona and Texas had 8 workshop participants with billing addresses from their states.**

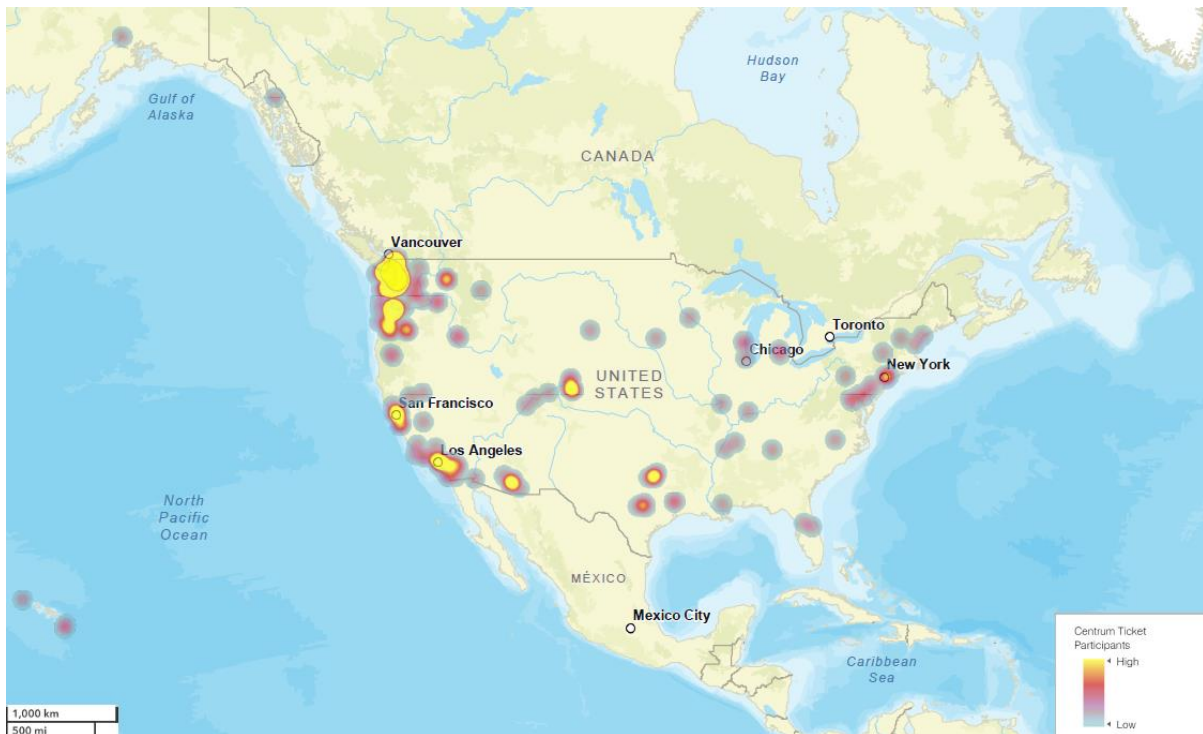
At the local and city level, workshop participants had impressively varied origins as well: with 183 of the 1,349 workshop participants coming from Port Townsend (14%), Centrum was still able to pull in large swaths of people from other cities, including **182 participants from Seattle, 66 from Olympia, 57 from Portland, 38 from Bellingham, 34 from Shoreline, and 33 from Spokane.**



There were also trends in the specific workshops that brought in the most visitors, with Fiddle Tunes bringing in 329 workshop participants (24% of Centrum's total workshop participants for 2023), the Acoustic Blues Workshop bringing in 153 participants, and the Port Townsend Writers Conference bringing in 150 participants.

Centrum Ticket Buyers

Using billing addresses from Centrum's **1,989 ticket buyers in 2023**, the following heat map was created:



Much like the workshop participants, Centrum's ticket buyers in 2023 nearly all originated from the surrounding region, as 1,791 ticket buyers had billing addresses in the state of Washington. However, there

was a significant drop-off in ticket buyers from other states; the next highest number of ticket buyers from any state was Oregon with just 50, while California had the third highest number of ticket buyers with 42.

This concentration of ticket buyers in Washington (with over 90% of ticket buyers living in the state) means there is currently very little pull from even nearby, surrounding states, much less states that are across the country. At the local level, similar results were found: 42% (843 total) of Centrum's 2023 ticket buyers originated from the City of Port Townsend, with Seattle (8%), Sequim (4%), Port Ludlow (2%), Port Angeles (2%), and Bainbridge Island (2%) representing the next highest concentration of ticket buyers.

Centrum Visitor Tapestry

The consultant team then reviewed the socioeconomic and demographics of the people in these "hotspots" to identify the most common socioeconomic archetypes in Centrum's visitor base (workshop participants and ticket buyers) over the last year. With the help of this socioeconomic trend data, the consultant team then identifies who the prevalent customer type is for Fort Worden through ESRI Community Tapestry segments. ESRI, or Environmental Systems Research Institute, is the world's leading supplier of geographic information system software and provides the most extensive demographic and socioeconomic data available. Their Community Tapestry Segmentation analyses have identified 28 distinct socioeconomic archetypes of Americans as they are located down to the census block level. This analysis was run on the most frequent purchasers of workshops and tickets in the Centrum data set.

This information now shows the geographic data and the customer profiles both geographically and through targeted messaging approaches that would reach these communities and that are similar to communities that Fort Worden is drawing from. The community tapestry segments can also be viewed by their frequency.

Tapestry Segmentation: Centrum Workshop Participants in 2023

With the zip code information provided by Fort Worden, the top five community tapestries of Centrum workshop participants in 2023 are shown in the table and information about each group below:

Top Five Tapestry Segments	98368 (Port Townsend) 13% of Centrum Workshop Participants	98115 (Seattle) 3% of Centrum Workshop Participants	98502 (Olympia) 3% of Centrum Workshop Participants	98110 (Bainbridge Island) 2% of Centrum Workshop Participants	98225 (Bellingham) 2% of Centrum Workshop Participants
1	The Great Outdoors (24%)	Urban Chic (40%)	Enterprising Professionals (18%)	Exurbanites (31%)	College Towns (31%)
2	Golden Years (20%)	Metro Renters (23%)	Exurbanites (16%)	Golden Years (21%)	Set to Impress (12%)
3	Midlife Constants (18%)	Emerald City (20%)	In Style (15%)	Top Tier (19%)	Golden Years (11%)
4	Rural Resort Dwellers (15%)	Laptops and Lattes (10%)	Young and Restless (11%)	Urban Chic (15%)	Dorms to Diplomas (9%)
5	Silver & Gold (8%)	Top Tier (4%)	Retirement Communities (11%)	Savvy Suburbanites (13%)	Young and Restless (8%)
% of the zip code population that are made up the top 5 tapestry segments	85%	97%	71%	99%	71%

These Centrum workshop participants and ticket buyer "Community Tapestries" are Centrum's (and by extension, Fort Worden's) key audiences to focus marketing and outreach to as derived from the highest densities of current members and program attendees. For Centrum workshop participants, the top five tapestries are:

- Urban Chic
- Golden Years
- Exurbanites
- Top Tier
- Young and Restless

Tapestry Segmentation: Centrum Ticket Buyers in 2023

With the zip code information provided by Fort Worden, the top five community tapestries of Centrum ticket buyers in 2023 are shown in the table and information about each group below:

Top Five Tapestry Segments	98368 (Port Townsend) 42% of Centrum Ticket Buyers	98382 (Sequim) 3% of Centrum Ticket Buyers	98365 (Port Ludlow) 2% of Centrum Ticket Buyers	98110 (Bainbridge Island) 2% of Centrum Ticket Buyers	98362 (Port Angeles) 2% of Centrum Ticket Buyers
1	The Great Outdoors (24%)	Silver & Gold (36%)	Silver & Gold (98%)	Exurbanites (31%)	Old and Newcomers (23%)
2	Golden Years (20%)	Senior Escapes (21%)	The Great Outdoors (2%)	Golden Years (21%)	The Great Outdoors (19%)
3	Midlife Constants (18%)	The Elders (18%)		Top Tier (19%)	Senior Escapes (13%)
4	Rural Resort Dwellers (15%)	Rural Resort Dwellers (10%)		Urban Chic (15%)	Midlife Constants (11%)
5	Silver & Gold (8%)	Small Town Sincerity (7%)		Savvy Suburbanites (13%)	Green Acres (7%)
% of the zip code population that are made up the top 5 tapestry segments	85%	92%	100%	99%	73%

Similarly, the top five tapestries for Centrum ticket buyers were:

- Silver & Gold
- The Great Outdoors
- Midlife Constants
- Senior Escapes
- Rural Resort Dwellers

Identifying these audiences in the regions highlighted by the zip code data will give Fort Worden the best opportunity for connecting Centrum workshops, events, and programs, with the people most likely to have an immediate interest. Using the data below will give Fort Worden and Centrum a starting point that is focused on those who are most receptive to what Fort Worden has to offer, including Centrum workshops and events.

The Tapestry Segmentation descriptions located in **Appendix C** of this report describe the typical characteristics of each respective community.

Similar Providers Analysis

The similar providers analysis is a key component of the market analysis, as it provides the consultant team and the client alike with organizational foundation, best practices, and operational highlights from other entities that Fort Worden may choose to work toward.

The similar providers chosen for this analysis were not based entirely on location, however, they were based on their ability to emulate what Fort Worden could one day become; the five chosen similar providers are spread across North America, and though the closest assessed destination (St. Edward State Park in Kenmore, Washington) is over a two-hour drive trip away, all chosen entities have more in common with Fort Worden than not. The five similar providers chosen for this analysis are as follows and are assessed in further detail in the following pages:

- Chautauqua Institution
- Discovery Park
- Granville Island
- Presidio National Park
- The Lodge at Saint Edward State Park
- Fort Vancouver National Historic Site



Chautauqua Institution

The first assessed similar provider is the Chautauqua Institution, a 750-acre Chautauqua Lake community in southwestern New York State. Designated as both a National Historic District and a National Historic Landmark, the Chautauqua Institution is a nonprofit organization that specializes in acting as a summer-time resort, hosting a 9-week season annually. While the Institution has a multitude of activities and things to do, their priority is and has been entertainment; for 150 years, the Chautauqua Institution has drawn in visitors with concerts, theater performances, classes, and educational lectures, all planned out and themed for each of the Institution's nine summer-season weeks.

This highly sought-after spot sees a population increase from 400 in the non-Summer months to over 7,500 residents during their peak season, along with over 100,000 annual temporary guests attending Institution events and attractions. Those attractions include but are not limited to:

- Chautauqua Chamber Music, Chautauqua Symphony Orchestra, and Classical Concerts
- Chautauqua Lecture Series, including the Interfaith Lecture Series and the Chautauqua Literary and Scientific Circle
- Chautauqua Cinema
- Daily Worship, Sacred Music, and the CHQ Mystic Heart Meditation Program
- Chautauqua Theater Company
- Chautauqua Opera Company

As a 501(c)(3) nonprofit, the Chautauqua Institution is governed by a board of trustees consisting of 24 members, with four of those members being elected by the Chautauqua Corporation. The board typically meets four times per calendar year (in February, May, August, and November). Most of the partnerships that Chautauqua has in place are via its theater company, with several different theater councils and groups being listed as partners.

In terms of capital assets, the Chautauqua Institution boasts a 4,400-seat open-air amphitheater for entertainment events, the Turner Community Center, the Miller Bell Tower where the Westminster Chimes play every 15 minutes, a Chautauqua Health & Fitness Center (located inside the Turner Community Center), a Sports Club, a Tennis Center, trails, a Youth Activities Center, and more.

The Chautauqua Institution has several options for lodging, as they partner with Athenaeum Hotel, a 152-room historic hotel on the Chautauqua Lake, the Minerva Bed and Breakfast, and other private accommodations. According to the Institution, living accommodations sell out well before the season ever begins.



Discovery Park

Located in Seattle, Washington, Discovery Park is a 534-acre natural area park that is owned and operated by the Seattle Parks and Recreation Department. Discovery Park's major role is facilitated through its natural beauty, as the park features stunning views over sea cliffs, forest groves, meadow lands, sand dunes, and streams. Due to the park's central location within Seattle city limits, a major priority of the park is to provide a free-of-charge refuge of solace, tranquility, and access to nature for Seattle residents.

Due to this, the bulk of Discovery Park's programming goes through the Discovery Park Environmental Learning & Visitor Center, where environmental education programming is held throughout the year (including most public education programs like field trips or community partnership programs). Other major park attractions include tours of historic buildings like Fort Lawton (a historic World War II fort) and the Daybreak Star Cultural Center, a 20-acre event space where large events are held, and history of Seattle's Indigenous Tribes are highlighted. The park is managed by the Seattle Parks and Recreation Department; however, the Department also works with the Discovery Park Advisory Council to curate the future of the park. Another major partnership for the park is the Friends of Discovery Park, a 50-year-old volunteer group that works to defend the integrity, including the quiet and tranquility, of Discovery Park.

Discovery Park features 11.81 miles of walking trails, including the Discovery Park Loop Trail (designated as a National Recreation Trail), the Discovery Park Environmental Learning Center, and the West Point Lighthouse (a still-active historical landmark that overlooks the Puget Sound). Other amenities include tennis courts, picnic tables, children's play equipment and playgrounds, though the major attraction of Discovery Park for many visitors seems to be their beach-side and well-elevated trails.

While there are several hotels and other types of lodging nearby Discovery Park (due to its location within Seattle), Discovery Park itself does not seem to bring in an exceptional number of visitors from elsewhere in the country or the world.



Granville Island

Based out of Vancouver, British Columbia, Granville Island is considered the city's cultural hub; located on the False Creek waterfront, Granville Island brings in millions of visitors to the area yearly with over 300 businesses and other unique local attractions. The draw for Granville Island is different than some of the other assessed similar providers; while other similar providers are more focused on the nature and inherent aspects of their parks to bring in visitors, Granville Island is also popular due to its built environment. Thanks to Granville Island's humble origins, being built on a former industrial area, charm has always come naturally to this buzzing tourist destination. With several historic buildings still remaining in place (like remodeled warehouses and factories), as well as cranes, rail tracks, and painted silos, Granville Island leans into its historic appeal by pairing old attractions with newer ones.

Granville Island typically focuses less on programming, and more about allowing its unique activities, shops, and attractions to bring in its visitors. Granville Island's Public Market, a giant indoor marketplace open 7 days a week, may be at the center of that, offering local shops, Vancouver staples and delicacies, and specialty foods from around the world. Granville Island also offers other artistic attractions, including local theaters, live music, art galleries and studios, and an artisan district. Due to its unique waterfront location, Granville Island also allows for water-based activities like kayaking and canoeing, as well as a vibrant fishing scene accompanied by a slew of boat rentals and local ferries at visitors' disposal. The Granville Island Water Park is also a highly used attraction, as its free-to-use nature contributes to Granville Island's tourist accessibility and frugality.

On behalf of the Canadian government, Granville Island is managed by the Canada Mortgage & Housing Corporation (CMHC); but as of 2019 (thanks to the Granville Island 2040 plan), the Granville Island Council has been able to make input for the island via an elected body. Moving forward, Granville Island is working to create a new Arts and Innovation Hub, a 120,000 square-foot space that allows for a mixing of arts, innovation, restaurants, and services.



Presidio National Park

Much like Seattle's Discovery Park, San Francisco's Presidio is a national park that acts as a natural fortress within a bustling city. Though this national park offers plenty of natural attractions like 24 miles of hiking trail, scenic overlooks, picnic areas, beaches, and a golf course, the Presidio also boasts a 600-seat theatre, a performance chapel, the Walt Disney Family Museum, and two art galleries that work to complete the park's cultural and artistic vision. Thanks to a storied military origin, the Presidio has a multi-faceted approach to the way it broadcasts and advertises itself, positioning itself to be a local mainstay as well as a successful tourist attraction.

The park does a lot in the way of programming, with most of its programming being educational. They feature historical tours and exhibits that cover the Presidio's military past, as well as artistic and cultural events and installations that add a vibrant touch to the park. More specific educational programs are offered by the U.S. National Park Service

Presidio National Park is managed by the Presidio Trust, a federal agency led by a Board of Directors and an executive team. Thanks to the park's location within a major city, this national park is uniquely funded by local dollars, which allows for the park to remain updated and relevant to the surrounding area's needs. One major and unique way that the Presidio is activated as a local community asset is through commercial space rentals, as over 200 organizations lease spaces within the buildings of the park.

Presidio offers a large amount of lodging nearby, with a current total of roughly 3,000 residents spread across the park. The Presidio even has its own leasing office, with two separate offices in the park itself.



The Lodge at Saint Edward State Park

Saint Edward State Park is the closest assessed similar provider (geographically) to Fort Worden, as it is just over a two-hour drive away in Kenmore, Washington. This Washington state park spans 316 acres with 3,000 feet of freshwater shoreline on Lake Washington, and features hiking and biking trails, the largest children's playground in the state of Washington, soccer fields, baseball fields, picnic areas, a wedding-day use site, and large open spaces. Saint Edward State Park is day-use only, which means no camping or overnight stays allowed, and does not offer anything specific in terms of park programming. This park is made unique by its storied origins that led to some interesting buildings, notably including the (now closed) Saint Edward Seminary that once housed developing catholic priests. However, over the past 10 years, one of the most notable aspects of Saint Edward State Park has become the newest chapter of the Saint Edward Seminary building: The Lodge.

The Lodge at St. Edward State Park is a recently transformed and restored getaway, held in the now renovated Saint Edward Seminary on park property. Funded by a public-private partnership in 2017 with Daniels Real Estate, this activation of a once unemployed seminary has now become a Pacific Northwest tourist spot staple. A private entity, The Lodge is operated by owners Kevin and Mary Daniels of Daniels Real Estate.

On the site, visitors will find a number of amenities, including dining, bars, retail shops, over 9,000 square feet of event spaces, a fitness center, a spa, a library, complimentary local transportation, valet parking and electric vehicle charging, and a Gallery of Fine Arts. Much of The Lodge's programming is focused on utilizing the park's natural resources, including nature hikes, mountain bike rentals, outdoor pickleball, and lawn games. Other Lodge programming opportunities include an Art at the Park showcase, live music, afternoon tea, historical tours of the Lodge, and personal chauffeuring in a classic 1938 Pontiac Stretch Limousine.

The Lodge features 84 guest rooms that have been transformed from the Saint Edward Seminary's former dormitories. Available for guests to choose from are rooms with different bedding arrangements, including Queens, Kings, and accessible options.



Fort Vancouver National Historic Site

The Fort Vancouver National Historic Site is a unique case study in historic site management that may prove useful to Fort Worden. Encompassing land on the Columbia River across the Oregon-Washington state line, the Fort Vancouver National Historic Site is part of the 366-acre Vancouver National Historic Reserve that was established in 1996 and is comprised of four major sites: the Hudson's Bay Company's Fort Vancouver, the US Army's Vancouver Barracks, Pearson Field, and the McLoughlin House in Oregon City. The site is filled with recreational and learning opportunities both indoors and outdoors, with access to historic tours through areas like the Fort Vancouver Village and the Vancouver Barracks, hiking, biking, trails, museum exhibits at the Pearson Air Museum, living history experiences, family events, birdwatching, and picnicking.

The site has settled into its current management over the past few decades. In 1998, the historical site was established via a major partnership between 501(c)3 nonprofit The Historic Trust, the City of Vancouver, The National Park Service, the State of Washington, and the U.S. Army. Nowadays, the NPS owns much of the site, including the reconstructed fort, the parade grounds, the visitor center, the Pearson Air Museum, and the East and South Vancouver Barracks, while The Historic Trust directly manages the site through a 2006 master lease from the City of Vancouver while offering public tours, community events, historic resources, and more. Each of the managing partners of the site cooperatively administers their respective site features and historic venues under a site-wide management plan that also allows each entity to manage its resources according to its own missions, policies, and regulations. Additionally, individual fixtures of the site often have individual management plans that coincide with the Fort Vancouver National Historic Site General Management Plan produced by the partnership (like the McLoughlin House Unit Management Plan). The planning for the site is a collaborative effort, with public input and annual evaluations of the site's features and offerings.

Fort Vancouver has a few additional partners that support site, including programmatic partners like Portland State University and the Washington State Historical Society, large event partnerships with the Community Military Appreciation Committee, and funding partners like the The Fund for People in Parks (who partners with the site through the NPS). The site also has a resident nonprofit partner, the Friends of Fort Vancouver National Historic Site, who sponsors activities and events at the site.

In 2022, Fort Vancouver brought in nearly a million visitors, and earned nearly \$64 million in revenue across the site and surrounding communities for the City of Vancouver. While the site does have some earned revenue via programs, museum exhibits, and tours, much of the economic impact comes from the site being a tourist destination that leads to visitors spending their dollars in the community surrounding the site.



Economic Impact Analysis of Fort Worden

Located on the northeastern tip of Washington's Olympic Peninsula, Fort Worden State Park is a unique feature within the state park system, going far beyond traditional recreational benefits provided by other parks. Originally a military fort, it now serves as a dynamic hub that integrates historical preservation and recreation with robust business community, fostering community engagement and educational outreach. This transformation allows Fort Worden to provide significant economic and cultural benefits to Jefferson County and the broader region.

The park is home to a diverse group of organizations and businesses, including the Centrum Foundation, Madrona MindBody Institute, Fort Worden School of Woodworking, KPTZ Radio, and the Marine Science Center. These groups use the park's historic facilities to host a variety of events, from music festivals to educational workshops, attracting visitors both locally and nationally. This not only boosts the park's attractiveness but also drives economic development in the region by creating jobs and supporting local businesses.

Economically, Fort Worden is a major driver of employment in Jefferson County, generating jobs through direct visitor spending, as well as through the operational needs of its resident operating and programming partners. The spending by visitors supports local sectors such as dining, retail, and lodging, thereby contributing to the economic vitality of the region. Additionally, the park's routine operations and capital expenditures inject significant dollars into the local and state economy, boosting regional economic activity.

The park also delivers substantial non-market benefits—enhancements to public welfare not captured by traditional financial metrics but important for community well-being and environmental sustainability. These benefits include generating consumer surplus, enhancing public health, providing educational opportunities, supporting volunteerism, and delivering ecosystem services. Each plays an important role in developing a deeper appreciation for Washington's natural and cultural resources.

Economic Impact

Our analysis highlights significant economic impacts across three key areas of spending—visitor spending, operations and maintenance, and capital improvements—which together create a substantial economic footprint for the park:

- **Visitor Spending:** In 2023, the park attracted nearly 885,000 visitors, who spend a total of \$35 million in the regional economy, consisting of Jefferson, Clallam, Island, Kitsap, and Mason counties. This spending supports local businesses and employment, boosting the local tax base.
- **Operations and Maintenance (O&M) Spending:** This analysis documented operational spending by some of Fort Worden's operating and programming partners, which amounted to \$14 million in 2023. This spending helped circulate money through the local economy and sustained local jobs, although it should be noted that O&M data was gathered for all operating and programming partners.
- **Capital Improvements:** The park consistently invests in enhancing its facilities, with an annual average of \$2 million spent on capital projects. These investments, which only represent some of the projects undertaken, improve the visitor experience while injecting dollars into the local economy and supporting additional jobs.

- **Total Economic Impact:** Fort Worden State Park's activities, including visitor spending, operations, and capital investments, contribute over \$51 million annually. This direct spending, along with secondary economic effects, generates a total economic output of \$85 million across Washington State, including \$48 million within Jefferson County alone. This spending supports 583 jobs statewide and 368 jobs locally, demonstrating the park's critical role in driving both regional and local economic activity.

Nonmarket Benefits

Additionally, Fort Worden State Park provides vital non-market benefits that enrich the community:

- **Consumer Surplus:** The park provides \$80 million in value to visitors beyond what they pay in fees and trip expenses, representing an excess of benefits over costs. This "consumer surplus" highlights the enhanced personal satisfaction and enjoyment visitors gain from park experiences, contributing to their overall well-being.
- **Health Benefits:** The park's recreational offerings promote physical and mental health, providing \$2.7 million in reduced healthcare costs associated with inactivity and increased productivity by reducing both absenteeism and presenteeism.
- **Educational Benefits:** As a lifelong learning center, the park offers a range of programs from woodworking classes to marine biology workshops, enhancing participant knowledge and appreciation, contributing an estimated \$2 million in educational value.
- **Volunteer Contributions:** Volunteer efforts, which support essential park operations and community engagement, provide significant value estimated over \$1 million.
- **Ecosystem Services:** The park's natural areas offer crucial services like carbon sequestration and water quality, important for regional ecological balance, valued at nearly \$4 million per year.

Strategic Importance of Sustained Investment

Finally, as we consider the future of Fort Worden State Park, the following key insights underscore the strategic importance of strong investment in the park:

- **Strategic Economic Catalyst:** Investing in Fort Worden State Park fuels local economic growth by boosting visitor spending, creating jobs, and supporting local businesses, making it a key component of regional economic health and vitality.
- **Cultural and Historical Preservation:** Funding Fort Worden not only preserves a vital piece of Washington's history but also supports a vibrant arts and education community that attracts tourists and deepens the local culture.
- **Recreational and Environmental Benefits:** Enhanced investment in Fort Worden ensures the maintenance of its extensive historical facilities as well as natural habitats, promoting community health and sustainability, securing the park as a valuable asset for future generations.

The economic and social contributions of Fort Worden State Park establish it as a historic cornerstone not only of Jefferson County but also of the state. It drives direct economic activity and broadly contributes to community wellbeing. The total combined valuation of market and nonmarket economic benefits of Fort Worden State Park is over \$175 million annually across the State of Washington. This executive summary, along with the full report, underscores the park's role as a pillar of economic development in Jefferson County.

A full report of the Economic Impact Analysis is provided as a separate report.

Governance, Operations, and Hospitality Analysis

Introduction

CHM Government Services (CHMGS) was engaged by PROS Consulting to assist with an engagement at Fort Worden Lifelong Learning Center in Port Townsend, WA. The objective of the overall engagement scope is focused on an evaluation of the following areas:

- The existing governance structure, related contracts, and operating agreements of the partnerships supporting the overall operation of Fort Worden State Park (State Park);
- Current operational construct between Washington State Parks, The Fort Worden Public Development Authority (FWPDA), and Fort Worden Hospitality (FWH);
- FWH operational structure, competencies, and effectiveness in carrying out the obligations of successfully managing the portfolio of hospitality assets at Fort Worden State Park; and
- Current FWH operational and financial performance levels, management practices and sustainability.

It is important to note that Fort Worden Hospitality (FWH) is the primary focus of this analysis and there are included in this plan several recommendations for improving the operations and financial performance of hospitality services. FWH was created in 2022 and was never initially set up for success. It was operating from a financially defensive position from the beginning and there was a significant lack of clarity in its leadership as to the role it needed to play in providing hospitality services in a manner that financially supported the entire lifelong learning center enterprise as needed.

Review of Agreements

CHMGS has reviewed the available current contracts, their addendums, Memorandums of Understanding, subcontract agreements, and leases as they relate to the FWPDA and FWH. The objective of our review was to identify the current “Baseline” its limits and opportunities and understand areas for improvement, and what currently works and what does not.

FWPDA and FWH Agreement(s) Review

Background

The Fort Worden Lifelong Learning Center PDA was created by the City of Port Townsend on September 19, 2011, to provide an independent legal entity to work in partnership with Washington State Parks to manage, promote, develop, secure funding, and enhance Fort Worden State Park. In November 2013, the PDA entered into a Master Lease with Washington State Parks to operate and manage the properties located within the 90-acre main campus of Fort Worden State Park. The agreement and subsequent amendments between the FWPDA and Washington State Parks states that FWPDA’s use of the Campus:

“...shall be for purposes consistent with a Lifelong Learning Center as that concept has been articulated in the adopted vision and mission statement for Fort Worden (May 2005); approved roadmap and assumptions to guide long-range planning (August 2005); adopted land classifications, long-term boundary, value statements, Park use, and development principles as refined the learning center concept (January 2007); and the Long-Range Plan for Fort Worden (2008). Notwithstanding the foregoing, the parties hereto acknowledge that such uses may evolve and change over time while remaining focused on uses consistent with a Lifelong Learning

Center concept. The parties hereto further acknowledge and agree that the unique attributes of the Property and the potential of the Lifelong Learning Center concept make it particularly attractive to nonprofit organizations for a variety of artistic, cultural, educational, and recreational uses. Tenant shall promote the use of the Campus facilities for nonprofit, government and corporate events, meetings, workshops, seminars, and conferences even if such promotion and use is not the highest and best market use and may reduce the overall net revenues (due to discounted lease or conference rates); provided, however, Tenant shall also actively promote, market, and make available the facilities for independent travelers, family retreats, and other users.”

The FWPDA develops and administers the necessary agreements and partnerships for the use, operation, management, and renovation of state-owned facilities and properties within Fort Worden. The agreement clearly states that neither FWH nor FWH’s employees/contractors are employees of the FWPDA, and FWH operates as its own business entity; FWH is not in any way a partnership with the FWPDA.

The current concession agreement between the FWPDA and FWH states that the current agreement expires on December 31, 2031, and that FWH may be entitled to three five-year extensions if they are deemed to have met all obligations under the current agreement(s).

Highlighted Specifics of the Existing Agreements between the FWPDA and FWH

Until February 14, 2022, FWPDA managed and operated visitor and hospitality services within the campus area. That role is now performed by FWH. This agreement also requires FWH to pay all expenses related to utilities and facilities maintenance and repair. An MOU signed on June 2022 (MOU #2) set forth an agreement governing a concession fee discount (from 3.5 percent to 3.0 percent), stipulating that monies saved through the discount be used toward a prioritization of capital improvement work that affects the Parties’ mutual interests in mission fulfillment and business operations. Note that in 2023, this “savings” related to the concession fee discount amounted to \$26,140. The MOU outlined priority capital improvement projects which were selected citing that the projects, if not completed, presented a threat to the mission delivery and business operations.

The 2022 MOU also set forth an addendum requiring FWH take on the Advance Deposit Liability of \$1,122,699.13. Also In 2022, the Fort Worden Foundation became a separate entity, dedicated to raising funds for all of Fort Worden and managing historic tax credits for Makers Square.

In September 2022, an Additional Services Agreement was proposed but ultimately not executed. This agreement would have returned additional responsibilities from FWH to FWPDA that FWH feels were inappropriately transferred to them during the separation. These include:

- a. Grounds maintenance.
- b. On-site security.
- c. Management and oversight of fire and security alarm system support.
- d. Management and oversight of general services contracts (e.g., pest control, boiler service, water heater inspections, fire extinguishers and suppression, backflow prevention, and elevators).
- e. Water and electric meter readings.
- f. IT support services (including support of public Wi-Fi and Partner network access).

In the proposed agreement, FWH would have been entitled to invoice the PDA monthly for services rendered along with a 15 percent administrative charge. Interviews with FWPDA indicated that many repairs are done

by the FWPDA and then billed back to FWH, and/or reimbursed by State Parks. This creates confusion, and reconciliation takes time and effort, creating inefficiency and frustration.

This unexecuted agreement, as written, would acknowledge the prioritization of additional services into three categories:

- a. Priority 1 – addressing life/safety concerns;
- b. Priority 2 - issues related to booked business; and
- c. Priority 3 – issues related to general operations and ongoing maintenance.

The Concession Agreement makes it clear that FWH accepts all facilities in “As-is” condition. However, it is unclear as to whether FWH conducted an independent condition assessment of the assets prior to agreement execution to ensure they were completely aware of the condition of the assets they were inheriting. The agreement states that FWH should review needs for a repair and maintenance plan and reserve fund. However, interviews with representatives of FWH revealed that there has been no progress toward that goal; their repair and maintenance activities have been reactive to this point, with little money to proactively plan for future maintenance issues through routine or preventative maintenance planning. Similarly, there are no available funds to address larger component renewal projects to “stay ahead” of deteriorating building conditions.

The Concession Agreement addresses “minor maintenance” obligations of the FWH group. However, it is silent on major repair and maintenance, stating only that “FWH shall immediately notify the FWPDA Executive Director in writing of any maintenance or repair needs in the Facilities that exceeds minor maintenance.” Neither entity is assigned any specific responsibility for addressing facility needs that are defined as exceeding minor maintenance, but the document does explicitly state that the FWPDA is not obligated to make any repairs and does not warranty any condition of any asset. There is some language in the Master lease between the FWPDA and Washington State Parks (Section 6.9) stating *“Upon vacating the Campus on the termination date, Tenant shall leave the Campus and all improvements thereon in the state of repair and cleanliness required to be maintained by Tenant during the Term of this Lease and shall peaceably surrender the same to Commission.”* However, there is no requirement for periodic evaluation and/or condition assessment to be performed by either party to the agreement. Further, Section 8 details the maintenance requirements on campus and states that “major maintenance” may be deemed a capital project. Then it goes on to define “major maintenance” as outlined in section 6.5 which details that *the Parties shall have shared responsibility for funding Capital Improvements throughout the Term, as determined by the parties hereto. Except as provided herein, any repair, improvement, or alteration that meets the then current definition of a capital project as defined by the Office of Financial Management shall be a “Capital Improvement.” Notwithstanding the foregoing, the Parties shall be responsible to fund their respective shares of Capital Improvements, subject to available funding. Commission’s obligation to fund Capital Improvements is expressly contingent upon the Legislature appropriating the funds necessary to meet Commission’s commitment.* This language in the agreement implies two important things:

1. There is a mechanism available for the State to fund some improvements at the Fort through appropriated funds.
2. There are several references stating transfer of ownership of buildings or capital improvements may be made to the Tenant as reasonably required to secure financing for improvements. This implies there is an opportunity for Tenants to earn compensable interest through their improvements, but the agreement seems to state there is in fact this opportunity.

Another item of note during the review of agreements is that the FWH is permitted to enter into sub concession agreements. The consulting team is aware of one such sub concession agreement with Batch Brothers which is a restaurant operating next to the Marine Science Center near the beach area. At the time of our visit, we attempted to visit the outlet. However, it was not open at noon as advertised. We later found a message on the Batch Brothers' Facebook page posted at 1:31 pm indicating they were closed for the day to do spring cleaning. This arrangement may suit Batch Brothers who reportedly have a good local following. However, given the limited food and beverage available to guests staying in the Fort, CHMGS is of the opinion it should be better marketed to guests and day use visitors with, at minimum, better signage, and ideally, with some information in each guest room promoting all the amenities available to visitors within the Fort.

CHMGS also asked to review the linen and IT contracts to identify if those agreements were favorable or if there was the potential to renegotiate terms. These contracts were not made available by FWH for our review. FWH uses a linen service for all food and beverage related linens and does their own bed linens and towels in-house for all lodging units.

Partner Agreements

FWH offers group room rate discounts to partner entities within the Fort's Lifelong Learning Center. Partner entities are leaseholders within the Fort, including, but not limited to: Centrum, Madrona Mindbody Institute, Peninsula College, Port Townsend Marine Science Center, etc. Further, once a partner books over 100 room nights in a calendar year, a "preferred" partner rate is unlocked. The only partner who currently qualifies for the preferred rate based on this criterion is Centrum. During the course of CHMGS' interviews with partner entities it seemed as if there was some confusion and misunderstanding surrounding partner rates. For instance, some partners felt as if Centrum simply had a lower rate than they had themselves. There was no knowledge that the rates are based on sales volume. Additionally, some Centrum representatives reported that they did not realize that the reason they qualified for a lower rate was due to the number of room nights booked. Interviews with FWH made it clear that all partners have the same rate schedule. However, no other partner has booked enough room nights to unlock the preferred rate.

While the partner rate schedule does define peak periods and state partner rates accordingly, there are no blackout dates and no limits to the number of rooms nights that may be booked at certain times of year and/or days of week. This is significant because Centrum's programming is concentrated in the summer months when transient leisure room night demand is usually the strongest. The transient leisure market segment tends to travel during summer months and on weekends. This market segment is customarily charged a higher room rate than group room rates. In the case of Fort Worden, the difference between the preferred group rate and the transient room rate reflects a discount of 1.9 percent, depending on room type, during peak season and on weekends. Further, the preferred partner rate discount over the regular partner rate is as high as over 55 percent for some room types. It was clearly shown through our analysis that preferred partners pay more for certain dorm facilities than regular partners and more work should be done to further evaluate and adjust these rates. The following table summarizes 2023 peak season weekend rates by room type, and shows the discounts given to preferred partners. It should also be noted that partner rates are not subject to any minimum length of stay requirements.

Additionally, dorms must be rented by the wing (rather than by the single room). As such, their rate appears to be high, but on a per bed basis, they are far less expensive. Each wing in building 225 has between 15 and 21 rooms with shared bathroom facilities in each hall. Building 203 is a large bunk room with shared group shower rooms.

	Accommodation	RATE TYPE				Preferred Discount over Transient	Preferred discount over Group	Preferred discount over regular Partner
		Transient Leisure	Group	Partner Group	Preferred Partner Group			
NCO Row	Bandmaster	\$ 395.83	\$ 304.63	\$ 290.12	\$ 209.74	47.0%	31.1%	27.7%
	Corporals	\$ 362.30	\$ 278.83	\$ 265.55	\$ 195.76	46.0%	29.8%	26.3%
	Quartermasters	\$ 506.14	\$ 389.53	\$ 370.98	\$ 312.37	38.3%	19.8%	15.8%
	Sergeants	\$ 714.87	\$ 550.16	\$ 523.97	\$ 372.21	47.9%	32.3%	29.0%
	Bricks	\$ 714.87	\$ 635.06	\$ 523.97	\$ 302.42	57.7%	52.4%	42.3%
Officer's Row	Colonels	\$ 825.18	\$ 762.06	\$ 604.82	\$ 357.61	56.7%	53.1%	40.9%
	Admirals	\$ 941.37	\$ 847.30	\$ 725.77	\$ 476.29	49.4%	43.8%	34.4%
	Generals	\$ 1,100.97	\$ 1,484.03	\$ 806.95	\$ 533.68	51.5%	64.0%	33.9%
RH	Reunion House	\$ 1,928.31	\$ 1,484.03	\$ 1,413.36	\$ 597.74	69.0%	59.7%	57.7%
Reunion House	Loft 2 Bedroom	\$ 494.25	\$ 380.37	\$ 362.26	\$ 251.15	49.2%	34.0%	30.7%
	Loft 3 Bedroom	\$ 516.96	\$ 397.85	\$ 378.90	\$ 295.02	42.9%	25.8%	22.1%
	Loft 4 Bedroom	\$ 516.96	\$ 397.85	\$ 378.90	\$ 372.34	28.0%	6.4%	1.7%
	Engineer's Cottage	\$ 494.25	\$ 380.37	\$ 362.26	\$ 251.15	49.2%	34.0%	30.7%
Premium Collection	Watchman's Cottage	\$ 494.25	\$ 380.37	\$ 362.26	\$ 251.15	49.2%	34.0%	30.7%
	Steward's Cottage	\$ 516.96	\$ 397.85	\$ 378.90	\$ 266.01	48.5%	33.1%	29.8%
	Alexander's Castle	\$ 538.59	\$ 414.50	\$ 394.76	\$ 327.35	39.2%	21.0%	17.1%
	Bliss Vista	\$ 538.59	\$ 414.50	\$ 394.76	\$ 327.35	39.2%	21.0%	17.1%
	Commanders	\$ 1,211.28	\$ 932.20	\$ 887.81	\$ 762.57	37.0%	18.2%	14.1%
Dorm 203	Rooms 1-14	N/A	\$ 599.27	\$ 646.89	\$ 659.45	N/A	-10.0%	-1.9%
	Rooms 17-30	N/A	\$ 599.27	\$ 646.89	\$ 659.45	N/A	-10.0%	-1.9%
	Rooms 35-55	N/A	\$ 948.84	\$ 903.66	\$ 641.03	N/A	32.4%	29.1%
	Rooms 61-76	N/A	\$ 948.84	\$ 903.66	\$ 623.80	N/A	34.3%	31.0%
Dorm 225	Rooms 1-21	N/A	\$ 948.84	\$ 903.66	\$ 841.03	N/A	11.4%	6.9%
	Rooms 22-34	N/A	\$ 948.84	\$ 903.66	\$ 623.80	N/A	34.3%	31.0%
	Rooms 77-92	N/A	\$ 948.84	\$ 903.66	\$ 623.80	N/A	34.3%	31.0%

Fort Worden Lifelong Learning Center Strategic Plan

FWH has reportedly increased most room rates from 2023 to 2024 but has also made some adjustments to decrease some room rates; specifically, these decreases are at the Sergeants and Bricks buildings along NCO Row and all units along Officer's Row. The percentage change in rates, by room type, from 2023 to 2024 is depicted in the table below.

		RATE TYPE			
		Transient Leisure	Group	Partner Group	Preferred Partner Group
Accommodation					
NCO Row	Bandmaster	8.0%	5.0%	5.0%	10.0%
	Corporals	8.0%	5.0%	5.0%	10.0%
	Quartermasters	8.0%	5.0%	-0.4%	10.0%
	Sergeants	8.0%	-4.1%	5.0%	10.0%
	Bricks	8.0%	-16.9%	5.0%	10.0%
Officer's Row	Colonels	8.0%	-12.5%	5.0%	10.0%
	Admirals	8.0%	-5.6%	5.0%	10.0%
	Generals	8.0%	-40.1%	5.0%	10.0%
RH	Reunion House	8.0%	5.0%	5.0%	10.0%
Reunion House	Loft 2 Bedroom	8.0%	5.0%	5.0%	10.0%
	Loft 3 Bedroom	8.0%	5.0%	5.0%	10.0%
	Loft 4 Bedroom	8.0%	5.0%	5.0%	10.0%
	Engineer's Cottage	8.0%	5.0%	7.8%	10.0%
Premium Collection	Watchman's Cottage	8.0%	5.0%	7.8%	10.0%
	Steward's Cottage	8.0%	5.0%	5.0%	10.1%
	Alexander's Castle	8.0%	5.0%	5.0%	10.0%
	Bliss Vista	8.0%	5.0%	5.0%	10.0%
	Commanders	8.0%	5.0%	5.0%	10.0%
Dorm 203	Rooms 1-14	N/A	5.0%	5.0%	10.0%
	Rooms 17-30	N/A	5.0%	5.0%	10.0%
	Rooms 35-55	N/A	5.0%	5.0%	44.3%
	Rooms 61-76	N/A	5.0%	5.0%	10.0%
Dorm 225	Rooms 1-21	N/A	5.0%	5.0%	10.0%
	Rooms 22-34	N/A	5.0%	5.0%	10.0%
	Rooms 77-92	N/A	5.0%	5.0%	10.0%

Summary Findings Relative to the Existing Agreements

CHMGS is of the opinion that the agreement between the FWPDA and FWH places nearly all responsibilities with FWH, and the current physical condition of the facility assets are such that they threaten the sustainability of the overall hospitality operation. Without a defined capital and financing plan in place, FWH's assets are likely to continue to deteriorate. Some units are already only available for rent during spring/summer months because they do not have working heating systems. Currently, even relatively small maintenance projects create problems due to limited funds available, and the time and effort spent between the FWPDA and FWH determining who should be paying for what is inefficient and creates tension between the two entities.

The split between the FWPDA and FWH has not shown any practical benefit and may, in fact, have created inefficiencies and needless distractions. In requesting historical operating information, FWH informed CHMGS that some data may be unavailable and there would be inconsistencies between reports over the two separate leadership periods. This is somewhat surprising, given that many key staff members of FWH were working under the FWPDA on the same hospitality assets before the entity split. Best practices would dictate that care be given to protect and transfer all records during the transition from the FWPDA to FWH. This does not seem to have occurred. Additionally, the lack of partnership between the FWPDA and FWH creates both an economic and mission misalignment. The result is inefficiency, lack of transparency, and potential redundancies that affect the financial sustainability of the Fort.

This purpose of the lifelong learning center concept has a lot of potential, and with the right partners and mix of hospitality facilities, could drive overnight business to the Fort. Current tenants of the Fort tend to be nonprofit entities and/or smaller creative enterprises without a lot of financial resources to invest in their facilities. Through our interviews, it seemed several partners are happy to cater to a more local crowd without consideration for programming that could drive overnight accommodations to the FWH. In fact, one partner reported that they can no longer offer certain programming because the room rates have become too high for them to successfully execute their events. This has resulted in a loss of potential revenue for both the partner as well as FWH. Conversations among the FWPDA, the Park, and the consulting team have led to the conclusion that there is some opportunity for a looser interpretation of what Lifelong Learning could look like. There may be opportunities to allow for some commercial entities to lease space within in the Fort. Actively marketing the space to appropriate entities that could drive additional revenue (lease) to the Fort is one strategy that could boost the financial viability of the enterprise. Also, seeking partners that could generate demand for hospitality services at market rates could help to subsidize the partner discounts to groups that do support the Fort's mission. This is a task that could fall to the FWPDA, as FWH has little bandwidth to take on additional responsibilities. It should be noted, however, that the accommodations within the Fort are not ideally suited to all types of travelers. The configurations of the historic spaces, without ensuite baths (some bathrooms without showers and only tubs) may not appeal to business travelers, for example. If a targeted marketing effort is pursued to draw new partners to the Fort, care should be given to ensure these potential new partners would be the right fit for Fort with regard to type of travelers they could draw. Consideration does not necessarily have to be only to the room department (although that typically is the department that yields the most revenue to the bottom line).

Some consideration could be given to potential partners that might bring in food and beverage revenue or attract event revenue. Examples of the types of partners that could fit into the looser interpretation of the Fort's mission include:

- a. Wedding/event photographers
- b. Crossfit-type exercise
- c. Education adjacent non-profits or organizations
- d. Healthcare (massage therapy, chiropractic services)
- e. Corporate entities that have a relationship with or product alignment with lifelong learning, i.e. technology companies that support learning and/or education
- f. Startup companies that require an "incubator" cell. These companies could be commercial with ties to lifelong learning and/or education.

CHMGS learned that most partners interviewed view themselves independent of the overall Fort. This is somewhat understandable given that many facilities are in disrepair, and tenants are on their own for repairs to their individual spaces. This does not create a feeling of community where there is interdependency among the FWPDA, FWH, and its partners. CHMGS inquired as to the availability of a Capital Plan (or update to the existing Facilities Master Plan completed in 2015) to review, however, FWH stated there is no plan in place and no funds available to execute any such plan. Lack of an established capital plan and observable recurring and preventative maintenance can have a detrimental effect on the overall community environment. Without such plans, tenants are bound to lack confidence in FWH, and definitely does not foster a spirit of cooperation, partnership, nor pride in community to have facilities deteriorating such as they are.

Further, the misunderstanding regarding Centrum's preferred rate compared to other partners' rates may have some negative impact on the partners' perception of FWH and their willingness and desire to work in partnership with FWH. During the course of our engagement, CHMGS learned that within the last six months the partner entities have started to collaborate and hold periodic meetings. An interview with one meeting participant, however, revealed that, in their opinion, the issues discussed thus far have been very minor and no real planning and collaboration has yet taken place. As these meetings continue, CHMGS would recommend, at minimum, the Fort maintains a calendar of events for all partners on-site. This would be helpful to not only to FWH, but also to visitors seeking information about things to do at the Fort. FWH could use this information to target specific audiences and drive room revenue, particularly in shoulder and low seasons.

One new partner, Richard Lukens, shared that he has been working to find programs that could be accommodated at the Fort, with a particular focus on shoulder season periods. The events that Richard has proposed thus far have been significant. CHMGS is of the opinion that cultivating a relationship with Mr. Lukens could be transformative to the Fort and perhaps his potential impact to FWH has been underestimated. Mr. Lukens' focus is on communication and connection, and he picks and chooses cause-related initiatives in which to participate. Mr. Lukens is currently working out of a space within the FWPDA administrative building. Within his space, Mr. Lukens is creating a streaming podcast studio with a focus on interactive programming with other countries. For [context](#), Mr. Lukens' has historically produced events such as the first interactive satellite TV link "Space-Bridge" between the former Soviet Union and the United States for Steve Wozniak's "US Festivals," the world famous "Live Aid" concert, "The Imperial Bells of China," which featured 110 performers from the PRC, hosted at performing arts centers in 35 cities throughout North America, the "White House Conference on Global Climate Change" for President George H.W. Bush, and the "State of the World Forum," convened by Margaret Thatcher, George H.W. Bush and Mikhail Gorbachev, and

“Groundwork 2001,” for the United Nations FAO. Mr. Lukens has already set up a page on his [website](#) to promote Fort Worden and its mission.

With regard to the partner agreements and associated rates, CHMGS has identified the following areas that could be enhanced to provide a better arrangement for FWH:

- a. Agreements should have limitations on the number of peak season room nights that are offered at discount. Alternatively, partner rates could be more malleable and offered on a case-by-case basis. It is common practice within the industry to adjust pricing based on a property’s pace report, related occupancy thresholds and the overall revenue a piece of business will generate. A pace report is integral to effective revenue management analysis. Its primary function is to provide a quick comparison of anticipated rooms revenue against the previous year’s figures. This analysis provides an important tool to identify and flag periods where rate adjustments could be appropriate to influence room night demand.
- b. Agreements could include minimum length of stay requirements over weekends and/or during peak periods.
- c. As FWH monitors the pace report, CHMGS recommends working with partners to create programming to drive room nights during slow periods. Deep discounting rooms, particularly within a short booking time period to fill rooms that would otherwise sit empty is an important strategy to generating revenue.
- d. Partner rates could be reconsidered. CHMGS reviewed the master lease with Centrum, and the only reference to rates found was *“the Lessee shall have the authority to set the amount of prices and fees for accommodations, meeting room rentals, exhibition space, sublease rates, hospitality services rendered, concession agreements...”* There was a vague reference to Centrum having a discounted rate offered to them, but as the agreement reads now, there is nothing precluding Centrum for “marking up” the rooms booked with FWH when selling programs to their clients. Neither is there any reference to how and when a rate schedule will be determined. This being the case, perhaps it is time to revisit the partner rate structure and reserve the deeply discounted rates for shoulder and low seasons only. Discounting during peak season should be minimized as much as possible. It should be noted that Centrum’s programming within the Fort relies on the availability of overnight accommodations in the Fort and the food and beverage services at the Fort. It is unlikely that Centrum would be able to accommodate their program participants in a different venue without significant added costs and inefficiencies. FWH recognizes that Centrum represents 20 percent of their total revenue. However, it should be noted that Centrum is somewhat a captive audience, and rates could be equitably increased in peak periods. Allowing Centrum to book large blocks of rooms at under market rates comes with an opportunity cost. These peak periods represent potential to book much higher rated transient leisure rooms.
- e. From CHMGS’ perspective, the preferred partner rate threshold of 100 room nights booked seems quite low for the amount of additional discount offered. It should also be noted that FWH considers one wing of the dorm to be one booking even though it represents 15-21 rooms, and the wing sells for a higher rate than other unit types. It is our recommendation that partner rates and the threshold to unlock a preferred partner rate be reevaluated. This

threshold might be better expressed as a dollar figure than a number of bookings given the great variance between FWH's room rates. It could even be reasonable to have an expectation that each partner generate a certain dollar amount of revenue to FWH in exchange for what is likely favorable (under market) lease terms.

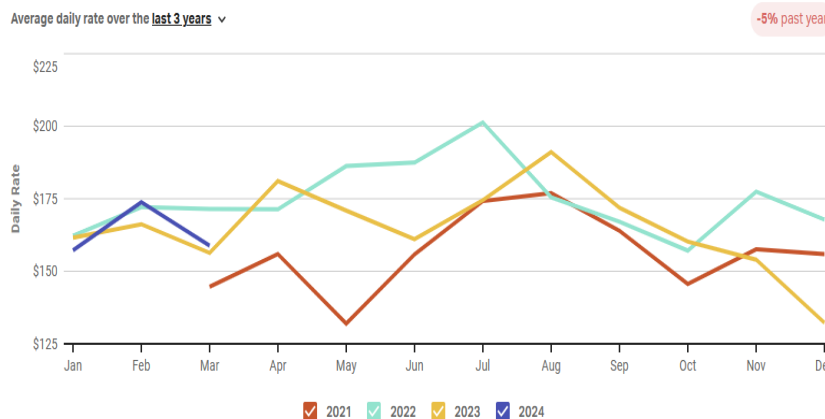
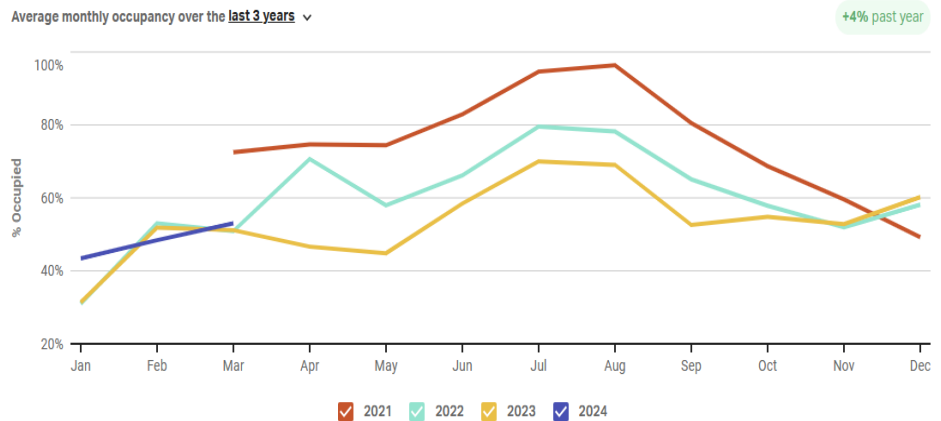
- f. Implementing a minimum length of stay, particularly during peak periods of occupancy, could be an effective strategy to mitigate revenue loss. There is an opportunity cost to FWH when they accept lower-rated partner business that displaces transient business. Implementation of a minimum stay requirement over weekends, for example, is a common industry practice. CHMGS is of the opinion that a prudent operator would likely apply this strategy to manage revenue during peak periods.

Market Data

Short Term Rentals

Due to the unique nature of the accommodations within the FWH portfolio, CHMGS has conducted research relative to the short-term rental (STR) market in and around Port Townsend (Airbnb and VRBO.) There are reportedly 26 available short-term rentals in the area, the majority of which are only one-bedroom units. Over 50 percent of the units are available for only half the year. The number of active listings is generally higher during the summer months. Over 50 percent of available units have no minimum stay requirement, and the rest have a two-night minimum stay. None of the units available currently require longer than a two-night stay. The average length of stay is two days with an average booking lead time of 47 days. Booking lead times are higher during the peak summer months.

STR occupancies reportedly increased by four percent over the past year, but ADR decreased by five percent. The following graphs depict average monthly occupancy and ADR over the past three years for all STR in the Port Townsend area.



The following table provides the data used to create the graphs shown above.

Month- Yr	Occ%	ADR
March-21	63.7%	\$ 147.20
April-21	74.3%	\$ 147.30
May-21	72.4%	\$ 156.39
June-21	82.1%	\$ 167.09
July-21	87.5%	\$ 178.83
August-21	84.6%	\$ 206.05
September-21	76.1%	\$ 180.10
October-21	67.1%	\$ 153.60
November-21	58.6%	\$ 154.95
December-21	49.7%	\$ 153.74
January-22	44.8%	\$ 155.63
February-22	57.6%	\$ 160.26
March-22	55.1%	\$ 158.88
April-22	60.4%	\$ 164.51
May-22	65.3%	\$ 163.43
June-22	71.4%	\$ 172.02
July-22	84.2%	\$ 174.48
August-22	84.6%	\$ 172.15
September-22	77.7%	\$ 176.73
October-22	62.6%	\$ 161.16
November-22	49.9%	\$ 162.13
December-22	49.7%	\$ 155.73
January-23	38.1%	\$ 158.56
February-23	50.4%	\$ 162.35
March-23	49.7%	\$ 163.41
April-23	59.1%	\$ 156.66
May-23	61.7%	\$ 155.11
June-23	71.1%	\$ 166.10
July-23	86.2%	\$ 178.65
August-23	83.2%	\$ 180.12
September-23	72.7%	\$ 177.57
October-23	61.1%	\$ 172.58
November-23	47.5%	\$ 161.71
December-23	46.9%	\$ 156.06
January-24	33.2%	\$ 156.22
February-24	43.6%	\$ 170.98
March-24	49.5%	\$ 141.95

Five STR properties are designated as “luxury” properties in the market. These properties performed at a slightly lower annual occupancy of 42 percent over the past year with an ADR of \$267.10. The average length of stay for these units is higher, at three days.

Conclusion

The STR rental market could offer a short-term solution to FWH and the FWPDa, albeit the STR market in Port Townsend is challenging due to municipal codes and rules. An analysis of lodging inventory could conclude certain buildings are underutilized, cost too much for FWH to operate/maintain and be profitable, and/or could generate more income if they were to be leased. Another party could find value in leasing some units to operate as STRs. This arrangement could be of particular interest to an investor if there was some opportunity to earn compensable interest for the lessee. A review of the Master Lease agreement between the FWPDa and Washington State Parks leads CHMGS to believe there may be an unexplored opportunity to

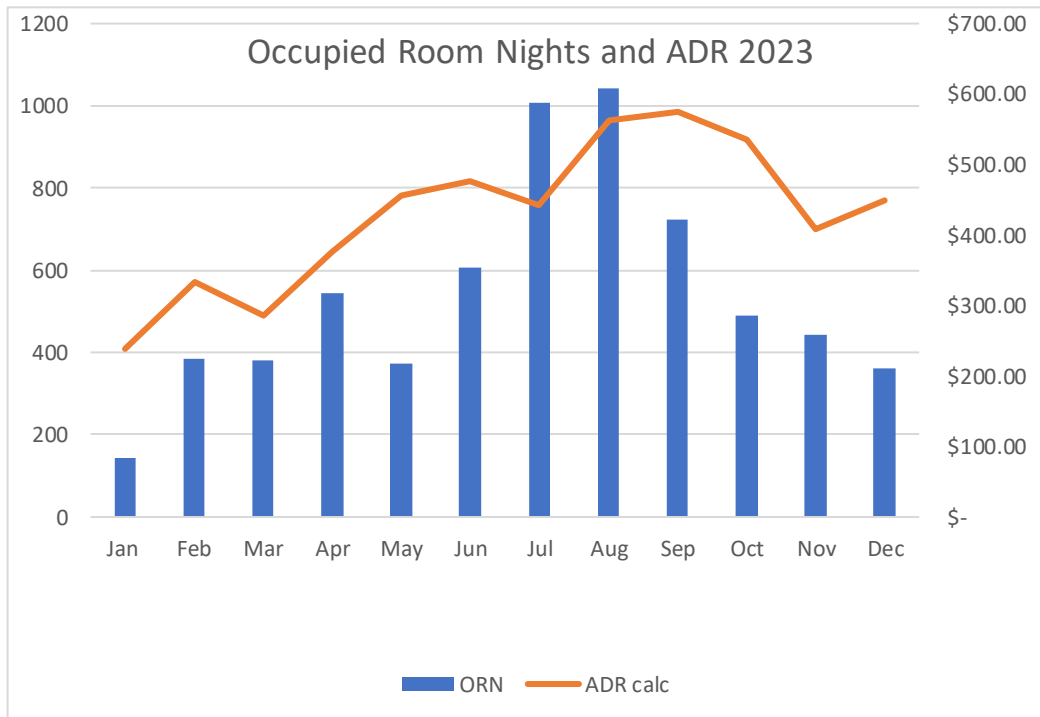
use this mechanism to improve facility conditions in the short-term. Specific consideration will be required to determine how the lessee gets compensated for this investment interest at the end of the contract term. Options could include the Parks satisfying the obligation, the obligation gets bought out by a subsequent contract awardee, or FWPDA satisfies the obligation which could amortize over the rest of the FWPDA's long contract term.

Historic Operational Performance

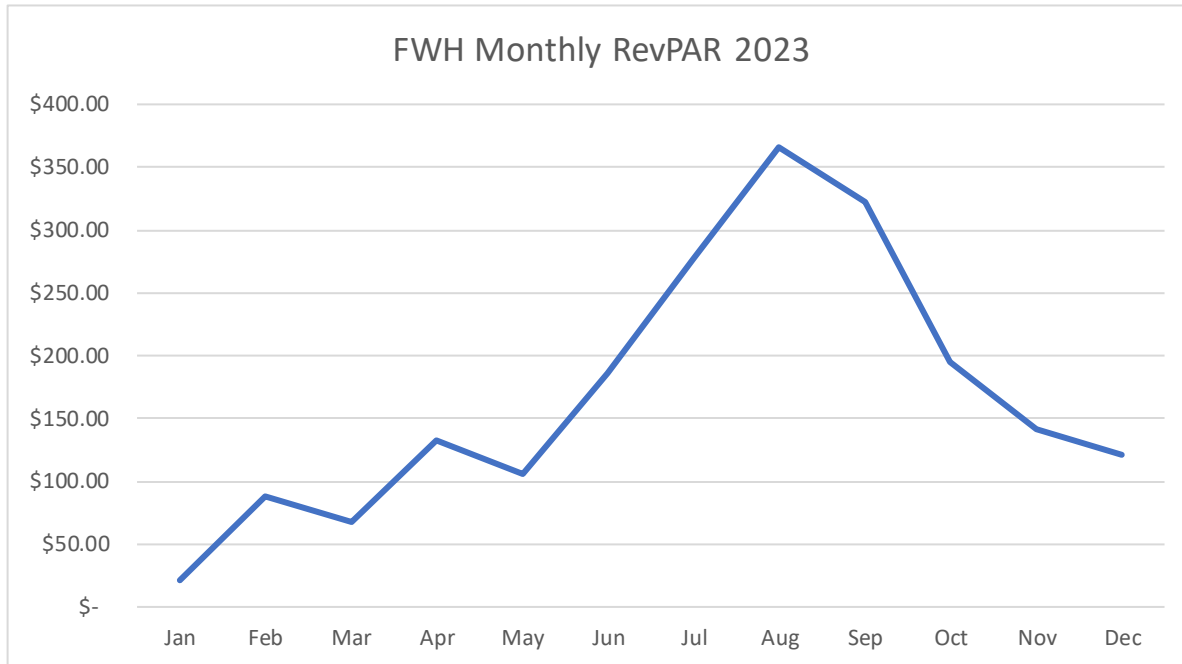
CHMGS evaluated data provided by FWH regarding lodging occupancy and ADR. Information was only available for a full year during 2023. Average annual occupancy for the entire year was 36.4 percent. This figure is based on available rooms, not overall capacity. That is, rooms that were out of inventory were not included in the calculation of average occupancy. If all rooms were included in the calculation, occupancy is actually lower at 34.2 percent. Significant room nights are offline during the winter months according to information supplied by FWH. Total annual room nights booked in 2023 equaled 6,496. Peak occupancies were achieved during the months of July and August at 63 and 66 percent, respectively. When all units are in inventory, FWH reports 52 total units. FWH reported potential 1,156 room nights were unavailable due to units being out of service. The distribution of these units out of service month by month is shown to the right; the concentration of rooms out of inventory occurred September through December.

Month	Offline
Jan	6
Feb	6
Mar	7
Apr	7
May	10
Jun	10
Jul	11
Aug	11
Sep	272
Oct	272
Nov	272
Dec	272
TOTAL	1,156

CHMGS used the data above to calculate monthly occupancy percentage based on rooms available (in inventory to be sold). Annualized ADR was determined to be \$459.50, with highest rates achieved in the months of August and September. Additionally, CHMGS used the monthly rooms revenue figures for 2023 provided by FWH. An examination of these revenues along with the supplied occupied room night figures determined monthly ADR. This analysis of occupancy and ADR is summarized in the graph below.



Another important indicator in the hospitality industry is revenue per available room (RevPAR). Again, CHMGS used the actual number of rooms in inventory (removing those reportedly out of service) to calculate RevPAR by month for the month of 2023. Annual RevPAR was calculated to be \$167.47. The following graph shows calculated RevPAR by month for 2023. \$167.47 RevPAR compared to an ADR of \$459.50 is only 36.4 percent. Depending on the mix of business type and amenities offered, this seems like a low ratio between these two matrices.



Group Bookings

CHMGS received raw data from a Group Booking Report spanning the period from 2021 to 2024 YTD. This data encompassed various revenue streams, such as rooms revenue, bedroom revenue, F&B revenue, and other revenue, along with the number of room nights. While certain partner categories were identifiable, numerous miscellaneous categories, comprised of random names and businesses, proved challenging to classify.

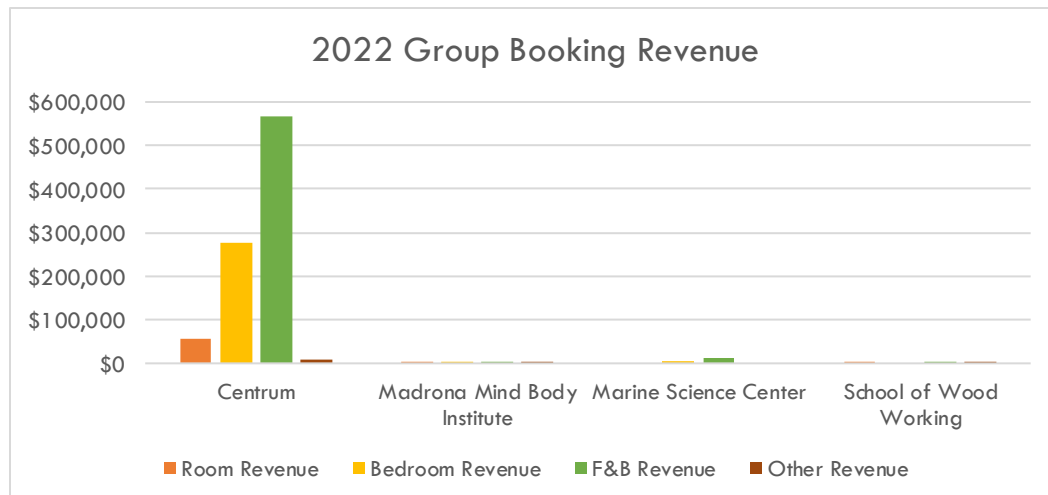
To identify the most significant contributors to revenue and room nights, CHMGS suggests maintaining classifications, such as Weddings, Birthdays, SMERF, and others. This strategic categorization would provide a better understanding of the data, enabling informed decisions regarding sales and marketing prioritization.

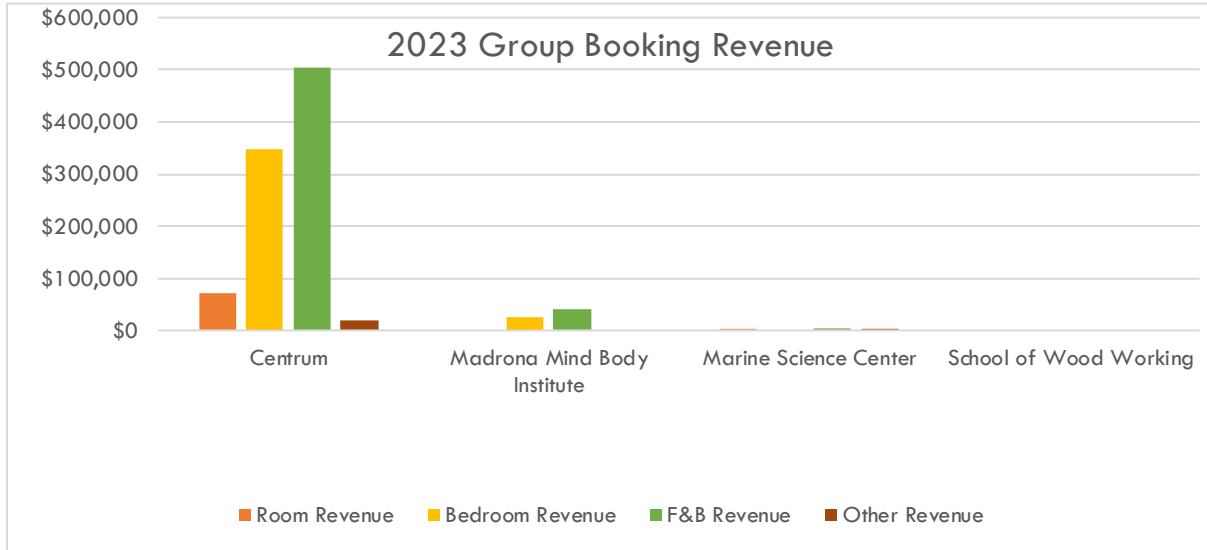
Only Centrum and Madrona Mind and Body Institute book a significant number of room nights according to the report FWH provided. In 2023, Centrum and Madrona booked 754 and 84 room nights, respectively. In 2022, Centrum booked 706 rooms, and Madrona booked none. In 2021, Centrum booked only 30 rooms and Madrona 12. CHMGS compared rooms booked to bedroom revenue recorded in the group bookings report to determine what the annual ADR was related to Centrum's business. This analysis of Centrum's ADR is summarized as illustrated in the table on the following page.

Year	Bedroom Revenue	Room Nights	Calculated ADR (Centrum Business Only)
2021	\$7,209	30	\$240.30
2022	\$276,410	706	\$391.52
2023	\$348,664	754	\$462.42

A comparison to overall ADR does not paint a complete picture because FWH has such a diverse inventory of room types with distinct rates for each. Also, CHMGS only had access to 2023 data regarding occupied room nights. Therefore, the only comparison we can draw is that in 2023 overall ADR was 459.50 and Centrum ADR was similar at \$462.42. In 2023 room nights booked by Centrum equaled 12 percent of total rooms booked. Similarly, a comparison of total bedroom revenue in 2023 to bedroom generated by Centrum shows that 12 percent of bedroom revenue was generated through Centrum. This would indicate that food and beverage makes up a significant portion of the benefit Centrum contributes to FWH. Comparing FWH's 2023 total food and beverage revenue of \$1,723,186 to Centrum's contribution to total food and beverage revenue of \$504,068 for the same period shows that Centrum was the driver for 29.3 percent of total food and beverage revenue. It is significant to note that food and beverage yields much lower margins than lodging. CHMGS observes that there seems to be a singular focus on revenue rather than profitability contribution to the enterprise. That is, to make the most profit, FWH should be laser-focused on generating lodging revenue which is far more profitable than food and beverage. When FWH states that Centrum contributes 20 percent of overall gross revenue, that only tells part of story. The more important indicator is how much they contribute to total income. For example, Centrum's total revenue contribution was \$943,713 according to reports we reviewed; this includes room rental, bedroom revenue, AV rental and food and beverage. 53.4 percent of that revenue generated through Centrum was for food and beverage, which has a low profit margin; only 36.9 percent was related to lodging, which has a corresponding higher profit margin.

The following exhibits provide annual summaries of group booking revenue for the main partners: Centrum, Madrona Mind Body Institute, Marine Science Center, and the School of Wood Working for 2022 and 2023. As stated earlier, Centrum contributes the most revenue to Fort Worden Hospitality, making up 20 percent of their total revenue. However, as stated above, the group booking reports FWH provided to CHMGS showed that in 2021 Centrum group booking revenue was far less, amounting to less than \$50,000. It should be noted that in 2021, the Covid-19 pandemic negatively impacted group meetings and events industry-wide. It is not surprising to see such low numbers of group bookings in 2021.





Pace Report

As explained earlier, the Pace Report is an important tool to inform operating decisions and yield management strategies. CHMGS requested and received a Pace Report while on-site. A review of the Pace Report indicates that June and September are significantly off pace with regard to revenue. A screenshot of FWH's Pace Report as of March 13, 2024, is presented below.

Rooms Pace Report as of 3.13.24

Months Out	03-01-2024	03-01-2023	Variance
March	107,835	85,319	26.4%
April	151,106	135,922	11.2%
May	174,650	144,572	20.8%
June	260,462	412,790	-36.9%
July	540,860	396,821	36.3%
August	330,469	360,725	-8.4%
September	94,253	196,325	-52.0%
October	55,860	35,214	58.6%
November	61,098	56,087	8.9%
December	40,572	31,458	29.0%
January	1,751	0 -	
February	0	30,647	-100.0%

Includes Current Pending Group Pipeline Quotes			
Months Out	03-01-2024	03-01-2023	Variance
March	108,613	90,106	20.5%
April	153,602	144,016	6.7%
May	282,282	145,843	93.6%
June	298,667	428,791	-30.3%
July	563,913	403,446	39.8%
August	436,736	546,049	-20.0%
September	205,968	265,913	-22.5%
October	86,161	46,696	84.5%
November	88,641	73,049	21.3%
December	86,849	64,667	34.3%
January	1,751	4,744	-63.1%
February	42,981	30,647	40.2%

Fort Worden Lifelong Learning Center Strategic Plan

A more robust version of a Pace report is shown below and details Occupancy and ADR as well as revenue. This example has been redacted so as to maintain anonymity.

Run Date: Thu 1/18/18						Page: 1				
Run Time: 02:04pm						Req By:				
Comp Date: Thu 01/18/18						Occupancy Stats From '05/2017' To '05/2017'				
CRES Type: CABIN										
Type	Avail	Sold	{ This Year } Occp%	Revenue	ADR	Avail	Sold	{ Last Year } Occp%	Revenue	ADR
CD2	0	3	.0%	720	240.00	0	0	.0%		.00
V2BD	155	23	14.8%	6,412	278.78	0	0	.0%		.00
V3BD	62	8	12.9%	2,490	311.25	0	0	.0%		.00
SubTt	217	34	15.7%	9,622	283.00	0	0	.0%		.00
CRES Type: INN										
Type	Avail	Sold	{ This Year } Occp%	Revenue	ADR	Avail	Sold	{ Last Year } Occp%	Revenue	ADR
KNS	124	53	42.7%	4,587	86.54	124	70	56.5%	5,305	75.79
PRHC	31	9	29.0%	2,115	235.00	31	5	16.1%	1,150	230.0
PRLG	62	27	43.6%	4,890	181.10	62	20	32.3%	3,606	180.3
PRNS	62	22	35.5%	5,205	236.59	62	15	24.2%	3,250	216.6
QNS	62	19	30.7%	896	47.14	62	15	24.2%	756	50.37
QQNS	3503	1650	47.1%	135,229	81.96	3503	1312	37.5%	101,517	77.38
SubTt	3844	1780	46.3%	152,922	85.91	3844	1437	37.4%	115,584	80.43
Total	4061	1814	44.7%	162,544	89.61	3844	1437	37.4%	115,584	80.43

Financial Performance

It should be noted that all CHMGS' calculations were performed using the best available information at the time of our analysis. CHMGS did not audit financial information provided to us by FWH. There were several inconsistencies between various reports we were given with regard to actual monthly revenues recorded in 2023. These discrepancies were further complicated by the lack of consistent reporting practices and standards. The Uniform System of Accounting for the Lodging Industry (USALI) is considered the industry standard and best practice for financial reporting. CHMGS evaluated available data and "crosswalked" the data into USALI to better evaluate FWH's historical operations relative to industry averages and norms. Based on the limited information available, this exercise was not calculable for all years. The following represents a summary of financial performance for the operation for 2023 compared to FWH's 2024 budget. As stated previously, CHMGS did not audit financial information for accuracy, and we did identify inconsistencies from one report to another. CHMGS used the best information available to assemble a historical financial statement shown in an industry standard format. As such, it is CHMGS recommendation that FWH adopt an improved uniform accounting system consistent with industry best practice.

Fort Worden Hospitality - Unclassified				
	2024 Budget		2023 Actual	
Rooms Departmental Revenue				
Rooms Revenue	2,953,800	56.4%	2,765,907	52.9%
Cancellation Fees	25,000	0.5%	61,763	1.2%
Additional Occupancy Fees	15,000	0.3%	26,855	0.5%
Total Rooms Departmental Revenue	2,993,800	57.2%	2,854,525	54.6%
Banquet /Venue Departmental Revenue				
Revenue	328,500	6.3%	329,369	6.3%
Equipment Rental	19,955	0.4%	16,698	0.3%
Setup	38,400	0.7%	27,711	0.5%
Total Banquet/Venue Revenue	386,855	7.4%	373,779	7.1%
Food and Beverage Department				
	1,420,552	27.1%	1,444,914	27.6%
4041 Alcohol Sales	215,648	4.1%	284,372	5.4%
4043 Discounts	-	0.0%	-	0.0%
4043.01 Employee Discount	-	0.0%	(18,146)	-0.3%
4045 Package Product Sales	-	0.0%	2,460	0.0%
4040 Food and Beverage Revenue -	-	0.0%	9,587	0.2%
Total Food and Beverage Revenue	1,636,200	31.3%	1,723,186	33.0%
Other Revenue				
Merchandise Sales	2,250	0.0%	6,263	0.1%
Historic Preservation Fee	202,630	3.9%	211,016	4.0%
Other Revenue	11,000	0.2%	59,403	1.1%
Total Other Revenue	215,880	4.1%	276,682	5.3%
Total Revenue	5,232,735	100.0%	5,228,172	100.0%
Cost of Sales F&B				
Food & NA Bev	447,166	31.5%	454,444	31.5%
Alcohol	52,550	24.4%	77,895	27.4%
Package product & Consumables	-	#DIV/0!	21,765	884.9%
Total F&B Cost of Sales	499,716		554,104	
COGS Merchandise				
Merchandise	1,125	50.0%	9,381	149.8%
Total Cost of Sales Merchandise	1,125	0.6%	9,381	4.4%
Total Cost of Sales	500,841	30.6%	563,485	32.4%
Payroll-Related Expenses				
Salaries & Wages	2,498,066	47.7%	2,968,550	56.8%
Taxes & Benefits	524,844	10.0%	611,953	11.7%
Payroll-Related Expenses	44,400	0.8%	41,177	0.8%
Total Personnel Expenses	3,067,310	58.6%	3,621,679	69.3%
Other Expenses (Operating Expenses)				
Cleaning Supplies	61,200	1.2%	54,318	1.0%
Linens	46,800	0.9%	39,377	0.8%
Operating Supplies	103,500	2.0%	142,739	2.7%
Equipment Rental	55,200	1.1%	46,641	0.9%
Total Operating Expenses	266,700	5.1%	283,074	5.4%
Total Departmental Profit	1,397,884	26.7%	759,933	14.5%
Undistributed Operating Expenses				
Professional Services	270,040	5.2%	219,371	4.2%
Information and Telecommunication	54,300	1.0%	36,128	0.7%
Credit Card Fees	163,130	3.1%	151,017	2.9%
Bank Fees	-	0.0%	46	0.0%
Utilities	373,200	7.1%	394,324	7.5%
Repair & maintenance	134,400	2.6%	165,207	3.2%
Vehicle Expense	18,600	0.4%	13,973	0.3%
Licenses & Permits	34,800	0.7%	31,256	0.6%
Dues & Subscriptions	56,200	1.1%	57,407	1.1%
Printing & Postage	5,520	0.1%	724	0.0%
Travel & Meetings	960	0.0%	1,044	0.0%
Marketing	62,475	1.2%	60,414	1.2%
Concession fee	156,982	3.0%	159,107	3.0%
Total Undistributed Expenses	1,330,607	25.4%	1,290,016	24.7%
Gross Operating Profit	67,277	1.3%	(530,083)	-10.1%
Non-Operating Income				
Interest Income	6,600	0.1%	6,970	0.1%
Discover Pass	-	0.0%	929	0.0%
Total Non-Operating Income	6,600	0.1%	7,899	0.2%
Non-Operating Expenses				
Other	-	0.0%	64,729	1.2%
Insurance	154,000	2.9%	104,688	2.0%
Cash over/short	-	0.0%	(28)	0.0%
Discover Pass	-	0.0%	1,500	0.0%
Total Non-Operating Expenses	154,000	2.9%	170,889	3.3%
EBITDA	(80,123)	-1.5%	(603,074)	-13.3%
Interest Expense	76,800	1.5%	67,943	1.3%

Comparison To Industry Benchmarks

CHMGS compared fort FWH profit and loss statement to the most comparable categories in CBRE's Trends in the Hotel Industry. Trends in the hotel industry is considered the standard for comparison and analysis of revenues and expenses and associated ratios and operating metrics with CBRE collecting profit and loss statements operating statistics for approximately 7,000 lodging properties. For this analysis, CHMGS has used the 2023 version of CBRE's Trends in the Hotel Industry for comparison to Fort Worden's 2023 operating results. For comparison of Fort Worden revenues, expenses, and operating statistics, CHMGS has selected all-suite hotels in the Pacific Northwest region and all-suite hotels under 200 rooms. CHMGS is of the opinion that these two categories will provide the closest point of comparison, considering the nature of Fort Worden's hospitality product in terms of product and rate positioning, size, etc. CHMGS also acknowledges the distinctive characteristics of the Fort Worden operation (e.g. geographic location, physical plant layout, rooms inventory and configuration, etc.) in relationship to comparisons to other lodging operations. This CBRE Trends data is presented in the following table. An additional table shows a side by side comparison of FWH financial data to the industry data. Note that industry data available was from 2022. As such, for better comparison, CHMGS has inflated those figures from 2022 to 2023 using an inflation factor of 4.0 percent consistent with data collected from [FRED](#).

	Mountain and Pacific				Under 200 Rooms			
	2022 Dollars per Available Room	Change from Prior Year	2022 Percent of Revenue	2022 Dollars Per Occupied Room	2022 Dollars per Available Room	Change from Prior Year	2022 Percent of Revenue	2022 Dollars Per Occupied Room
Revenues								
Rooms	\$47,823	44.7 %	82.5 %	\$187.57	\$44,646	32.6 %	88.2 %	\$170.29
Food and Beverage	\$7,304	N/C	12.6 %	\$28.65	\$4,165	85.3 %	8.2 %	\$15.88
Other Operated Departments	\$1,863	24.6 %	3.2 %	\$7.31	\$981	23.2 %	1.9 %	\$3.74
Miscellaneous Income	\$1,005	47.9 %	1.7 %	\$3.94	\$826	86.8 %	1.6 %	\$3.15
Total Operating Revenue	\$57,995	49.9 %	100.0 %	\$227.46	\$50,618	36.2 %	100.0 %	\$193.06
Departmental Expenses*								
Rooms	\$12,198	42.2 %	25.5 %	\$47.84	\$11,058	34.5 %	24.8 %	\$42.18
Food and Beverage	\$5,465	N/C	74.8 %	\$21.43	\$3,436	93.4 %	82.5 %	\$13.10
Other Operated Departments	\$591	31.1 %	31.7 %	\$2.32	\$502	36.0 %	51.1 %	\$1.91
Total Departmental Expenses	\$18,254	56.2 %	31.5 %	\$71.59	\$14,996	44.6 %	29.6 %	\$57.20
Total Departmental Profit	\$39,741	47.3 %	68.5 %	\$155.87	\$35,622	32.9 %	70.4 %	\$135.87
Undistributed Operating Expenses								
Administrative and General	\$5,119	30.0 %	8.8 %	\$20.08	\$4,583	27.1 %	9.1 %	\$17.48
Information and Telecommunications Systems	\$641	4.2 %	1.1 %	\$2.51	\$633	5.1 %	1.3 %	\$2.42
Sales and Marketing	\$7,399	51.6 %	12.8 %	\$29.02	\$6,724	34.8 %	13.3 %	\$25.65
Property Operation and Maintenance	\$2,807	24.9 %	4.8 %	\$11.01	\$2,550	22.1 %	5.0 %	\$9.73
Utilities	\$2,246	19.8 %	3.9 %	\$8.81	\$2,080	14.7 %	4.1 %	\$7.93
Total Undistributed Expenses	\$18,213	34.4 %	31.4 %	\$71.43	\$16,571	26.5 %	32.7 %	\$63.20
Gross Operating Profit	\$21,528	60.2 %	37.1 %	\$84.44	\$19,051	39.1 %	37.6 %	\$72.66
Management Fees	\$1,804	50.3 %	3.1 %	\$7.07	\$1,703	38.4 %	3.4 %	\$6.50
Income Before Non-Operating Income and Expenses	\$19,724	61.2 %	34.0 %	\$77.36	\$17,348	39.1 %	34.3 %	\$66.17
Non-Operating Income and Expenses								
Income	\$343	N/C	0.6 %	\$1.34	\$124	-74.4 %	0.2 %	\$0.47
Rent	\$1,215	50.9 %	2.1 %	\$4.77	\$851	N/C	1.7 %	\$3.25
Property and Other Taxes	\$1,731	-5.2 %	3.0 %	\$6.79	\$1,585	-9.6 %	3.1 %	\$6.04
Insurance	\$684	7.8 %	1.2 %	\$2.68	\$684	10.9 %	1.4 %	\$2.61
Other	\$649	N/C	1.1 %	\$2.55	\$407	-2.7 %	0.8 %	\$1.55
Total Non-Operating Income and Expenses	\$3,936	20.2 %	6.8 %	\$15.44	\$3,403	25.8 %	6.7 %	\$12.98
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$15,788	76.2 %	27.2 %	\$61.92	\$13,946	42.8 %	27.6 %	\$53.19
Percent of Occupancy	69.8 %	22.7 %			71.8 %	10.8 %		
Average Daily Rate	\$187.57	17.9 %			\$170.29	19.7 %		
RevPAR	\$131.01	44.7 %			\$122.32	32.6 %		
Average Size (Rooms)	236	0.0 %			147	0.0 %		

Fort Worden Hospitality - Hospitality Rollup			
	2023 Dollars Per Occupied Room	2023 Percent of Revenue	2023 Dollars per Available Room
Total Rooms Departmental Revenue	\$ 439.43	54.6%	\$ 58,455
Total Banquet/Venue Revenue	\$ 57.54	7.1%	\$ 7,654
Total Food and Beverage Revenue	\$ 265.27	33.0%	\$ 35,287
Total Other Revenue	\$ 42.59	5.3%	\$ 5,666
Total Revenue	\$ 804.83	100.0%	\$ 107,063
Total Operating (Departmental) Expenses	\$ 687.84	85.5%	\$ 91,501
Total Departmental Profit	\$ 116.98	14.5%	\$ 15,562
Total Undistributed Expenses	\$ 198.59	24.7%	\$ 26,417
Gross Operating Profit	\$ (81.60)	-10.1%	\$ (10,855)
Management Fees	N/A	N/A	N/A
Inc Before Non-Op Inc and Exp	\$ (81.60)	-10.1%	\$ (10,855)
Total Non-Op Inc and Exp	\$ 26.31	3.3%	\$ 3,499
EBITDA	\$ (106.69)	-13.3%	\$ (14,193)

Percent of Occupancy	36.4%
Average Daily Rate	\$ 439.43
RevPAR	\$ 160.15
Average Size (Rooms)	49

Rooms Revenue	\$49,784	82.50%	\$195.26
Other Operated Departments	\$1,939	3.20%	\$7.61
Food and Beverage	\$7,603	12.60%	\$29.82
Miscellaneous Income	\$1,046	1.70%	\$4.10
Total Operating Revenue	\$60,373	100.00%	\$236.79
Total Operating (Departmental) Expenses	\$19,002	31.50%	\$74.53
Total Departmental Profit	\$41,370	68.50%	\$162.26
Total Undistributed Expenses	\$18,960	31.40%	\$74.36
Gross Operating Profit	\$22,411	37.10%	\$87.90
Management Fees	\$1,878	3.10%	\$7.36
Inc Before Non-Op Inc and Exp	\$20,533	34.00%	\$80.53
Total Non-Op Inc and Exp	\$4,097	6.80%	\$16.07
EBITDA	\$16,435	27.20%	\$64.46

Percent of Occupancy	69.8%
Average Daily Rate	\$195.26
RevPAR	\$136.38
Average Size (Rooms)	236

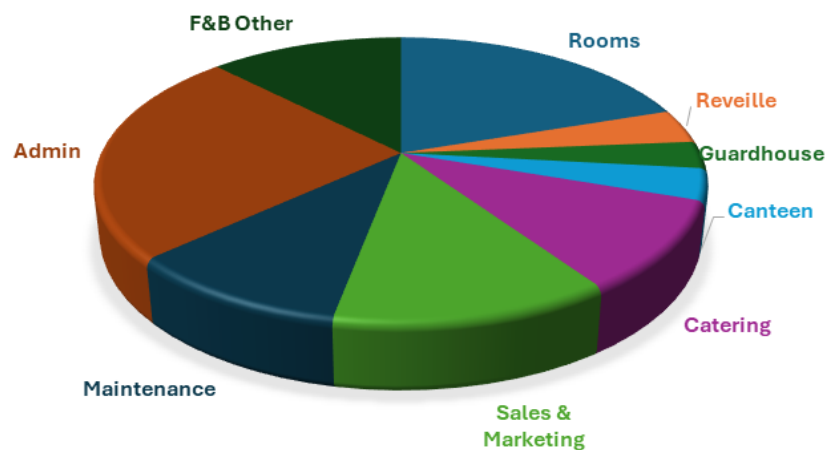
CBRE Trends in the Hotel Industry					
All Suite with F&B - Mountain and Pacific			All Suite with F&B -		
Mountain and Pacific			Under 200 Rooms		
Dollars per Available Room (Inflated from 2022 to 2023)	2022 Percent of Revenue	2022 Dollars Per Occupied Room (Inflated from 2022 to 2023)	Dollars per Available Room (Inflated from 2022 to 2023)	2022 Percent of Revenue	2022 Dollars Per Occupied Room (Inflated from 2022 to 2023)
\$46,476	88.20%	\$177.27	\$46,476	88.20%	\$177.27
\$1,021	1.90%	\$3.89	\$1,021	1.90%	\$3.89
\$4,336	8.20%	\$16.53	\$4,336	8.20%	\$16.53
\$860	1.60%	\$3.28	\$860	1.60%	\$3.28
\$52,693	100.00%	\$200.98	\$52,693	100.00%	\$200.98
\$15,611	29.60%	\$59.55	\$15,611	29.60%	\$59.55
\$37,083	70.40%	\$141.44	\$37,083	70.40%	\$141.44
\$17,250	32.70%	\$65.79	\$17,250	32.70%	\$65.79
\$19,832	37.60%	\$75.64	\$19,832	37.60%	\$75.64
\$1,773	3.40%	\$6.77	\$1,773	3.40%	\$6.77
\$18,059	34.30%	\$68.88	\$18,059	34.30%	\$68.88
\$3,543	6.70%	\$13.51	\$3,543	6.70%	\$13.51
\$14,518	27.60%	\$55.37	\$14,518	27.60%	\$55.37

Percent of Occupancy	71.8%
Average Daily Rate	\$177.27
RevPAR	\$127.31
Average Size (Rooms)	147

Summary of Findings

Total personnel expense equaled \$3,621,679 (69.3 percent of total revenue.) Over 24 percent of total personnel expense was related to the Administrative department. 33 percent of all personnel expense was allocated to food and beverage departments (Reveille, Canteen, Guardhouse, Catering, and F&B Other.) Bear in mind, these figures are from 2023, prior to the hiring of the new Food and Beverage Director. Maintenance and Sales and Marketing were the departments with the lowest percentage personnel expense allocation in 2023, at 10.2 percent and 12.5 percent respectively. Total Sales and Marketing expenses were \$565,953; 82 percent of that figure is related to personnel expense.

PERSONNEL EXPENSE ALLOCATION



Acknowledging that FWH inventory of assets is unique, It is still significant to note that personnel expenses seem quite high compared to industry standards.

- IBISWorld reports that the average hotel's largest cost center is wages, citing 22 percent is the average. FWH's wages (without taxes and benefits) equal 56.8 percent of gross revenue.
- IBISWorld reports the five-year EBITDA/Revenue ratio for all hotel/motels in the U.S. was 27.0 percent.

Additional discussion and comparison of FWH's financial performance to industry follows.

Rooms Department

Fort Worden Hospitality is positioned higher than the CBRE Trends sample in terms of average daily rate yet derives only 54.6 percent of total revenues from rooms sales, versus 82.5 percent and 88.2 percent for the Trends Mountain and Pacific and Under 200 rooms, respectively. Also, it should be noted the high variance in cost of each unit is challenging. High revenue production in the room's department is important, as rooms departmental profitability is significantly higher than that of other operating departments, especially food and beverage. Fort Worden exhibits a significantly higher ADR than the Trends samples, which speaks to a significantly lower occupancy than the Trends samples. This leads to the conclusion that FWH has a revenue problem especially as it relates to the contribution of total revenue from the Rooms Department which is the driver of income.

Food and Beverage

For Worden's combined Food and beverage and banquet/venue revenues contributes 40.1 percent of total revenues, which compares favorably to CBRE data in terms of percentage to the selected trends categories, as well as contribution on a per available room and per occupied room basis. As mentioned previously, food and beverage is typically a secondary driver in terms of overall operating revenues and a minor contributor to profitability.

For purposes of categorizing revenues to the USALI, CHMGS has assigned venue revenue as its own department. Arguably, venue revenue could be included in food and beverage departmental revenue. CHMGS has made this designation in recognition of the importance of venue revenue to the overall Fort Worden operation.

Other Revenues

CHMGS has included merchandise sales, historic preservation fee, and other revenue in other revenues. With the potential exception of merchandise revenue, it is highly unlikely that other revenues can compare directly to CBRE Trends data. It should be noted that retail offerings are limited at the Fort. There is only a limited number of offerings available in Reveille, and these items were not prominently displayed. The Commons area is quite large and could present an opportunity for retail merchandising. While visiting the Fort, the consulting team found no items for purchase such as tee shirts, hats, magnets, nor any other items a tourist/visitor would expect to be able to purchase during their visit. Depending upon the mix of inventory, retail could offer a high level of profitability to the operation.

Total Operating Expenses

Total operating expenses for Fort Worden equate to \$687.84 per occupied room and \$91,501 per available room. On a percentage of revenue basis, Fort Worden's operating expenses equate to 85.5 percent. In comparison to CBRE Trends, Fort Worden's operating expenses are significantly higher than comparables in terms of per occupied room, per available room, and as a percentage of revenue.

Departmental Profit

Considering Fort Worden's higher than industry norms for operating expenses, departmental profit is significantly lower than that of CBRE Trends data and what might be expected of a similar operation, even considering operational nuances of the Fort Worden operation that could contribute to higher expenses than a traditional lodging operation might exhibit (e.g. purpose-built facility, all rooms in one location/one building, centralized foodservice, etc.).

Undistributed Expenses

Fort Worden total undistributed expenses are significantly higher than comparable Trends categories in terms of per occupied room and per available room, but lower than comparables on a percentage of revenue basis.

Fixed Expenses

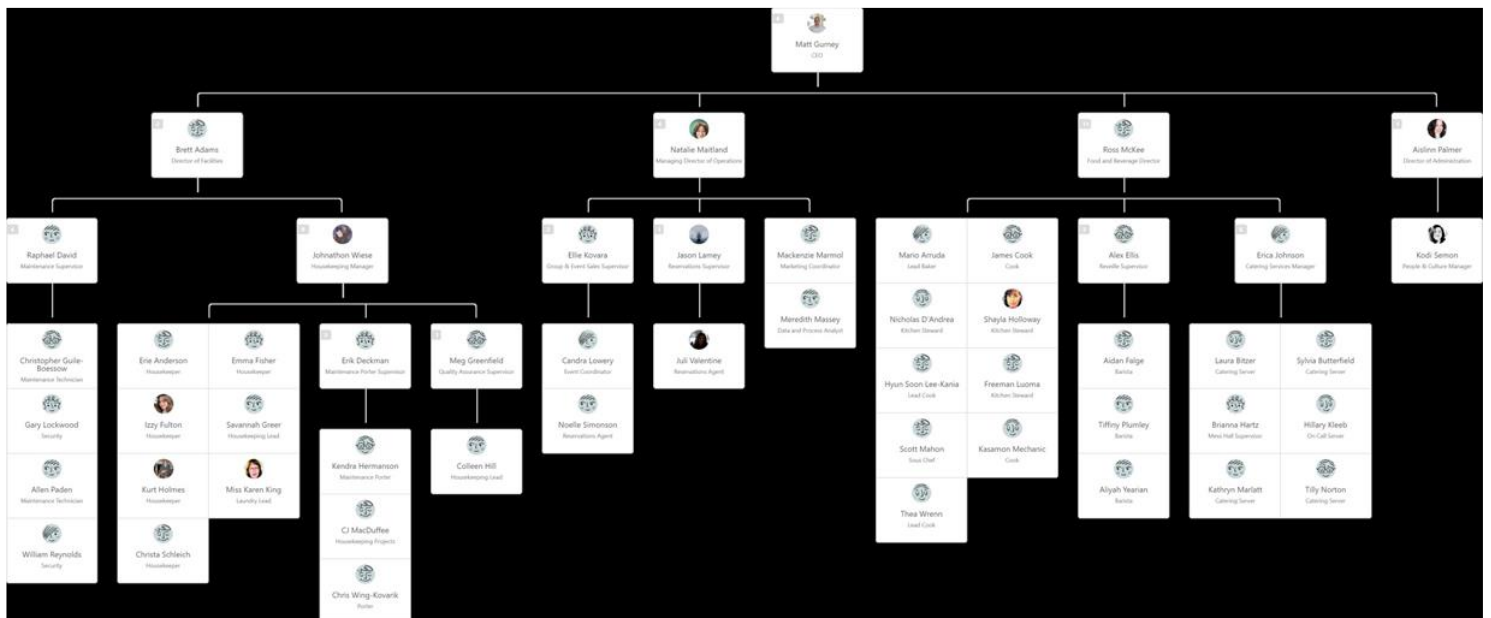
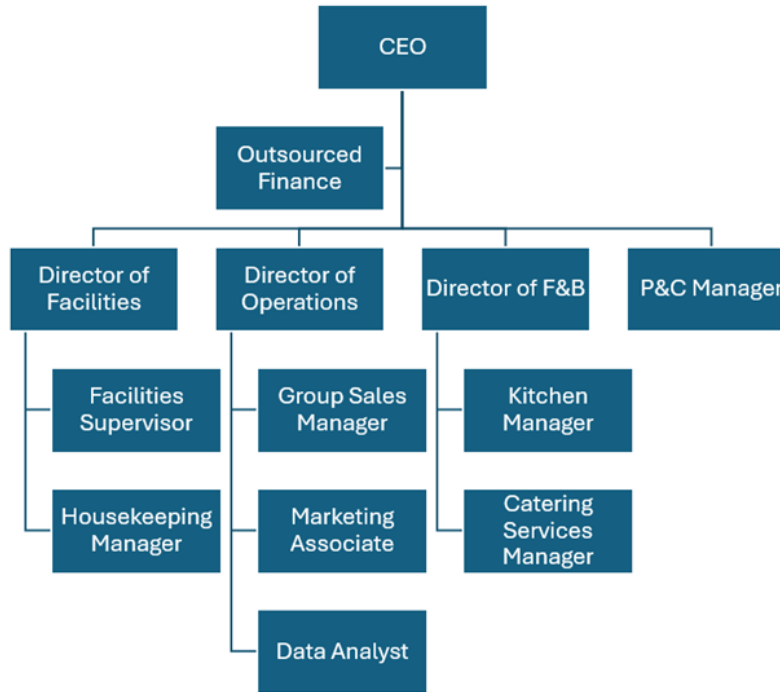
The most significant fixed expense FWH recorded in 2023 was insurance. The amount of coverage was not provided. It would be CHMGS' recommendation that facilities be inventoried, and each given a replacement value to determine if the insured amount is adequate. Replacement value is the cost of replacing damaged facilities with same value and type of facilities, while insurable value sets a limit on how much the insurer will pay. It's important to note that the cost of item repair or replacement can potentially exceed the insurable value. In the case of historic structures this is especially important. Typically, a lease agreement should outline the insurance requirement, and ideally, it lists each asset separately with a value assigned to each.

Profitability

As shown above, FWH was not profitable in 2023, and the enterprise budgeted that they would continue to be unprofitable (although to a lesser degree) in 2024. The annual losses from operations are not sustainable. Further, the lack of bottom line revenue generated makes it impossible for FWH to maintain their assigned assets. Each year they fall into further disrepair which negatively impacts FWH's ability to generate revenue from those assets. It should be noted that the operation was not profitable immediately prior to formation of the FWH entity. Information provided shows that the hospitality department was nominally profitable in 2015, 2016, and 2017. Then, in 2018 the operation began losing money as at that time site and facility maintenance responsibilities transferred to FWPDA.

Overall Operations

Prior to our site visit, FWH provided an organizational chart for our review. Subsequent to our visit, FWH submitted a new organizational chart, stating recent changes were made. Below are the current chart in comparison to the initial organizational chart.



While the current organizational chart appears simplified, it's quite similar to the older version. The older version is still a useful reference because it clearly shows all positions dedicated to the operation, including cooks, barista, servers, and housekeepers. These positions are crucial to the everyday operation and should not be overlooked. Though FWH's business is seasonal, there is a core group of employees retained on staff even through the slow periods. This is an intentional employee retention strategy. Reportedly the minimal staff required even when there is little to no business booked is 6-7 back of house (BOH) staff and three front of house (FOH) staff. Another employee retention strategy is to pay core staff members more than minimum wage. FWH reportedly pays these staff member \$18-\$19 per hour. Minimum wage in the State of Washington is \$16.28 per hour (as of January 1, 2024).

CHMGS requested detailed job descriptions but did not receive them. Job descriptions should be a resource that was predetermined prior to hiring and should be readily available for reference. A thorough review of FWH's job descriptions could reveal operational gaps, inefficiencies, or redundancies. At the time of our visit, the new Food and Beverage Director had been appointed less than two months prior. Given the distribution of revenue and the relatively small contribution food and beverage makes to the bottom line (compared to lodging revenue, for example), it was unexpected that FWH chose to allocate resources toward the food and beverage department rather than sales and marketing to drive higher profit rooms revenue.

CHMGS' impression during interviews with staff is that the current Director of Operations (who also worked with hospitality when it was under the FWPDA) handles all matters related to lodging, group sales, and marketing. The CEO's background is reportedly food and beverage. As stated previously, FWH recently hired a Food and Beverage Director. Total revenue was \$5.2 million; 33 percent of revenue (\$1.7 million) is attributed to food and beverage.

Sales and Marketing

The FWH sales and marketing annual budget is \$55,000 according to the FWH Director of Operations. This includes We do spend about \$1500 per month on digital advertising (social and programmatic). Overall Advertising is about 50% of the marketing budget. This budget goes mainly toward content development (photographers), sponsorships, print ads, and trade shows. Reportedly, the main focus of their sales and marketing plan is weddings, and FWH attends trade shows to attract new business. As currently constituted, the Sales and Marketing focus is Marketing focused, with a manager of incoming inquiries. However, there is little proactive outward sales efforts structured or occurring. An external sales initiative is recommended to drive additional business to the Fort akin to the targeted digital and print advertising launched in May 2024.

There are many opportunities for FWH to collaborate with local entities to promote tourism and visitor engagement. The local Chamber of Commerce is going through a transition. At the time of our site visits, the visitor center had closed. During this transition period, FWH has picked up some responsibilities, such as answering the phone and fielding visitor inquiries. The Fort is also hopeful to become better represented and involved with the Olympic Tourism Master Plan. It is recommended to continue as they are to maintain a visitor experience package that includes Port Townsend and FWH that could extend visitors' length of stay in the area. The Park itself is another potential coordinating partner. FWH could work together with the Park to market opportunities and enhance the visitor experience. This is an avenue that does not seem to have been fully explored to date.

As stated previously, the Fort partners seem to work in silos, and there has been little collaboration to support each other on campus. A concerted effort to share information and market collaboratively could prove an effective strategy to extend visitors' length of stay, attract new visitors, and enhance visitor experience

through planned programming. At a minimum, sharing a common calendar of events on campus would be beneficial to all parties and could help visitors better plan their stay.

CHMGS is of the opinion that there is some opportunity to create new programming during shoulder seasons to attract new business. For example, the haunted history of the Fort is formidable, and the shoulder season of October is a significant opportunity to lean into the Fort's history and create programming related to the Fort's history. In fact, storytelling seems to be a missing element in general at the Fort. Creating programming and better interpretation of the Fort and Park's assets could be a strong foundation for new marketing opportunities.

Utilities

FWH has spent a significant amount on utilities in 2023 amounting to 7.5 percent of total revenue. Historic buildings are often less efficient than modern construction which can translate to increased costs. However, during the course of our analysis, the consulting team visited the property several times and found instances of toilets running for extended periods. Proactive maintenance and repairs as well as component renewal projects could improve efficiencies and lessen consumption of utilities, resulting in decreased costs.

R&M and Facilities Condition

As stated earlier, FWH currently carries the responsibility to repair and maintain all facilities that they were assigned in "as-is" condition. Given the limited funds available, repair and maintenance to this point has been minimal and mostly reactive. There is no capital improvement plan in place to address component renewal projects either. Repair and Maintenance expenses equaled 3.2 percent of total revenue or \$165,000 in 2023, and FWH is budgeting only 2.6 percent in 2024 equaling \$134,400. Building exteriors show general wear and tear. Interiors of most venue spaces, restaurants, and the Commons area appeared to be in better condition than most overnight lodging accommodations. As noted earlier, FWH is responsible for all common area campus maintenance as well. During our interviews FWH staff indicated total Repair and Maintenance (R&M) cost is approximately \$600,000 per year, CHMGS was unable to validate that number in its review of financial data.

Images to the right provide a representation of current conditions of facilities. From top to bottom, left to right, the images show: exterior of USO event venue space, interior of the USO event space, exterior of the Lofts, living room chair inside the Steward's Cottage, Mess Hall, and the Guardhouse.



Conclusions and Recommendations

Operational Structure

As discussed, we have evaluated the rationale, terms and considerations associated with the split of FWH and the FWPDA. Other than for political reasons, CHMGS cannot rationalize financial or business support of this separation as beneficial to FWH or the FWPDA. In fact, this split seems to have resulted in operational inefficiencies, blurred lines of responsibility, financial inequities, excess costs, contention, and frustration.

CHMGS does see the benefit of an alignment of FWH with a public entity separate a distinct from Washington State Parks, to afford it the flexibility, maneuverability, and latitude to contemplate the implementation of Private Sector best business practices. It is not intended by this structure that FWH would operate outside the bounds of State Park policy, regulations, and executive orders, nor in conflict with its mission, values, and goals, but provide it with latitudes and a nimbleness not afforded necessary by a direct alignment with Washington State Parks. As such, CHMGS recommends that a transition plan be developed for the FWPDA to reassume responsibilities of hospitality services temporarily while exploring the options to recruit a more capitalized and experienced destination hospitality operator as a concession. This will better support the collective strategic management of the park, enhance the economic benefits to both entities, to realign the collective vision, coordination, and actions of all parties, and to better leverage the benefits of the FWPDA (or other) structure that could be availed to the hospitality operator.

CHMGS did not uncover a level of education, training, or experience within the currently constituted FWH team that positions them for long-term success. The background and practical experience in hospitality management, with few exceptions, of the senior leadership team to effectively develop and drive a successful hospitality business plan for FW State Park is not in place. Deficiencies in financial reporting and record keeping, sales and marketing, financial management, human capital management, and contracts management were observed. CHMGS would recommend that if a realignment of interests can be established between the FWPDA and FWH, that the PDA look to better structure the FWH team with the professional resources required including training and practical experience expected of a hospitality management company. Finally, workforce availability and affordable housing in the area deeply challenge FWH.

FWH Restructuring Opportunities

A realigned FWPDA and FWH entity could successfully engage in a business model and plan to transform FW State Park. However, the size of the local/regional market, its geography, distance from major population centers and its seasonality will contribute to challenges in demand growth, capital funding and rehabilitation of assets.

Option #1 - Localized Strategy: Under a consolidated enterprise, the FWPDA/FWH entity would need to look aggressively in building a diversified base of campus demand that can driving the necessary revenue/income to reposition the campus and invest in the rehabilitation of its assets. Several authorities are at the disposal of the enterprise to do this including but not limited to:

- Leasing
- Enhanced Use Leasing
- Concessions
- Management Agreements

Commercialization of the campus appears to be an opportunistic growth strategy. An alignment of incremental commercial tenants on campus appears to be a necessary step to ensuring future solvency and sustainability. The FWPDA/FWH could achieve this with a concerted effort of targeting tenants to lease the

current inventory of facilities on campus. Ideally, tenants would encompass a broad spectrum of users that could commit to long-term leases or enhanced-use leases driving lease income to the Park as well as generating ancillary revenue for hospitality and recreation (two beneficial income streams).

The FWPDA/FWH entity could take a two-pronged approach to diversifying these tenants, either of which would include a capital contribute from the tenant in improving the leased assets with a lease term that would fully amortize that investment and/or result in a compensable interest to be paid out should that be required at lease expiration. The two-pronged approach could include using an Enhanced Leasing mechanism and a conventional lease mechanism in that order. The Enhanced-use lease could be provided to tenants that share a like mission or business line to that of the Park. These could include educational tenants, healthcare tenants and art tenants that align with the Park's mission of being a Lifelong Learning environment. Once this initial pronged approach is saturated, they could engage in a more traditional commercialization of the Park through traditional leasing, approaching corporations, local businesses, and others (individuals/residents) to seek leasing opportunities for property within the Park from the FWPDA/FWH entity. As demand grows, the FWPDA/FWH entity could underwrite additional lodging, food and beverage and retail opportunities within the Park, with a go-to-market strategy of using concessions as a vehicle to generate interest and investment capital.

Option #2 – State Hospitality Office Strategy: Should the State be open to a more macro application as a possible solution to elevating FWH and consolidating the management of its hospitality and recreation portfolio, a strategy of developing a State Park Hospitality Management Office could be a possibility that benefits the operational efficiency, professionalism and revenue generating capability of all hospitality and recreation assets state-wide. This strategy would require that FWH be reconstituted as a State Hospitality Division/Office and relocated to Olympia, WA. The corporate management cell would hire a Director of Hospitality (qualified and experienced) and certain additional key management personnel (i.e. Director of Sales & Marketing and Executive Chef). State Parks would need to be receptive to “contributing” their currently run hospitality and recreation assets to the oversight and management of this entity. This is an important component of the success of this strategy so as to create the critical mass and scale of assets necessary to evolve portfolio size. Further, because of the benefits that accrue to a PDA or other quasi-government entity, a PDA would need to be stood up in Olympia as well and serve the needs/requirements of the Parks, to provide the State Hospitality Management Office the flexibility and maneuverability it requires to effectively accomplish things akin to a private sector entity.

Should this construct be attractive, the benefits could be many. The size of the portfolio and entity would be attractive to qualified private sector hospitality professionals, providing the portfolio diversity and scale necessary to successfully recruit regionally. Second, an effective consolidation of systems, contracts and agreements could be structured spreading the allocated costs over a broader base (Reservation system, Property Management, Point of sale, etc.). Third, a more unified sales and marketing platform could create and leverage a State-wide “Brand” of hospitality and recreation assets as an alternative to the status quo. This scale of portfolio could also drive sales and revenue, the income of which could be spread out across State Parks including Fort Worden. Fourth, a State-wide consolidation creates size and stronger messaging to stakeholder about economic impact of Parks on State finances and elevates State Hospitality in legislative discussions. Further, the presence of a State office creates a more defined decision making hierarchy, providing consistent and clear leadership, recruiting, training, budgeting, and management than the current Park by Park “Stove Pipe” structure.

Key Recommendations

As noted throughout this report, significant facility investment strategies are needed in order to secure a sustainable and resilient operational future for Fort Worden State Park and the lifelong learning center vision. With 423,302 square feet of historic buildings at Fort Worden State Park, there is a substantial footprint of aged facilities and infrastructure that required daily and regular maintenance in order to keep operational. This is by far the most significant limitation to the success of all the partners and particularly Fort Worden Hospitality and the FWPDA at the park. The unreliable availability of facilities to be operational and usable specifically for the hospitality portfolio creates a serious problem for even knowing which facilities will be on-line and available for reservations and use on a weekly basis. Other operational partners report major problems with the buildings they are leasing, from plumbing and electrical issues to even front doors that do not operate properly. There has been no substantial and sweeping capital investment in the historic facilities that has not been just reactive to infrastructure failures over the last 50 years. That said, Washington State Parks has invested \$7,238,520 in capital projects since 2019 that are almost exclusively addressing deferred maintenance issues (roof replacements, failing sewer lines, failing water lines, building exterior improvements, etc.).

Without a significant and multi-pronged approach to bringing facility and infrastructure conditions to a state in which the partners are not constantly operating from a defensive position, the FWPDA and Washington State Parks is only surrendering to the future of this park being some version of the status quo. Only an intentional and fruitful investment strategy in facilities and infrastructure at the park will be effective in securing a foundation upon which successful operations can exist.

The first step in parsing out facility investment strategies is determining an organizational strategy. That involves two major steps:

1. Determining the nature of the primary operating partner with Washington State Parks Commission; and
2. Determining the nature of the agreement between that partner and the Commission.

The Primary Operating Partner to State Parks

There are a litany of options the Consultant Team evaluated in the process of this *Strategic Plan* regarding firstly whether or not there should remain a primary operating partner to state parks such as the FWPDA, and secondly if so, what would be most strategically advantageous organizational structure of that partner. We consulted with subject matter experts, attorneys, financial institutions, successful practitioners of similar enterprises, and even private hospitality developers and operators to expand the expertise and experiences of our own teams. We came the following conclusions.

There Should Remain a Primary Operating Partner

The logic that led to the creation of the FWPDA in 2012 was sound in that the magnitude and nature of the responsibilities of operations, partner management, and program delivery at Fort Worden goes well beyond the resources of Washington State Parks. Some of the most successful examples of similar parks, including Fort Vancouver National Historic Site and The Presidio, all operate with a primary partner to the public land-owning entity. This creates an opportunity for additional resources to be pursued and leveraged and adds more flexibility in operational practices than traditionally possible through a state agency.

Public Entities: Public Development Authority vs. Public Facilities District

There are two primary types of public entities in the State of Washington that are created and utilized in a situation like Fort Worden – Public Development Authorities and Public Facilities Districts. The initial logic behind the creation of the FWPDA to operate and manage the lifelong learning aspect of Fort Worden State Park was not flawed. There is nothing inherently wrong with that construct and that is not the reason why the FWPDA is in its current situation. The three primary reasons of the current financial failure of the FWPDA are (1) it was undercapitalized from the beginning and has never been properly resourced to meet all of its obligations, (2) it became financially overextended with the acquisition of capital debt service to build non-revenue generating facilities, and (3) the unpredictable onset of the COVID pandemic sent what was already becoming a growing concern into a death spiral.

Ultimately, this *Strategic Plan* does not make a single recommendation on organizational strategy, but rather provides these two public options for consideration, as well as the private conservancy options detailed on the following page.

Public Development Authorities

Public development authorities (PDAs) are public corporations created by a city or county. Their purpose is to improve the administration of federal grants, government efficiency or the general living conditions in urban areas. They are often created to manage a single project, such as running the Pike Place Market or developing the Seattle Art Museum. A PDA is governed by a board whose membership is decided on when the authority is created. Funding is mainly through tax-exempt bonds. There are 41 currently active PDAs in the State of Washington.*

Public Facility Districts

Public facilities districts (PFDs) are public corporations created by a city or county. They are formed to acquire and operate specific public facilities. A city can form one to develop and operate regional centers. A county can form one to develop and operate sports, entertainment or convention facilities or regional centers. These districts are governed by appointed boards of directors. Funding comes from voter-approved sales and use taxes and from fees for use of facilities. There are 26 currently active PFDs in the State of Washington.*

*Source: Financial Intelligence Tool, Washington State Auditors Office ([Financial Intelligence Tool \(wa.gov\)](https://www.wa.gov))

The Consultant Team believes that the Public Facilities District is the most strategic option for the organizational structure of the primary operating partner. This conclusion is based on the fact that PFDs naturally have the opportunity for more robust operational revenues because of their eligibility to receive state allocated sales taxes. Because the major issue at Fort Worden is an under resourced operator, a larger range of sources of operational resources beyond the sole reliance on earned revenues is highly attractive.

The downside of a PFD for Fort Worden is that it must be voter-approved at the county level. The current political environment in Jefferson County is not the most favorable for this option combined with the fact that Jefferson County, at the request of the City of Port Townsend is about to put a PFD for the city's public pool out to the voters. This has been highly contentious local issue. It is unclear whether a Fort Worden PFD would politically survive a public vote at this time.

Private Non-Profit Organization or Conservancy

Another potential model for the primary operating partner is that of a private non-profit organization or conservancy. There are numerous examples of this working successfully in many places that bear similarities with Fort Worden including most notably Fort Vancouver National Historic Site which is operated by The Historic Trust and was created by the City of Vancouver, Washington. Other notable examples of conservancies successfully operating a public park in partnership with a public entity from around the United States include but are not limited to Central Park Conservancy in New York City, Piedmont Park Conservancy in Atlanta, Gateway Arch Park Conservancy in St. Louis, Shelby Farms Park Conservancy in Memphis, and Hermann Park Conservancy in Houston.

Incidentally, it is commonly misunderstood that The Presidio is operated by a conservancy but that is not accurate. The Presidio is operated by the Presidio Trust, a federal entity, and supported by the Golden Gate Conservancy for private sector fundraising.

Evaluating These Options

The Consultant Team evaluated these different organizational options as the primary operating partner of Fort Worden across a number of different criteria to determine suitability. Aside from also looking at statutory and regulatory requirements, each organization type was evaluated on seven criteria:

1. **Ease of formation** – how easily can this organization be created.
2. **Ease of operation** – how easily can this organization be operated.
3. **Ease of governance** – how easily can this organization be governed.
4. **Ease of flow of public funding support** – how easily can public funds to support operations or capital flow to this organization.
5. **Ease of private sector fundraising** – how easy is it for this organization to be successful in private sector fundraising.
6. **Opportunity for public operational funding support** – can this organization generate public funds or taxes to support operations.
7. **Likely willingness of State Parks to transfer ownership** – what is the likely willingness of the State Parks Commission to consider transferring ownership of the campus area or of facilities to this organization as a potential solution for being able to activate different strategies around generating capital to support facility needs.

Each organization type was scored on each of these criteria on a scale of 0 to 2 based on having a low, moderate, or high value. The table detailing the results of this evaluation is featured below.

	Ease of Formation	Ease of Operation	Ease of Governance	Ease of Flow of Public Funding Support	Ease of Private Sector Fundraising	Opportunity for Public Operational Funding Support	Likely Willingness of State Parks to Transfer Ownership	TOTALS
Public Development Authority	1	1	1	2	1	0	1	7
Public Facilities District	0	1	1	2	1	2	1	8
Non-Profit / Conservancy	2	2	2	1	2	0	0	9

0 = Low value

1 = Moderate value

2 = Strong value

Based on this evaluation, the organization best suited to be the primary operating partner at Fort Worden is a non-profit organization or conservancy. The only drawbacks to a conservancy are that it is not able to receive public taxes to support operations, it is very unlikely the State Parks Commission would be willing to transfer ownership of the campus or of facilities to anything other than another public entity, and conservancy can receive public funding support for either capital or operations but the process is considerably more bureaucratic than it would be for another public entity. If a public entity is determined to be the preferred strategy, it is recommended that the current PDA remain in place, be restructured, and properly resourced through a variety of sources.

The Agreement Between the Primary Partner and State Parks

Undoubtedly, the nature of the agreements between the primary partner and State Parks, as well as the subsequent agreements between the primary partner and other partner/tenant organizations need much more clarity, equity, and definition of terms. As noted previously, there are many issues at Fort Worden that originate from the state of the terms starting first in the master lease between the FWPDA and Washington State Parks Commission. It is recommended that either an alternative master lease or operating agreement be developed with terms that are more clearly defined as to the sharing of responsibilities between parties on blended or separate operations, site and facility management, revenue management, minor maintenance, and major capital repairs, replacement, or development. This process should trigger and enable the ability to renegotiate the partner leases in a manner that is fairer and more equitable to all partners, and reflective of the financial capacity of the partners.



Prioritize Placemaking: Energize the Campus

One of the distinctive differences between Fort Worden and two of the similar sites evaluated in this planning process (Fort Vancouver National Historic Site and The Presidio) is the whole feeling and nature of the visitor experience. In both places, there is a diverse and robust set of tenant partners that energize their campuses very differently than at Fort Worden. There are private, more commercial business tenants that are focused on visitor services, retail, professional services tenants, and in the case of The Presidio even private residents. The Consultant Team feels strongly that if we all looked at the campus through the lens of more intentional placemaking – being a great place to live, work, and play – it would help to generate ideas and alternative for adaptive reuse of existing facilities and recruiting new partners/tenants that also would have the ability to pay closer to market rate on the leases.

Examples of potential new partners include but are not limited to:

- Medical, health and wellness, occupational therapy businesses or practices
- Additional visual, theater, applied and musical art businesses or organizations
- Savannah College of Art and Design
- General service businesses or organizations
- Cascadia Bioregional Institute

Facility Investment Strategies

The scale of this required investment is in the hundreds of millions. While a detailed inspection of facilities and related capital estimating was not within this scope of this plan, based on their experience and expertise the Consultant Team estimates this is likely in the range of \$150-\$350 million over the next 10 years. That size of investment *demands* a multi-faceted approach that spreads the burden across multiple opportunities both in the public and private sectors. On the following pages are some specific sources of potential investment that should be further explored and possibly pursued. This is not an exhaustive list of options.

Partner-led Investment

Currently, Centrum is engaged in a fundraising campaign to generate \$20 million in capital funds to update and redevelop some of the facilities they utilize. Recently, KPTZ 91.9 FM radio station has invested significantly in the redevelopment of their facility, and Peninsular College did a tremendous job in redeveloping their building. Additionally, Port Townsend Marine Science Center is soon to embark on a capital fundraising campaign to improve their facilities. There are great examples of partner-led capital investments in facilities and this should be encouraged and continued. Additional partners that have the financial capacity to do this should be pursued.

Private Hospitality Redevelopment

There has been a desire for over 15 years to attract a private hospitality developer/operator to redevelop select facilities at Fort Worden into more traditional hotel-type assets. Specifically, this was envisioned for Building 225. In visiting with private hotel developers over the course of this project, it was discovered that Building 225 by itself may not offer sufficient capacity for a private developer/operator to recover its capital investment over a reasonable amount of time through revenues generated from operations. Subsequently, it is recommended that an additional building on campus be identified to be potentially included in this offering.

Public Funding Support

There are a number of public funding opportunities that should be further explored and pursued to support facility and infrastructure investment at Fort Worden. These are listed and detailed below.

Federal

- **U.S. Army Remediation Funds**

The Presidio received over \$100 million in U.S. Army Remediation Funds for the abatement of hazardous materials and substances that were left following the military's use and occupation of the site. While Fort Worden is not near the scale as The Presidio, it has many issues that remain on site and are directly associated with the facilities that could qualify for this area of funding support.

- **Department of Commerce, Economic Development Administration**

Once the economic impact assessment is complete, this could be a potential source of funding to support job creation and general economic impact to the local area and region.

- **Department of Housing and Urban Development**

- Community Development Block Grants Program: urban and rural community development and economic resiliency
- Affordable Housing Development Grants Program: for the development of affordable housing facilities

- **House and Senate Congressionally Directed Spending** – areas that are regularly funded that could apply to Fort Worden include:

- Rural Development and Related Agencies
- Commerce and Related Agencies
- Environment and Related Agencies
- Housing and Urban Development and Related Agencies

State of Washington

- Washington State Parks Commission Capital Budget Requests
- House of Representatives Capital Budget Committee
- Senate Ways and Means Committee

Lease of Facilities to Private Parties

The Presidio Trust kick-started its facility redevelopment campaign in the 1990s with leasing houses and other facilities to private parties for either residential or business purposes and then requiring those tenants to do the work that was necessary to bring those facilities into reliable working conditions. Fort Worden could consider a similar strategy with certain facilities such as the houses in Officers Row or those in NCO Row. Those transactions would require, of course, certain covenants around the nature in which facilities can be redeveloped or used, and their appearance. This strategy in whatever form it takes could be a source of revenues to not only support the operational costs of the primary operating partner, but also additional investment funds for other facilities on campus.

Strategic Action Plan

This strategic action plan has been developed based on the evaluations and analyses of this project, the current and very real circumstances that exists today, and feedback from State Parks, the FWPDA, and all partners to which the highlights of the draft report was shared in early May 2024. The action plan takes options that were presented earlier in the report and provides more specific recommendations for moving forward. It is organized temporally in the immediate term, short term, mid-term, and long-term format.

Short Term: July 2024 – June 2025

Timeline	Action / Response to Circumstance	Responsible Parties
July – September 2024+	In the case that operational bridge funding is not acquired for the FWPDA, this organization will not be financially viable, and the State Parks Commission will re-assume direct control over the campus and all agreements with partner organizations and responsibility for all operating expenses, including utilities. The FWPDA run rate is ~\$50k assuming FWH is making reimbursement payments, ~\$72k monthly if they are not. It is assumed that all existing lease agreements with partners will be nullified due to the termination of the FWPDA master lease and temporary/short-term agreements will be established.	FWPDA State Parks Commission Partner Organizations
June – August 2024+	In the case the FWPDA is no longer financially viable, FWH, Centrum, and all other partner organizations will continue to provide services to customers and visitors of Fort Worden State Park. If this occurs it is recommended that State Parks resumes daily operations and oversight of the campus.	State Parks Commission Partner Organizations
July 2024 - Ongoing	Conversations with State legislative leadership and the Federal delegation will be scheduled and begin to further explore federal and state funding support options to address facility conditions and operational needs of the park.	State Parks Commission Partner Organizations City of Port Townsend Jefferson County
May – July 2024+	Determine with Kitsap Bank the resolution of the debt service held by FWPDA. It is recommended that if the FWPDA is able to remain operational, that the terms of the debt reflect a deference of debt obligation for at least two years. If the FWPDA is financially insolvent the resolution of the debt service will need to be resolved otherwise.	FWPDA Kitsap Bank City of Port Townsend

Fort Worden Lifelong Learning Center Strategic Plan

Timeline	Action / Response to Circumstance	Responsible Parties
July – December 2024+	An Operations Coordination Committee is formed and meets regularly (weekly) to coordinate operational and maintenance priorities on campus and engagement with State Parks.	Fort Worden Hospitality Centrum State Parks Commission
July – September 2024	Due diligence is conducted on FWH for developing a short term agreement with State Parks. Milestones to become financially sustainable are identified and set in place. Alternatively in the case FWH is not financially viable State Parks should be prepared to provide solutions to immediate hospitality needs, including but not limited to the possibility of reduction or complete suspension of hospitality services.	State Parks Commission Primary Operating Partner Fort Worden Hospitality
January – March 2025+	Renegotiation of leases and agreements begins in a manner that is more realistic and sustainable given the massive challenges of the site and facility conditions and operational resource options.	Primary Operating Partner State Parks Commission Partner Organizations

Mid Term: January – December 2025

Timeline	Action / Response to Circumstance	Responsible Parties
January 2025 – December 2027	Exploration into the recruitment or development of a new primary operating partner for the lifelong learning center campus of Fort Worden State Park begins. This must be an organization that has the skills and competencies, and capitalization required to achieve the long-term goals of the vision and desired operating model. This should be reflected in all aspects of the leadership of the new primary operating partner and not be restricted to just local representation.	State Parks Commission City of Port Townsend Jefferson County
April – June 2025	Finalization of partnership and lease agreements.	State Parks Commission Partner Organizations
January – June 2025+	In the case that FWH is not financially viable or can meet established milestones, begin the exploration of potential alternative hospitality service providers and/or a well-capitalized hospitality developer/operator that has a strong track record, more capitalization, and more expertise in destination hospitality operations.	State Parks Commission Fort Worden Hospitality
March – June 2025+	Complete a facility evaluation and utilization analysis that examines every facility on the Fort Worden campus, identifies all maintenance and repair requirements to bring facilities into reliable working condition, and determines potential future uses. There also needs to be a campus master plan, not by an architect, but development-focused to determine what the best use of each building is - lodging, F&B, housing, commercial, non-profit educational and creative spaces, performance and event spaces, etc. and the current and potential ROI of each building based on best use. This process could also vet the possibility to redevelop building 225 and potentially another building into more traditional hotel-style accommodations.	State Parks Commission

Long Term: June 2025+

Timeline	Action / Response to Circumstance	Responsible Parties
June 2026+	Identify and recruit new potential partners/tenants/concessionaires to the Fort Worden campus.	State Parks Commission Partner Organizations
June 2026+	Initiate new and creative strategies for facility renovations and adaptive reuse including but not limited to longer term leases to support tenant investments, lease/build/operate agreements, and possible sale of facilities to private parties with restrictive covenants. This should be based on the development master plan as referenced above.	State Parks Commission Partner Organizations
June 2027	Hire a professional marketing / communications firm to assist with rebranding efforts. This should include the development of a new brand identity for the Fort Worden Lifelong Learning Center, as well as implementation strategies for collaborative marketing and promotional activities by both the primary operating partner as well as all other partner organizations. If the primary operating partner is a public entity, issue public RFQ's.	State Parks Commission Partner Organizations
June 2027+	Begin regional and national marketing campaign with newly developed brand identity and communications strategies.	Partner Organizations State Parks Commission
June 2027+	Begin concerted private sector fundraising activities to include but not be limited to mid and major individual donor recruitment, institutional funding opportunities, fundraising events, donor onboarding and management, and coordination of collaborative fundraising amongst partner organizations.	Partner Organizations State Parks Commission
June 2027+	Explore and identify long term primary operating partner and provider of hospitality services.	State Parks Commission Partner Organizations
June 2027+	Implementation of a 10-year operating plan for Fort Worden State Park that is financially sound and can meet the long-term facility needs and operational objectives of the park.	State Parks Commission Partner Organizations

Conclusion

This was a very challenging plan to develop because the circumstances surrounding Fort Worden and the vision of the lifelong learning center have deteriorated so severely before a planning process was begun. Leadership of Washington State Parks have been suggesting and requesting the FWPDA to conduct such a plan for over two years and only after it had its most recent change in leadership was this pursued. The FWPDA runs the risk of depleting all of its operational resources within a short period of time which needs to be further evaluated with a potential transition plan established. In this case, all responsibilities for management of the campus area and coordination of the partner organizations will revert back to State Parks.

There is a potential bright future for Fort Worden and the lifelong learning center vision but it will require patience, hard work, and a multi-dimensional approach to achieve as articulated in this plan. It is also possible that the reality of this vision will fade away if significant facility investments are not actualized, there is no other future primary operating partner to State Parks created, and buildings fall into disrepair and are shuttered. It would be a shame if that were the fate of Fort Worden but it is certainly in the realm of possibility given where the campus stands today.

The local residents of Port Townsend are passionately supportive of Fort Worden but at the same time are sometimes its greatest challenge. There are strong feelings vocalized about keeping the park the way it was and in opposition to new strategies for how the facilities of the Fort can be invested in. This strong adherence to the conditions of the past and heavy local control of the park are strangling to many of the potential solutions that can save it. The needs of Fort Worden to remain as it has been or better are so great that only creative and diverse strategies that are potentially a departure from the past or tradition will be possible to address the issues. This is not only advice for the local community but also for the Washington State Parks Commission.

In summary, for the campus of Fort Worden State Park and the vision of the lifelong learning center to survive in the long term every stakeholder, partner, and local resident will need to put their personal bias or adherence to tradition aside and think about what is best for the Fort. Washington State Parks Commission alone as an agency does not have the financial capacity to address the myriad facility issues on site. The City of Port Townsend does not have the financial capacity nor the interest to take on this challenge either. Aside from Centrum, the majority of existing partner organizations operating on campus do not have the financial capacity to deal with the facilities as needed. New strategies and new ways of thinking are absolutely essential in order to navigate these challenges moving forward. As a Consultant Team, we offer this plan as a hopeful set of strategies that can potentially avoid the alternative of the eventual decay of what once was envisioned as a bright future for Fort Worden State Park.

Appendix A – Market Analysis Detailed Findings

Demographic Analysis

The Demographic Analysis describes the population in Clallam County and Jefferson County (the primary service area), the population within a 2-hour drive time from the Park (the secondary service area), and the population within a 4-hour drive time from the Park (the extended service area). This assessment is reflective of the service areas' total population and their key characteristics such as age, race, and income levels. It is important to note that future projections are based on historical patterns and unforeseen circumstances during or after the time of the analysis could have a significant bearing on the validity of projected figures.

Figures 1a a

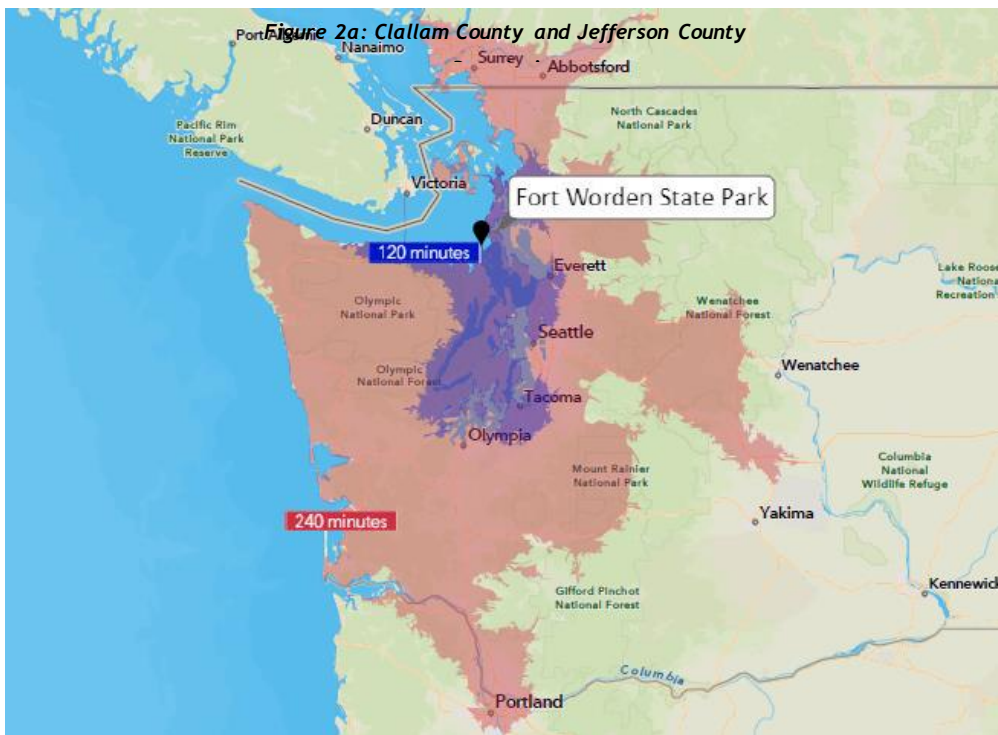
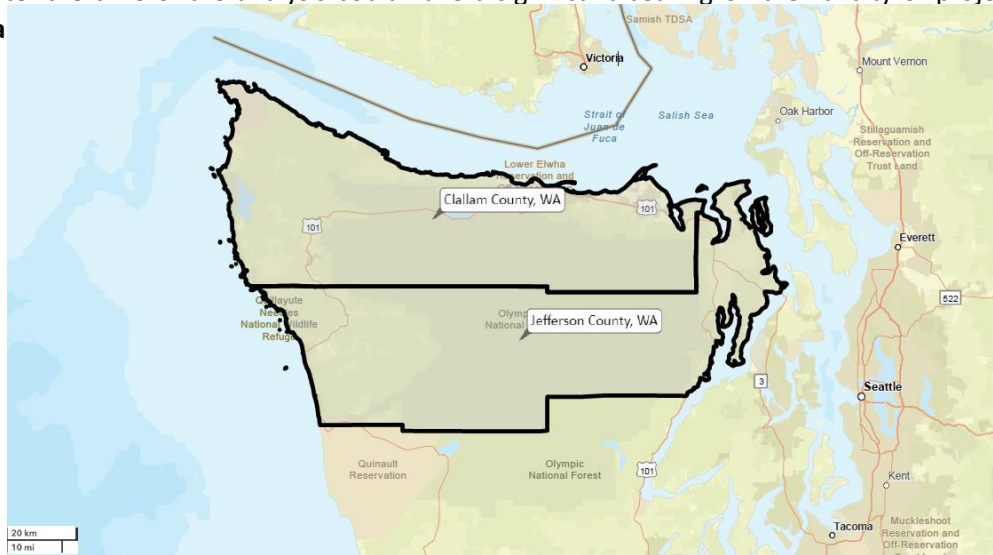







Figure 1b: 2-Hour and 4-Hour Drive Time Service Areas

Demographic Overview

The following is a summary comparison of the demographics for Jefferson County, the secondary service area, and the extended service area. Each of these demographics will be defined and analyzed further in subsequent sections (See Figure 2).

2023 Statistics	Clallam County and Jefferson County	2-Hour Drive Time	4-Hour Drive Time
Population 	112,608	2,771,563	7,221,163
Households 	51,465	1,105,631	2,857,376
Median Age 	39.1 Years	39.1 Years	39.1 Years
Median Income 	Per Capita: \$43,144 Household: \$64,434	Per Capita: \$52,835 Household: \$92,744	Per Capita: \$53,178 Household: \$94,297
Race 	82% White 1% Black 2% Asian 9% Two or More Races 6% Hispanic Origin	62% White 6% Black 12% Asian 12% Two or More Races 12% Hispanic Origin	64% White 5% Black 12% Asian 12% Two or More Races 12% Hispanic Origin

A complete report of the market analysis can be found in this Appendix of this report.

Figure 2: Primary, Secondary, and Extended Service Areas'

Methodology

Demographic data used for the analysis was obtained from U.S. Census Bureau and from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in June 2023 and reflects actual numbers as reported in the 2020 Census, as well as estimates for 2028 as obtained by ESRI. Straight line linear regression was utilized for 2033 and 2038 projections.

Race and Ethnicity Definitions

The minimum categories for data on race and ethnicity for federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2020 data on race are not directly comparable with data from the 2000 Census and earlier censuses; therefore, caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2020) definitions and nomenclature are used within this analysis.

- American Indian – This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian – This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black – This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander – This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White – This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino – This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

*Please Note: The Census Bureau defines Race as a person's self-identification with one or more of the following social groups: White, Black or African American, Asian, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, some other race, or a combination of these. While Ethnicity is defined as whether a person is of Hispanic / Latino origin or not. **For this reason, the Hispanic / Latino ethnicity is viewed separate from race throughout this demographic analysis.***

Service Area Populace

The analysis that follows identifies multiple demographic characteristics within Clallam County and Jefferson County (the primary service area), a 2-hour drive time from the Park (the secondary service area), and a 4-hour drive time from the Park (the extended service area), including:

- Overall size of the service area populations by individuals, households, age segments, and race
- Economic status and spending power demonstrated by household income statistics
- Influence of demographic trends on recreation participation

Population and Households

The total 2023 population of the combined service areas (i.e., the extended service area wholly) is estimated to be 7,221,163 comprised of 2,857,376 total estimated households. The population within the combination of Clallam County and Jefferson County accounts for less than 2% of the extended service area's population with an estimated 112,608 residents in 2023. A table summarizing the combined population of all service areas is provided below (**See Figure 3**). These illustrate the population as accounted in the 2010 U.S. Census, and updated projections for 2023 and 2028.

	Clallam County and Jefferson County Population	Clallam County and Jefferson County Households	Secondary Service Area Population	Secondary Service Area Households	Extended Service Area Population	Extended Service Area Households
2020	110,132	49,820	2,693,117	1,068,668	6,999,170	2,756,364
2023	112,608	51,465	2,771,563	1,105,631	7,221,163	2,857,376
2028	115,031	52,964	2,855,837	1,146,677	7,422,946	2,954,852
Growth from 2020 to 2023	2,476	1,645	78,446	36,963	221,993	101,012
% Change from 2020 to 2023	2.24%	3.30%	2.91%	3.46%	3.17%	3.66%
Annual Growth Rate (2020-2023)	0.75%	1.65%	0.97%	1.73%	1.06%	1.83%

Figure 3: Service Areas' Total Population, Households, and

Key Total Population and Household Findings

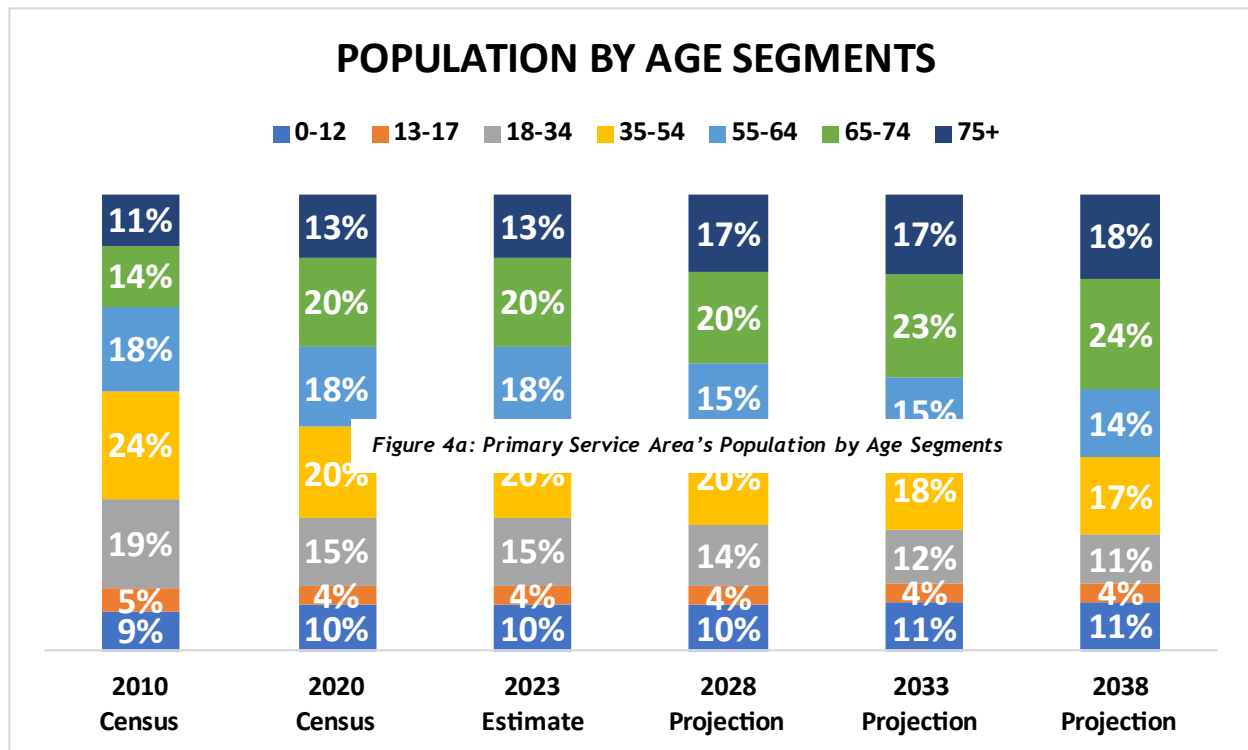
The key findings of the total population and household analysis are detailed as follows:

1. The population of the primary service area (Clallam County and Jefferson County combined) has **increased** in the last 3 years (0.75% annual growth rate). Compared to the national annual growth rate of 0.61%, this service area has fast growth in both population and households. Alternatively, the secondary and extended service areas have population annual growth rates of 0.97% and 1.06% over the last three years respectively.
2. The total population of Clallam County and Jefferson County is just a small portion of both the secondary and extended service areas, indicating the **potential for the primary service area's attractions to be utilized by other nearby residents**, and not just those that live in the immediate area.
3. The growth in the number of households is **slightly larger than the total population growth rate** in all service areas. This may be attributable to the growth in the number of young families in the region.

Age Segmentation

Evaluating each service area by age segments, the population of Clallam County and Jefferson County is primarily relatively elderly, with **51% of residents within the 55+ years age segment** compared to **35% of the population falling within the 18-54 age segment**, along with a **median age of 39.1** which is considerably older than the U.S. median age of 37.0 years. Assessing the population as a whole, the primary service area is projected to experience a slow aging trend; over the next 15 years, the 55+ population is expected to **grow from 51% to representing 56%** of the region's total population, which is largely due to the increased life expectancies and the remainder of the Baby Boomer generation shifting into the senior age groups. (**See Figure 4a**). Alternatively, the population of the secondary and extended service areas are far younger in

comparison, with age segments that are much more middle aged and/or youthful, which is illustrated in Figures 4b and 4c.



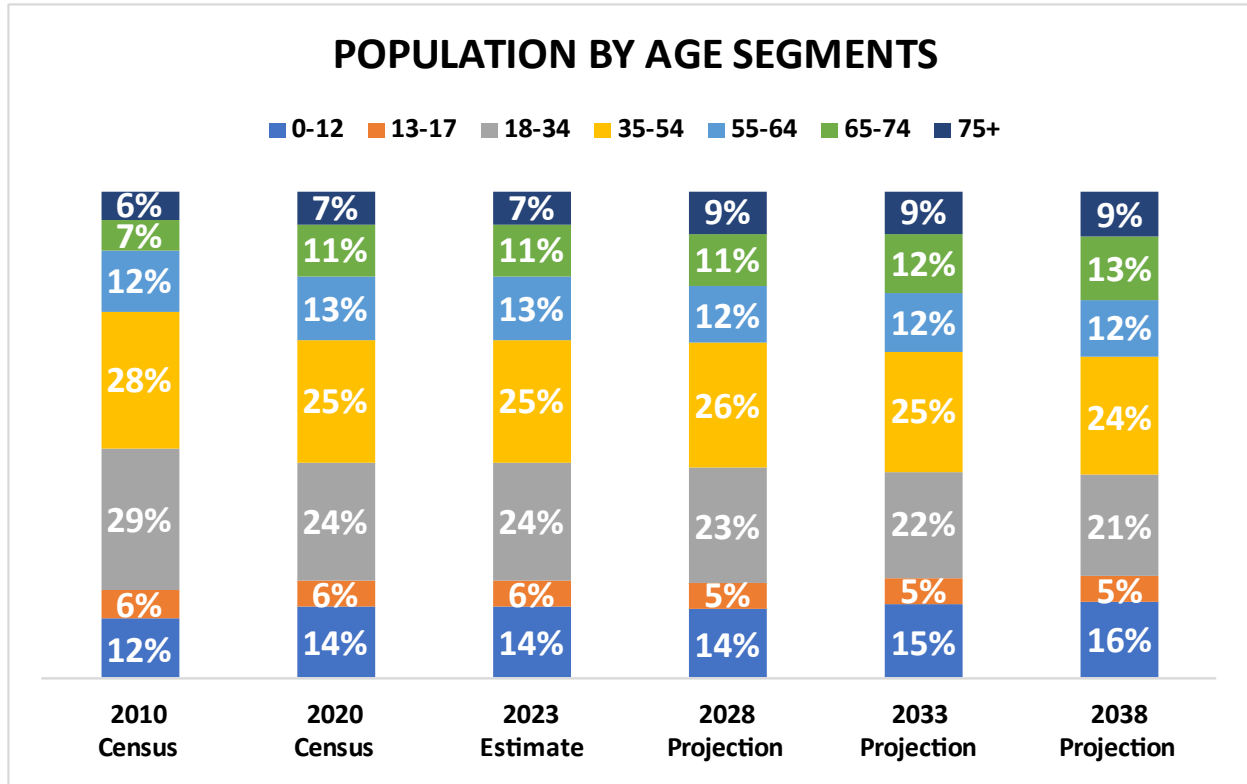


Figure 4b: Secondary Service Area's Population by Age Segments

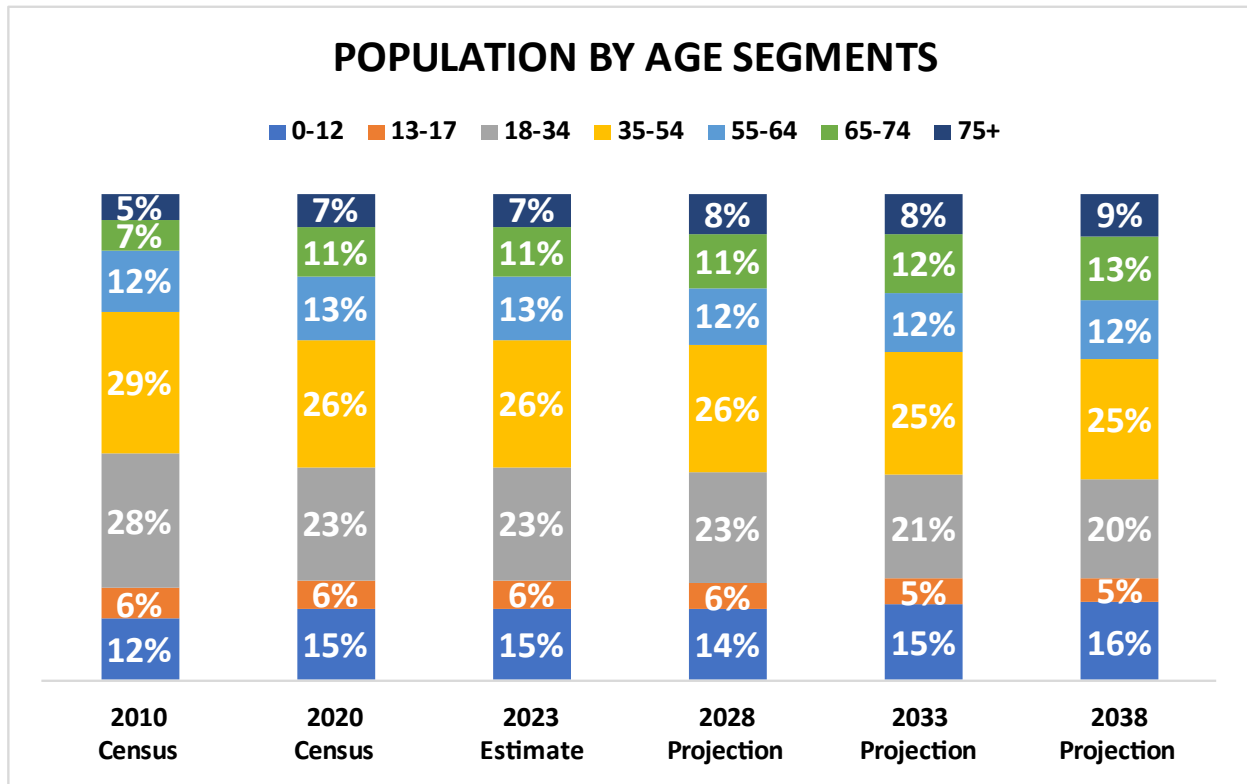


Figure 4c: Extended Service Area's Population by Age Segments

Race

Analyzing race, the current population of all service areas is **mostly White Alone**, however, the secondary and extended service areas have more diverse populations in comparison to Clallam and Jefferson County. The 2023 estimate shows that 82% of the population falls into the White Alone category within Clallam County and Jefferson County, while the populations in the secondary and extended service areas are 62% and 64% White Alone respectively. Within the primary service area, the **American Indian & Alaska Native** category marks the largest minority group at 4% of the total population, while the **Asian Alone** (12% in both the secondary and extended service areas) category represents the largest minority group in the secondary and extended service areas. The predictions for 2038 expect the populations in all service areas to **continue diversifying**, as the White Alone population is projected to decrease by 5-10% in each service area, as other minority categories are expected to experience slight increases. (Figures 5a, 5b, and 5c)

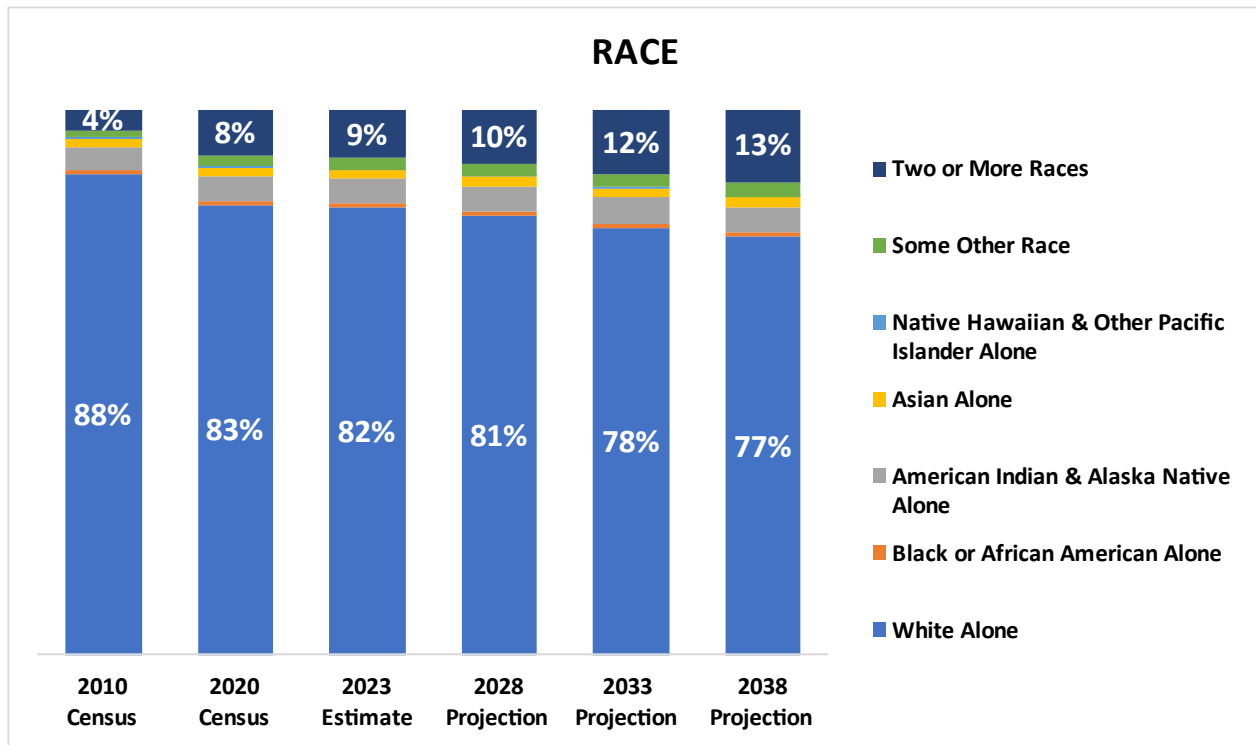


Figure 5a: Primary Service Area's Population

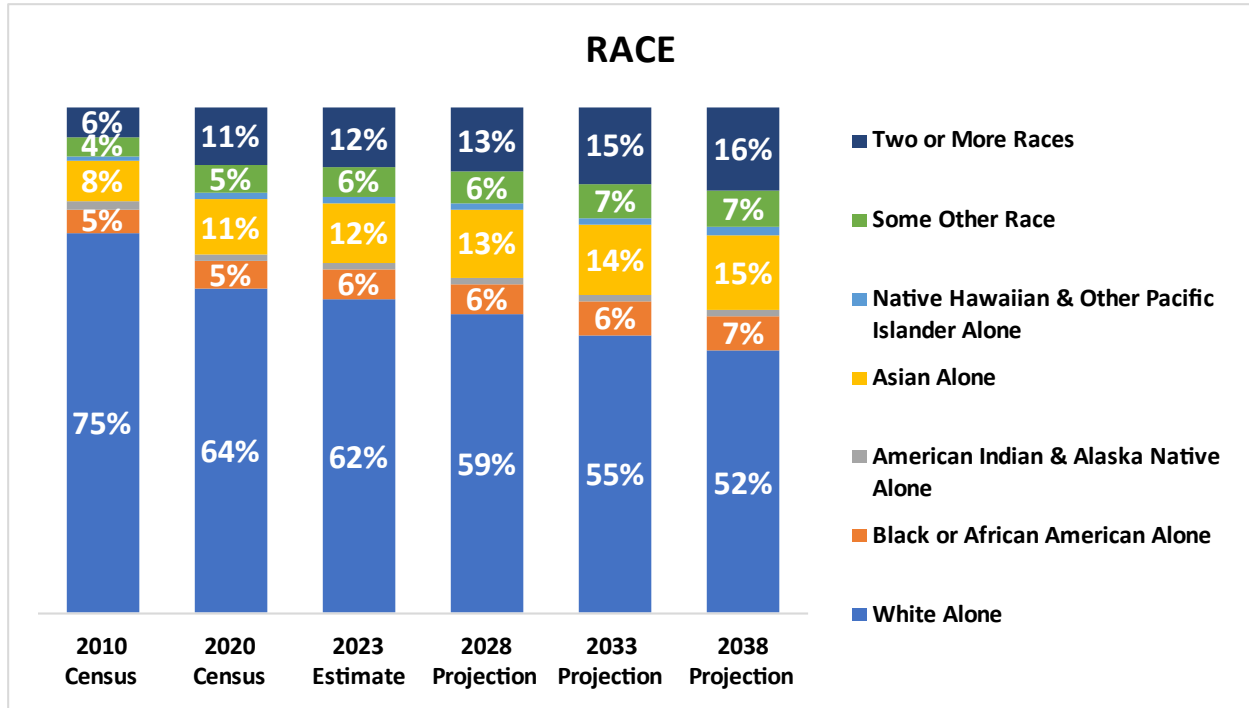


Figure 5b: Secondary Service Area's Population

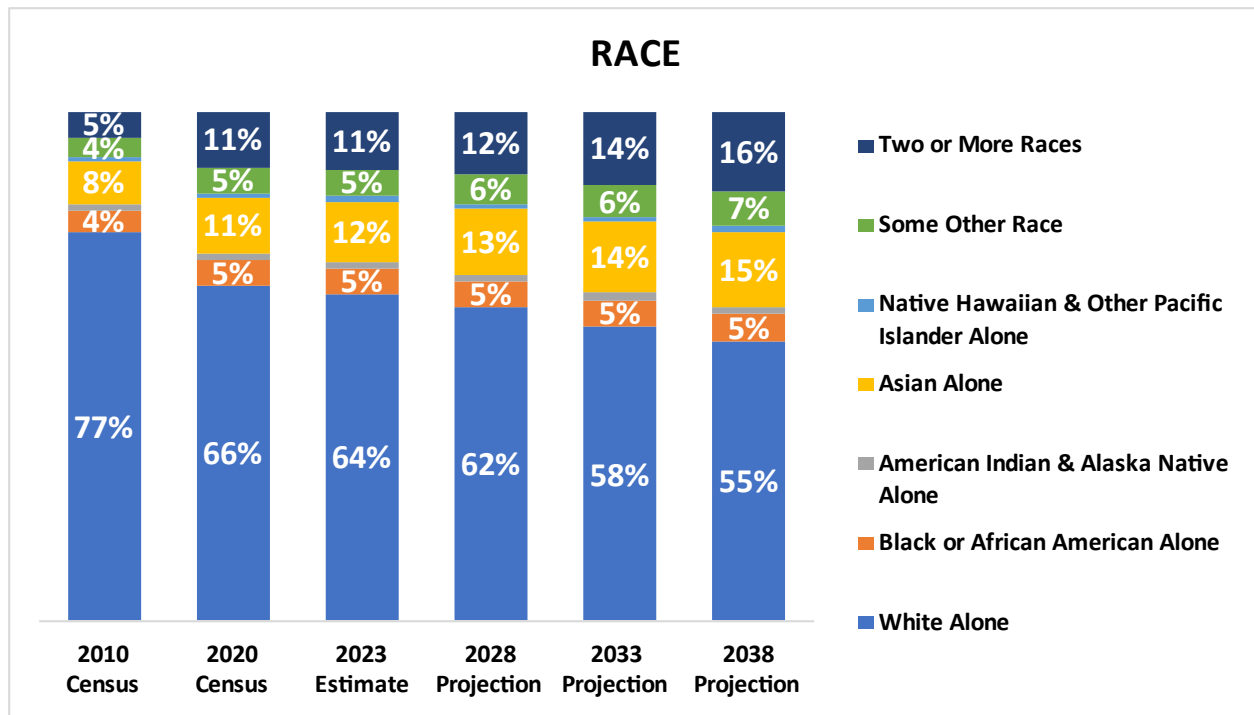


Figure 5b: Extended Service Area's Population

Ethnicity

The region's population was also assessed based on Hispanic/Latino ethnicity, which by the Census Bureau definition is viewed independently from race. **It is important to note that individuals who are Hispanic/Latino in ethnicity can also identify with any of the racial categories from above.**

Based on the 2020 Census, it is estimated in 2023 that those of Hispanic/Latino origin represent **roughly 6%** of Clallam County and Jefferson County's combined current population, which is well below the national average (18% Hispanic/Latino). However, the secondary and extended service areas have Hispanic population of over double that of the primary service area, with 12% in each. This portion of the population is expected to grow marginally over the next 15 years in all service areas, with the secondary service area seeing the largest growth (**from 12% of the total population in 2023 to 15% by 2038**). (Figures 6a, 6b, and 6c)

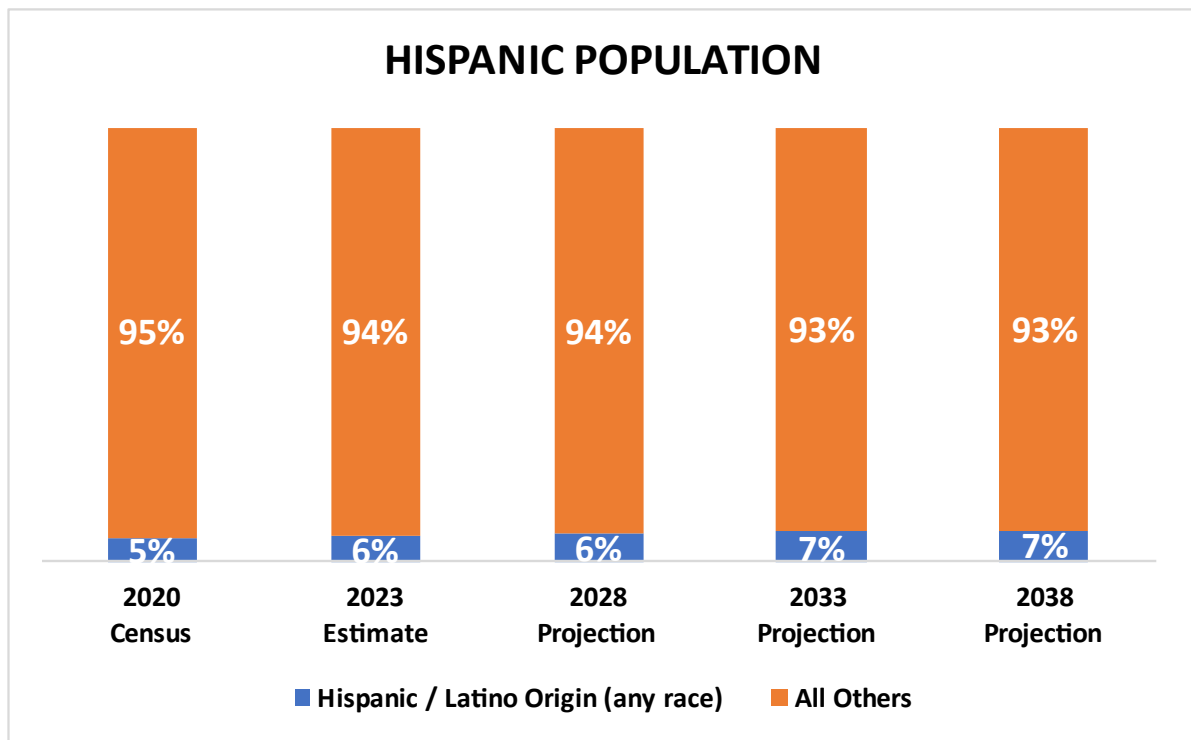


Figure 6a: Primary Service Area's Population by

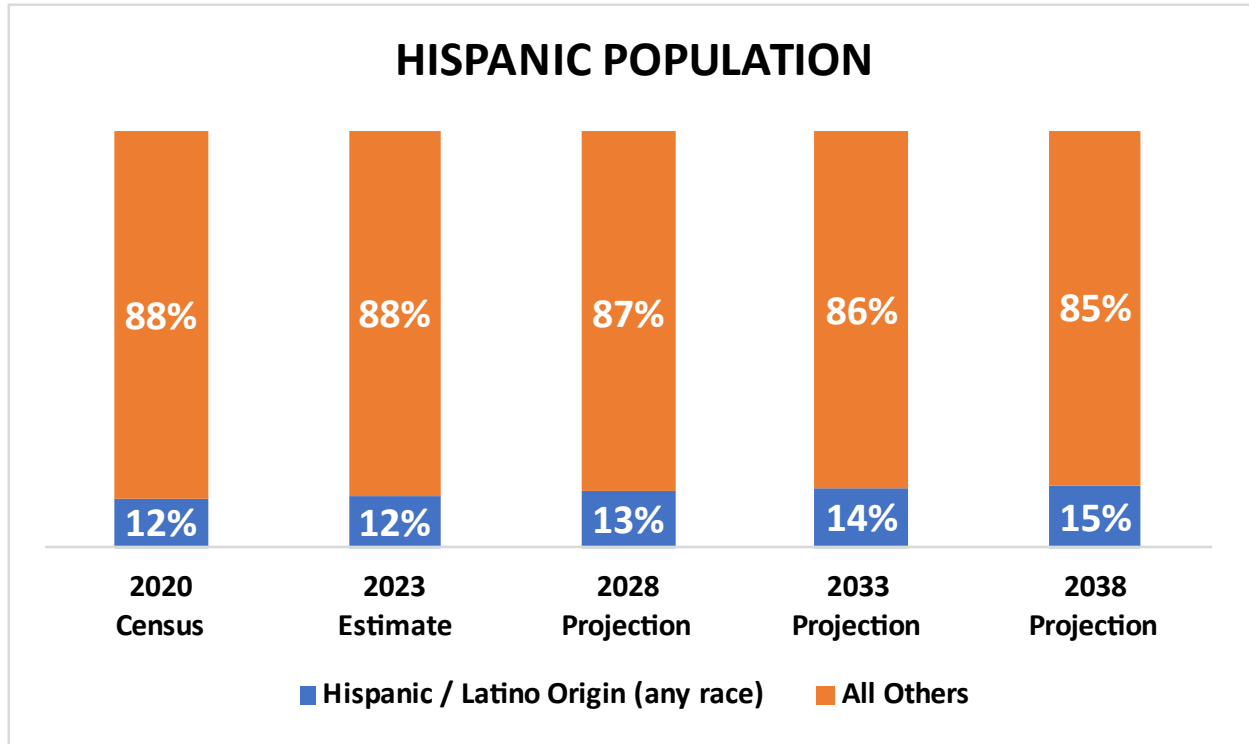


Figure 6b: Secondary Service Area's Population by

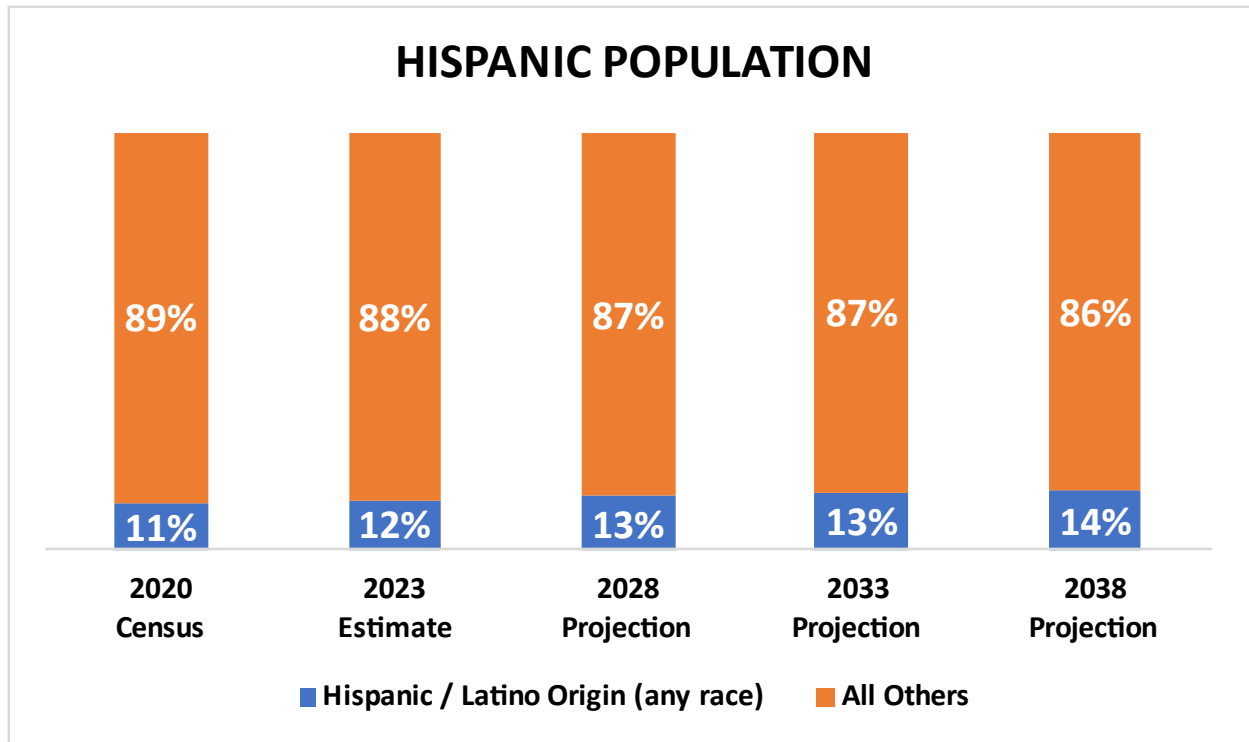


Figure 6c: Extended Service Area's Population by

Income Characteristics

When comparing income, it is useful to evaluate both per capita income and median household income to create a thorough understanding of the population's spending capability regarding potential recreation offerings. As seen in **Figures 7a, 7b, and 7c**, the per capita income and the median household income of Clallam County and Jefferson County and both the secondary and extended service areas are expected to grow over the next 15 years. For the primary service area, per capita income and median household income (\$43,144 and \$64,434 in 2023 respectively) can be expected to grow to **\$63,166 and \$92,841 by 2038**. However, the secondary and extended service areas can both expect much greater growth, as the per capita income of both will increase by roughly **\$27,000 by 2038**, while the median household income will increase by a robust **\$45,000 in that same time frame**. While these increases could be attributed to national inflation, the projections of rising incomes in all service areas indicate healthy economic growth.

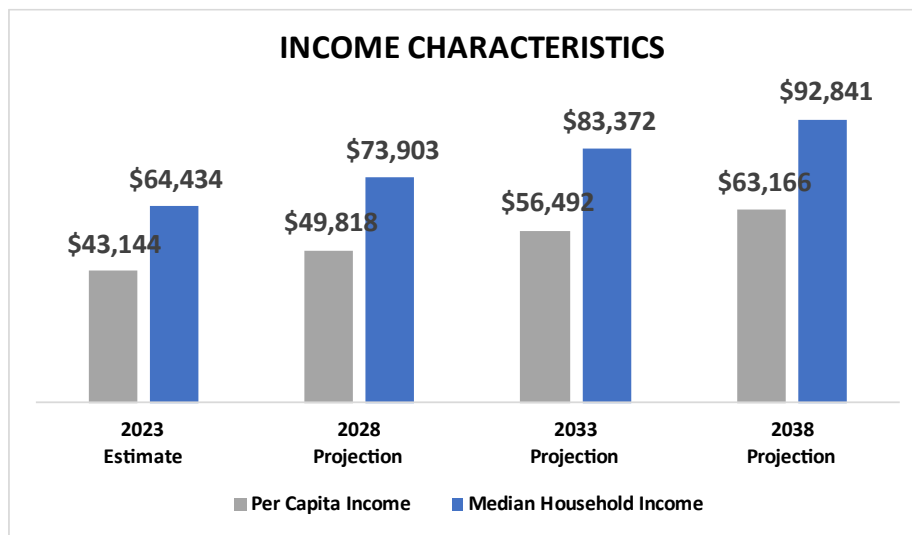


Figure 7a: Primary Service Area's Income Characteristics

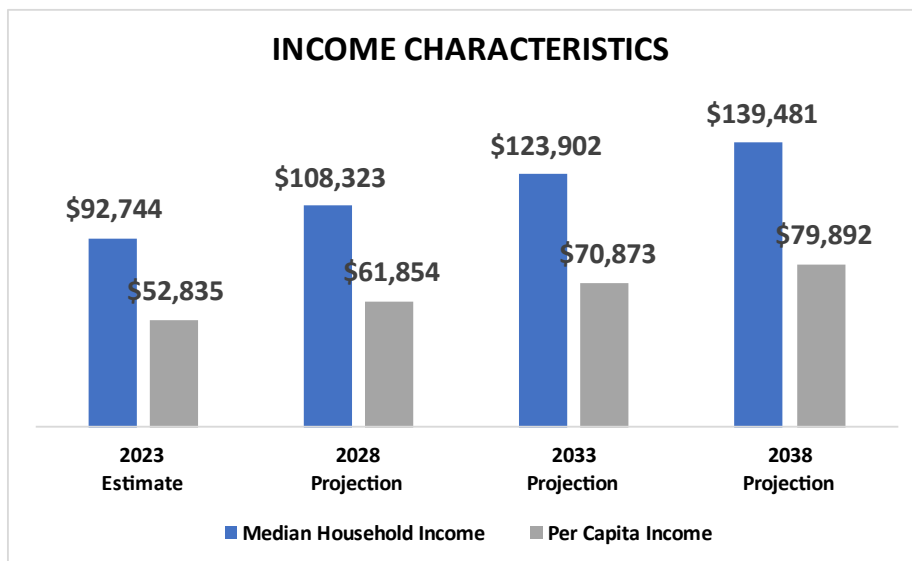


Figure 7b: Secondary Service Area's Income

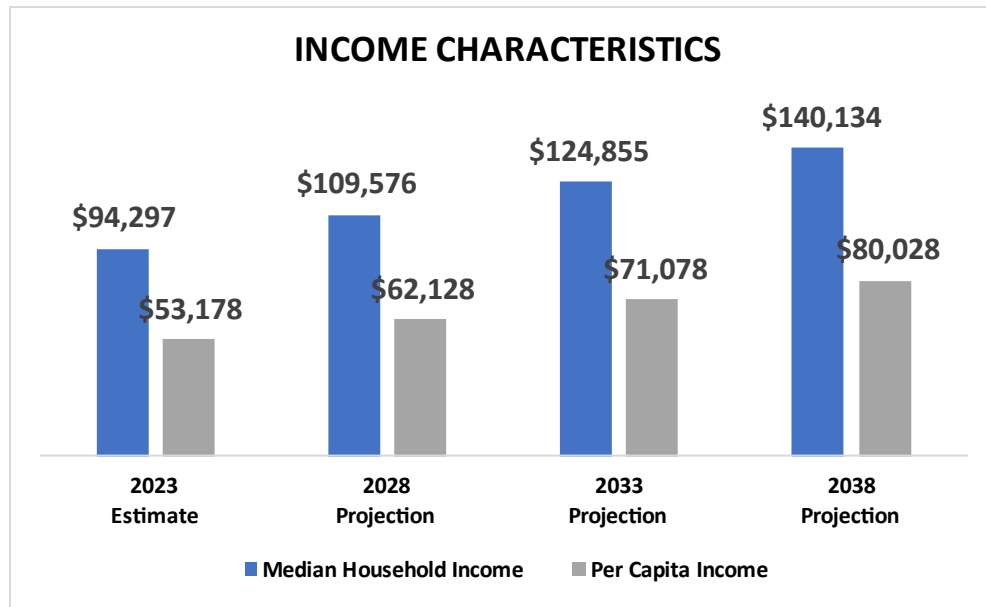


Figure 7c: Extended Service Area's Income

Comparatively, Clallam County and Jefferson County's per capita income (**\$43,144**) and median household income (**\$64,434**) are below the current State of Washington statistics (\$48,685 and \$90,325) but closer to the current national averages (\$41,804 and \$74,755). The secondary and extended service areas' per capita incomes (**\$38,935 and \$37,642**) and median household incomes (**\$68,420 and \$64,025**) are both **higher than that of Jefferson County**, as well as the current Washington averages. (See Figure 8)

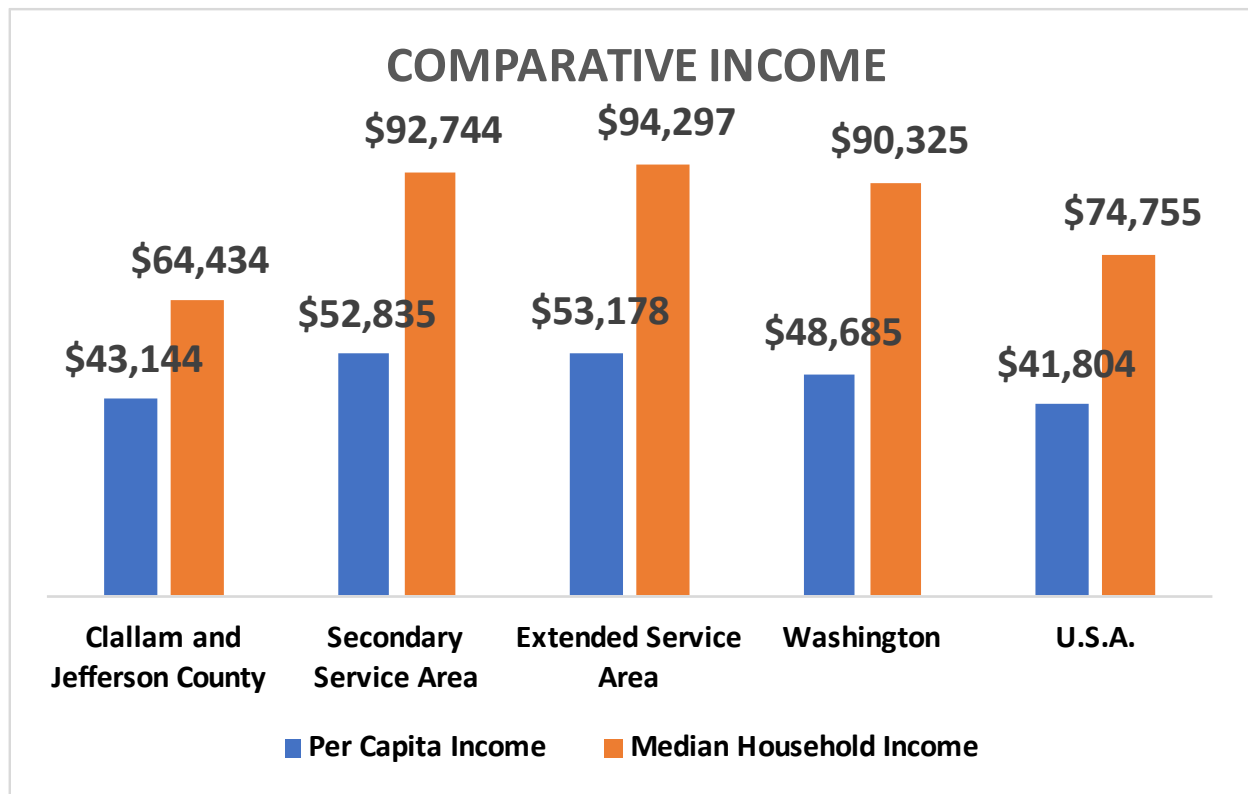


Figure 8: Service Areas' Comparative Income Characteristics

Key Demographic Findings

- Clallam County and Jefferson County's **population annual growth rate** (0.75%) for the past three years is slightly faster than the national annual population growth rate (0.61%). Alternatively, the annual growth rates of the secondary and extended service areas (0.97% and 1.06%) are even faster in comparison to the national average. This annual growth rate displays the potential for newcomers to the Park and the region alike.
- When assessing **age segments**, Clallam County and Jefferson County contain a mostly elderly population with the older demographic expecting slow growth over the next 10-15 years. In comparison, the secondary and extended service areas are much younger, which may indicate potential for more youthful Park users to originate from the surrounding region.
- The region's **racial distribution** is mostly White Alone in all service areas, with considerably more racial diversity in the secondary and extended service areas.
- The primary service area's percentage of **Hispanic/Latino population** (roughly 6%) is much lower than the national average (18.3%), though the secondary and extended service areas come a bit closer to that average at 12% each.
- Clallam County and Jefferson County's combined **per capita income** (\$43,144) and **median household income** (\$64,434) are relatively low in comparison to the income statistics of both the secondary and extended service areas. These considerably higher income levels in surrounding areas indicate a large market of nearby individuals with disposable income.

Additionally, the annual trends in total population growth, growth of number of households including family households, number of owner-occupied households, and median household income over the next five years (2023-2028) are detailed below for Clallam and Jefferson County, as well as the secondary and extended service areas. **(Figure 9)**

nds: 2023-2028 Annual Growth Rates	Clallam and Jefferson County	Secondary Service Area	Extended Service Area
Population	0.30%	0.30%	0.30%
Households	0.49%	0.49%	0.49%
Families	0.44%	0.44%	0.44%
Owner Households	0.66%	0.66%	0.66%
Median Household Income	2.57%	2.57%	2.57%

Figure 9: Service Areas' Annual Rates of Growth

Lastly, a chart can be found below demonstrating a comparison between Clallam and Jefferson County, a 2-hour drive time from the Park (the secondary service area), a 4-hour drive time from the Park (the extended service area), and the national averages for **population, households, age distribution, race distribution, and income characteristics** in 2023 (See Figure 10).

2023 Demographic Comparison		Clallam and Jefferson County	Secondary Service Area	Extended Service Area	U.S.A.
Population	Annual Growth Rate (2020-2023)	0.75%	0.97%	1.06%	0.61%
	Projected Annual Growth Rate (2023-2038)	0.66%	1.00%	0.98%	0.30%
Households	Annual Growth Rate (2020-2023)	1.65%	1.73%	1.83%	0.81%
	Average Household Size	2.15	2.45	2.48	2.53
Age Segment Distribution	Ages 0-19	16%	22%	23%	24%
	Ages 20-34	13%	22%	21%	20%
	Ages 35-54	20%	26%	26%	25%
	Ages 55-74	38%	24%	24%	23%
	Ages 75+	14%	7%	7%	7%
Race Distribution	White Alone	82.0%	62.3%	64.4%	60.6%
	Black Alone	0.8%	5.7%	4.9%	12.5%
	American Indian	4.5%	1.3%	1.3%	1.1%
	Asian	1.6%	11.8%	11.9%	6.2%
	Pacific Islander	0.2%	1.3%	0.9%	0.2%
	Some other Race	2.1%	5.7%	5.4%	8.7%
	Two or More Races	8.9%	11.8%	11.2%	10.6%
Hispanic/ Latino Population	Hispanic / Latino Origin (any race)	5.9%	12.5%	11.8%	19.4%
	All Others	94.1%	87.5%	88.2%	80.6%
Income Characteristics	Per Capita Income	\$43,144	\$52,835	\$53,178	\$41,310
	Median Household Income	\$64,434	\$92,744	\$94,297	\$72,603

Figure 10: 2023 Demographic Comparison

Recreation Trends Analysis

The trends analysis is intended to provide an understanding of national, regional, and local recreational trends. This analysis examines participation trends, activity levels, and programming trends. It is important to note that all trends are based on current and/or historical patterns and participation rates.

National Trends in Recreation

Methodology

The Sports & Fitness Industry Association's (SFIA) *Sports, Fitness & Leisure Activities Topline Participation Report 2023* was utilized in evaluating the following trends:

- National Recreation Participatory Trends
- Core vs. Casual Participation Trends



The study is based on findings from surveys conducted in 2022 by the Sports Marketing Surveys USA (SMS), resulting in a total of 18,000 online interviews. Surveys were administered to all genders, ages, income levels, regions, and ethnicities to allow for statistical accuracy of the national population. A sample size of 18,000 completed interviews is considered by SFIA to result in a high degree of statistical accuracy. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.32 percentage points at a 95 percent confidence level. Using a weighting technique, survey results are applied to the total U.S. population figure of 305,439,858 people (ages six and older).

The purpose of the report is to establish levels of activity and identify key participatory trends in recreation across the U.S. This study looked at 120 different sports/activities and subdivided them into various categories including: sports, fitness, outdoor activities, aquatics, etc.

Approximately 236.9 million people ages six and over reported being active in 2022, which is a 1.9% increase from 2021 and the greatest number of active Americans in the last 6 years. This is an indicator that Americans are continuing to make physical activity more of a priority in their lives. Outdoor activities continue to thrive, recreation facilities reopened, fitness at home maintains popularity, and team sports are slowly reaching pre-pandemic participation levels. The chart below depicts participation levels for active and inactive (those who engage in no physical activity) Americans over the past 6 years.

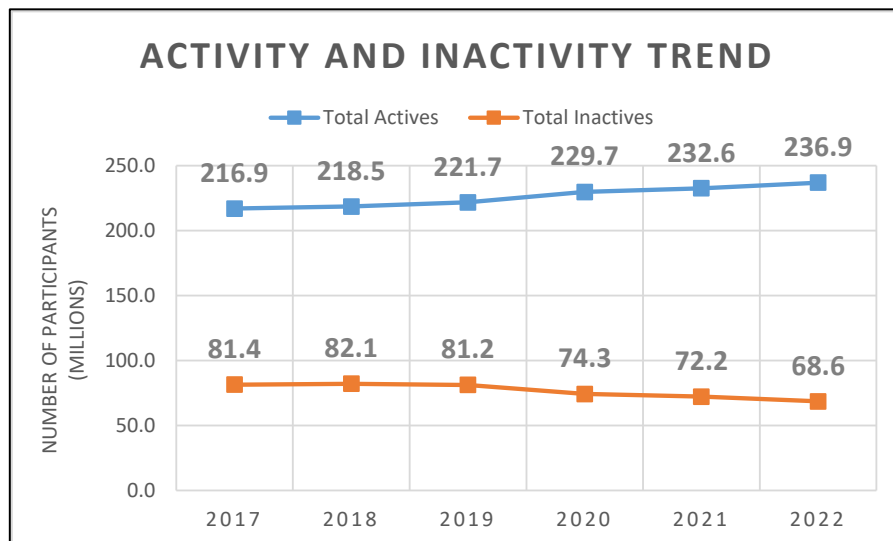


Figure 31: Active vs. Nonactive

CORE VS. CASUAL PARTICIPATION

In addition to overall participation rates, SFIA further categorizes active participants as either core or casual participants based on frequency of participation. Core participants have higher participatory frequency than casual participants. The thresholds that define casual versus core participation may vary based on the nature of each individual activity. For instance, core participants engage in most fitness activities more than fifty times per year, while for sports, the threshold for core participation is typically 13 times per year.

In each activity, core participants are more committed and tend to be less likely to switch to other activities or become inactive (engage in no physical activity) than casual participants. This may also explain why activities with more core participants tend to experience less pattern shifts in participation rates than those with larger groups of casual participants. Increasing for the fifth straight year, 158.1 million people were considered CORE participants in 2022.

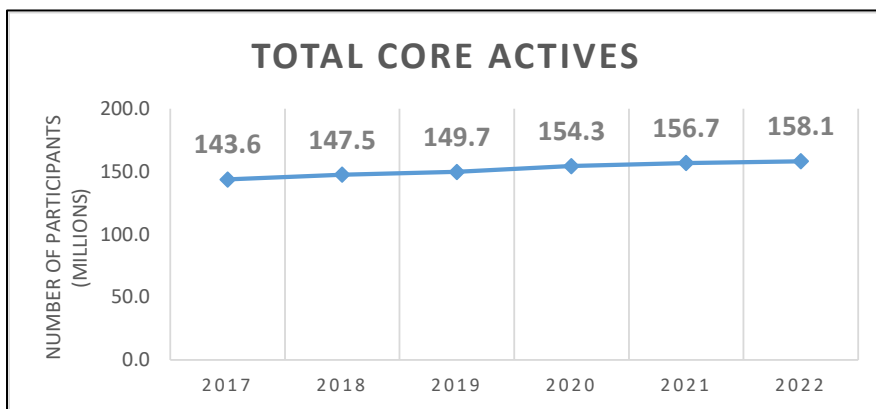


Figure 14: Total Core

Participation by Generation

The following chart shows 2022 participation rates by generation. Fitness sports continue to be the go-to means of exercise for Boomers, Gen X, and Millennials. Over half of the Gen X, Millennials, and Gen Z generation participated in one type of outdoor activity. Team sports were heavily dominated by generation Gen Z and nearly a third of Gen X also participated in individual sports such as golf, trail running, triathlons, and bowling.

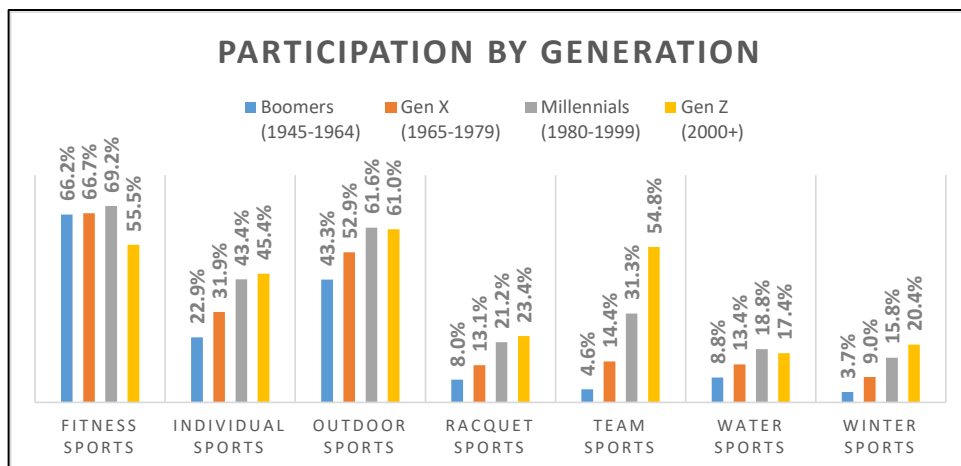


Figure 15: Participation by Generation

Highlights

Team sports are continuing to recover due to shutdowns during the pandemic. Team sports participation rate increased to 23.2% which is near 2019 participation levels. Pickleball continues to be the fastest growing sport in America by doubling its participation in 2022. Following the popularity of pickleball, every racquet sport also increased in total participation in 2022.

Americans continued to practice yoga, attend Pilates training, workout with kettlebells, started indoor climbing, and while others took to the hiking trail. The waterways traffic had an increase of stand-up paddlers, kayaks, and jet skis. Gymnastics, swimming on a team, court volleyball, and fast-pitch softball benefited from the participation boom created from the Olympics.

Water sports had the largest gain in participation rates. Activities such as jet skiing, scuba diving, and boardsailing/windsurfing all contributed to the 7% increase. Outdoor sports continued to grow with 55% percent of the U.S. population participating. This rate remains higher than pre-pandemic levels with a 51% participation rate in 2019. The largest contributor to this gain was trail running, having a 45% increase over the last five years.

IMPACT OF COVID-19

229.7 million people ages 6 and over reported being active in 2020, which is a 3.6% increase from 2019 and the greatest number of active Americans since 2007. With a shift towards working remotely and children moved to virtual learning, free time increased. This, coupled with stay-at-home orders and general decisions to keep out of public places, put an emphasis on the public finding ways to occupy their time.

Participation in sports and activities that allowed people to be socially distant saw significant increases. These activities included pickleball, tennis, golf, trail running, skateboarding, surfing, day hiking, and recreational kayaking. In general, outdoor sports and racquet sports had the largest increase in participation compared to their 2019 numbers.

As could be expected, team sports showed consistent drops in participation with all but 5 of the 23 tracked team sports showing decreases in overall participation. Team sports like Basketball and Soccer, that did show an increase of participation in 2020 can be attributed to recreational or backyard play, which is counter to the trend of the past decade.

Following the COVID pandemic, essentially in 2021-2023, there has continued a strong trend towards increased outdoor recreation in hiking, camping, fishing and other outdoor pursuits that are aligned with the traditional state park experience. State Park systems across the country continue to see record-breaking visitation as a result of these trends.

National Recreation Participatory Trends

While the SFIA report provides national trend data across a wide range of recreational activities including general sports and fitness, this trends analysis only focuses on that activities that could be relevant to programs, services and potential visitor experiences relevant to Sweetwater Lake State Park and the related amenities. Those activities include outdoor recreation and aquatic recreation.

National Trends in Outdoor Recreation

Participation Levels

Results from the SFIA report demonstrate rapid growth in participation regarding outdoor/adventure recreation activities. Much like general fitness activities, these activities encourage an active lifestyle, can be performed individually, and are not as limited by time constraints. In 2022, the most popular activities, in terms of total participants include day hiking (59.5 million), road bicycling (43.6 million), freshwater fishing (41.8 million), camping (37.4 million), and wildlife viewing (20.6 million).



Five-Year Trend

From 2017-2022, sport/bouldering (174.8%), camping (42.5%), skateboarding (41.3%), day hiking (32.7%), birdwatching (28.6%) has undergone large increases in participation. The five-year trend also shows activities such as indoor climbing (-51.4%), adventure racing (-32.2%) to be the only activities with double-digit decreases in participation.

One-Year Trend

The one-year trend shows most activities growing in participation from the previous year. The most rapid growth being in sport/boulder climbing (151.1%), BMX bicycling (8.3%), birdwatching (6.8%), and in-line roller skating (4.7%). Over the last year, the only activities that underwent decreases in participation were indoor climbing (-56.9%), adventure racing (-6.1%), and overnight backpacking (-0.9%). Core vs. Casual trends in Outdoor recreation.

Core vs. Casual Trends in Outdoor / Adventure Recreation

Most outdoor activities have experienced participation growth in the last five-years. Although this is a positive trend, it should be noted that all outdoor activities participation, besides adventure racing, consist primarily of casual users. *Please see **Appendix A** for the full core vs. casual participation breakdown.*

National Participatory Trends - Outdoor / Adventure Recreation					
Activity	Participation Levels			% Change	
	2017	2021	2022	5-Year Trend	1-Year Trend
Hiking (Day)	44,900	58,697	59,578	32.7%	1.5%
Bicycling (Road)	38,866	42,775	43,554	12.1%	1.8%
Fishing (Freshwater)	38,346	40,853	41,821	9.1%	2.4%
Camping	26,262	35,985	37,431	42.5%	4.0%
Wildlife Viewing (>1/4 mile of Vehicle/Home)	20,351	20,452	20,615	1.3%	0.8%
Camping (Recreational Vehicle)	16,159	16,371	16,840	4.2%	2.9%
Birdwatching (>1/4 mile of Vehicle/Home)	12,296	14,815	15,818	28.6%	6.8%
Fishing (Saltwater)	13,062	13,790	14,344	9.8%	4.0%
Backpacking Overnight	10,975	10,306	10,217	-6.9%	-0.9%
Skateboarding	6,382	8,747	9,019	41.3%	3.1%
Bicycling (Mountain)	8,609	8,693	8,916	3.6%	2.6%
Fishing (Fly)	6,791	7,458	7,631	12.4%	2.3%
Archery	7,769	7,342	7,428	-4.4%	1.2%
Climbing (Sport/Boulder)	2,103	2,301	5,778	174.8%	151.1%
Roller Skating, In-Line	5,268	4,940	5,173	-1.8%	4.7%
Bicycling (BMX)	3,413	3,861	4,181	22.5%	8.3%
Climbing (Indoor)	5,045	5,684	2,452	-51.4%	-56.9%
Climbing (Traditional/Ice/Mountaineering)	2,527	2,374	2,452	-3.0%	3.3%
Adventure Racing	2,529	1,826	1,714	-32.2%	-6.1%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Participation Growth/Decline:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 14: Outdoor/Adventure Participatory

National Trends in Water Sports / Activities

Participation Levels

The most popular water sports / activities based on total participants in 2022 were recreational kayaking (13.6 million), canoeing (9.5 million), and snorkeling (7.4 million). It should be noted that water activity participation tends to vary based on regional, seasonal, and environmental factors. A region with more water access and a warmer climate is more likely to have a higher participation rate in water activities than a region that has a long winter season or limited water access. Therefore, when assessing trends in water sports and activities, it is important to understand that fluctuations may be the result of environmental barriers which can influence water activity participation.



Five-Year Trend

Over the last five years, surfing (37.8%), recreational kayaking (28.7%), stand-up paddling (13.6%) and white-water kayaking (9.0%) were the fastest growing water activities. From 2017-2022, activities declining in participation were water skiing (-14.9%), snorkeling (-12.0%), boardsailing/windsurfing (-11.6%), and sea/touring kayaking (10.6%).

One-Year Trend

In 2022, water skiing (-0.6%) was the only water activity to see a decrease in participation. Activities which experienced the largest increases in participation in the most recent year include jet skiing (7.6%), scuba diving (7.4%), boardsailing/windsurfing (7.2%), and surfing (6.6%).

Core VS. CASUAL Trends in Water Sports/Activities

As mentioned previously, regional, seasonal, and environmental limiting factors may influence the participation rate of water sport and activities. These factors may also explain why all water-based activities have drastically more casual participants than core participants, since frequencies of activities may be constrained by uncontrollable factors. *Please see **Appendix A** for the full core vs. casual participation breakdown.*

National Participatory Trends - Water Sports / Activities					
Activity	Participation Levels			% Change	
	2017	2021	2022	5-Year Trend	1-Year Trend
Kayaking (Recreational)	10,533	13,351	13,561	28.7%	1.6%
Canoeing	9,220	9,199	9,521	3.3%	3.5%
Snorkeling	8,384	7,316	7,376	-12.0%	0.8%
Jet Skiing	5,418	5,062	5,445	0.5%	7.6%
Stand-Up Paddling	3,325	3,739	3,777	13.6%	1.0%
Surfing	2,680	3,463	3,692	37.8%	6.6%
Sailing	3,974	3,463	3,632	-8.6%	4.9%
Rafting	3,479	3,383	3,595	3.3%	6.3%
Water Skiing	3,572	3,058	3,040	-14.9%	-0.6%
Wakeboarding	3,005	2,674	2,754	-8.4%	3.0%
Kayaking (White Water)	2,500	2,587	2,726	9.0%	5.4%
Scuba Diving	2,874	2,476	2,658	-7.5%	7.4%
Kayaking (Sea/Touring)	2,955	2,587	2,642	-10.6%	2.1%
Boardsailing/Windsurfing	1,573	1,297	1,391	-11.6%	7.2%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Participation Growth/Decline:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 15: Water Sports/Activities National

Regional Sports and Leisure Market Potential

The following charts show sport and leisure market potential data for residents of Jefferson County, the secondary service area, and the extended service area, as provided by ESRI. Market Potential Index (MPI) measures the probable demand for a product or service within the defined service areas. The MPI shows the likelihood that an adult resident will participate in certain activities when compared to the U.S. national average. The national average is 100; therefore, numbers below 100 would represent lower than average participation rates, and numbers above 100 would represent higher than average participation rates. The service area is compared to the national average in two (2) categories –outdoor activity and commercial recreation.

MPI scores are a tool that can be used for consideration when starting new programs or developing new facilities and amenities. The market potential gives Jefferson County a starting point for estimating resident attendance and participation in a broad set of recreational activities. For the sake of this analysis, MPI scores are reported for Jefferson County and secondary service area separately.

MPIs for Clallam County and Jefferson County’s residents generally demonstrate market potential figures lower than the national average, however, certain recreational offerings (like Outdoor Activities) performed much better than others. **Overall, MPI scores assessed in the secondary and extended service areas were considerably higher than in Jefferson and Clallam County, which may suggest potential for recreation offerings extended to residents of the larger region, and not just the County or immediate region.**

The following charts compare MPI scores for 45 sport and leisure activities that are prevalent for residents within each service area. The activities are categorized by activity type and listed in descending order, from highest to lowest MPI score. High index numbers (100+) are significant because they demonstrate that there is a greater likelihood that residents within the service areas will actively participate in offerings provided by the organization.

General Sports Market Potential

The primary service area's General Sports MPI analysis shows that most of the recorded sports in the counties are **below the national average**, except for Golf (which scored impressively high at 121). The lowest recorded sports for Jefferson County were Volleyball (68), Basketball (62), and Soccer (61) (See Figure 16a).

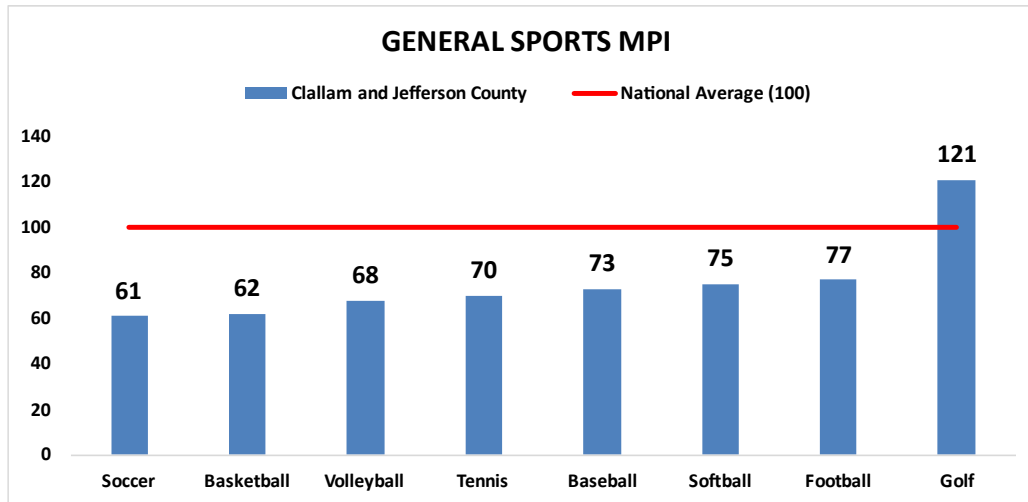


Figure 16a: Primary Service Area's General Sports MPI

Comparatively, the secondary service area's General Sports MPI scores are **much higher**, as all but one of the sports recorded were above the national average. Tennis (113), Golf (107), and Volleyball (105) all marked the area's highest scores, while Baseball (100), Football (100), and Softball (97) were the lowest (See Figure 16b).

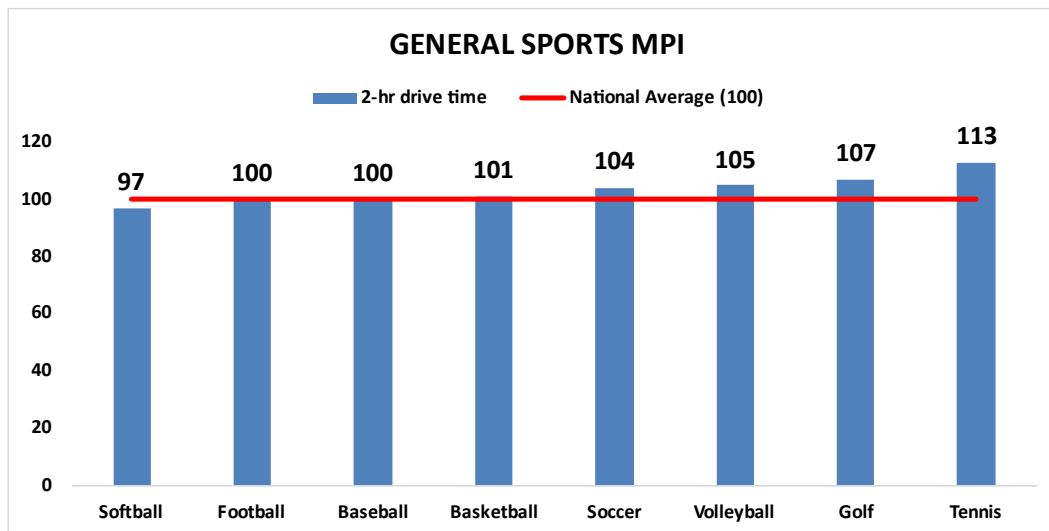


Figure 16b: Secondary Service Area's General Sports MPI

The extended service area's MPI scores are more **similar to that of the secondary service area**; similarly, all sports except for Softball were above the national average. Once again, Tennis (114), Golf (108), and Volleyball (105) were the three highest scoring sports (**See Figure 16c**).

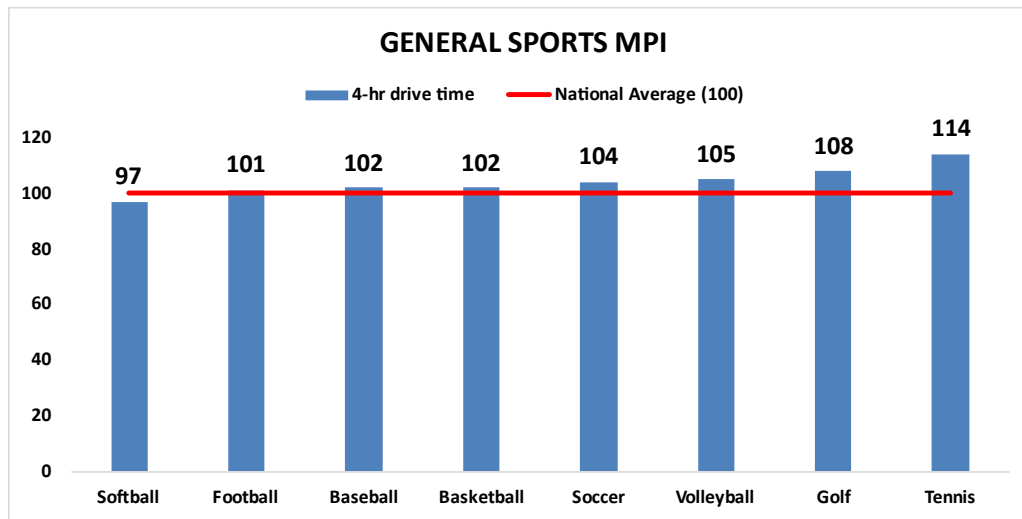


Figure 16c: Extended Service Area's General Sports MPI

Fitness Market Potential

Assessing MPI scores for the Fitness Activity category reveals that **only two of Clallam County and Jefferson County's fitness activities are above the national average**. Of these activities, Walking for Exercise (113), Swimming (111), and Weight Lifting (92) scored the highest, while Pilates (83), Jogging/Running (72), and Zumba (67) were the counties' lowest Fitness MPI scores for. (See Figure 17a)

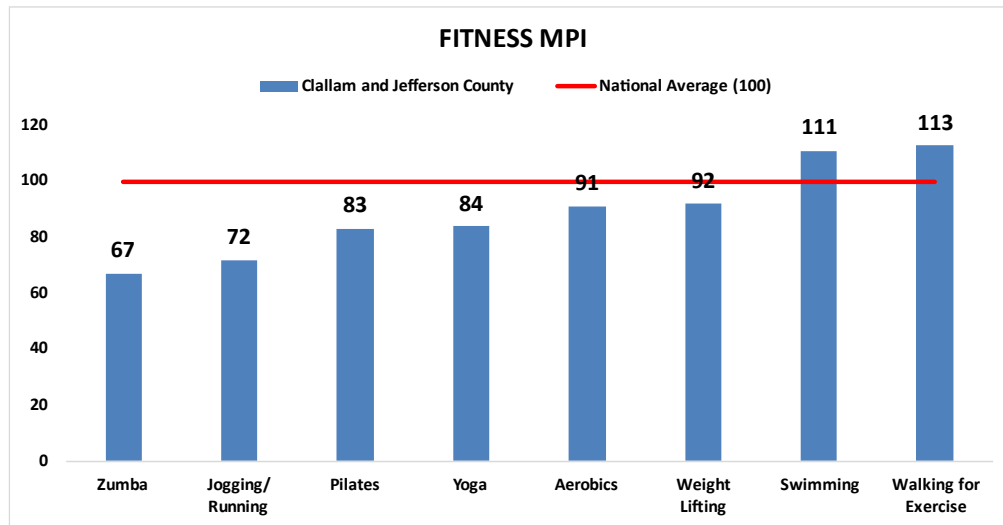


Figure 17a: Primary Service Area's Fitness MPI

Like with the General Sports MPI, the secondary service area scored **comparatively well in Fitness MPI**; all activities scored above the national average, with considerably higher scores in every other category compared to Jefferson County (See Figure 17b).

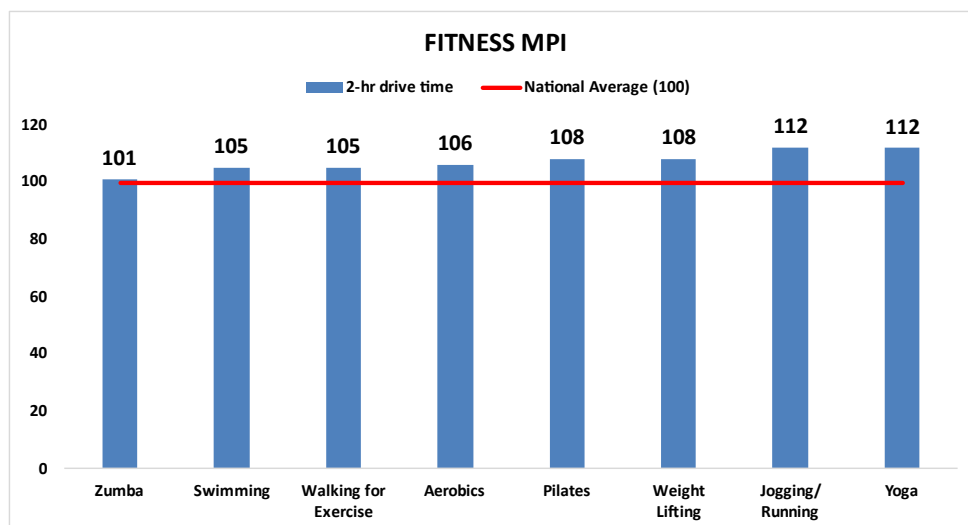


Figure 17b: Secondary Service Area's Fitness MPI

Lastly, the extended service area had scores that were only marginally different from that of the secondary service area (See Figure 17c).

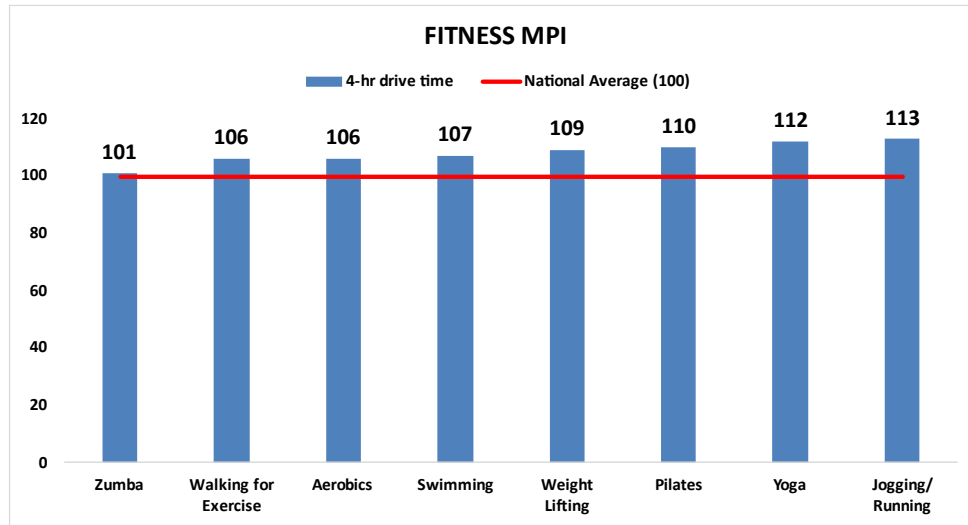


Figure 17c: Extended Service Area's Fitness MPI

Outdoor Activity Market Potential

Clallam County and Jefferson County's Outdoor Activity MPI chart reflected some of its **strongest MPI scores in the entire analysis**, as the counties have all but two activities (Archery and Rock Climbing at 95 and 66 respectively) that scored above the national average, with Saltwater Fishing being the highest scoring activity for the primary service area in the entire analysis. (See Figure 18a).

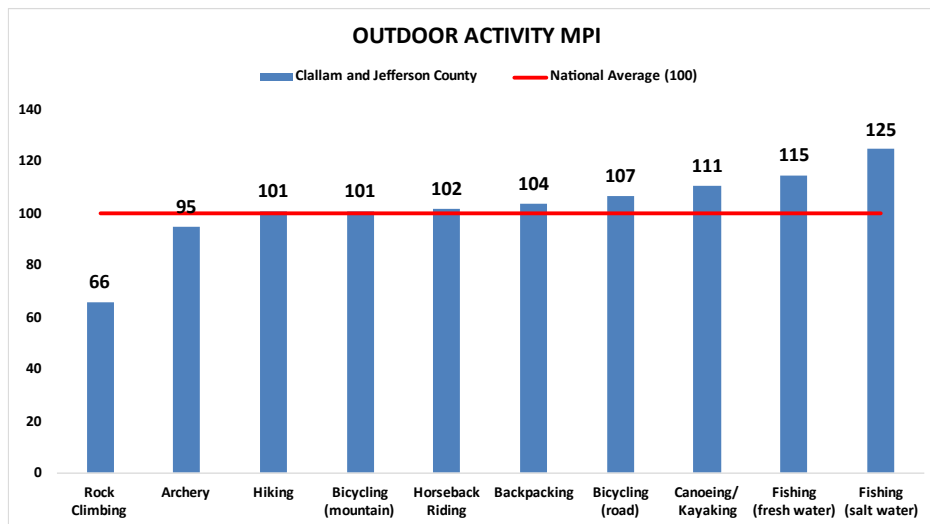
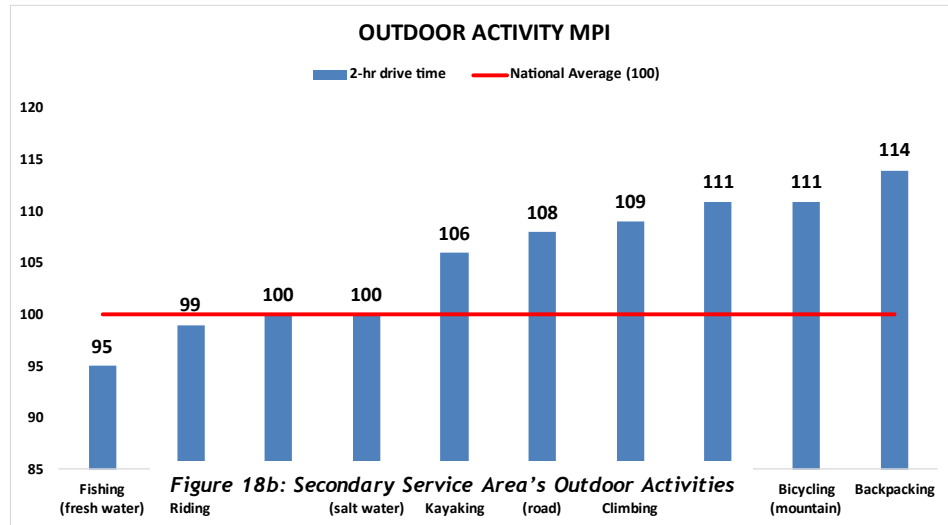
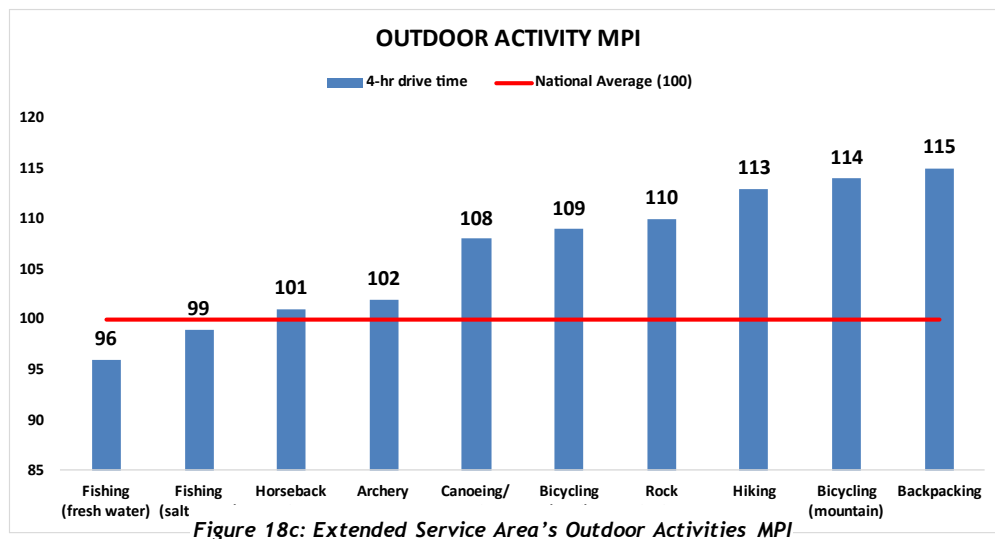


Figure 18a: Primary Service Area's Outdoor Activities

The secondary service area had similar success in the Outdoor Activity MPI analysis, with **just two activities scoring below the national average**, with Backpacking (114), Mountain Biking (111), and Hiking (111) being the top three highest scoring activities. (See Figure 18b).



Similarly, the extended service area had impressive Outdoor Activity MPI numbers, with almost identical scores compared to the secondary service area (See Figure 18c).



Commercial Recreation Market Potential

The Commercial Recreation category also reveals a **variety of MPI scores for Clallam County and Jefferson County**, with several activities being at or above the national average, while several activities scored as low as the 70's. The highest scoring activities had some variety, with some being arts based while others were sports and recreation based. Of these, 'Went to art gallery' and 'Dined out' scored the highest at 105 each (See Figure 19a).

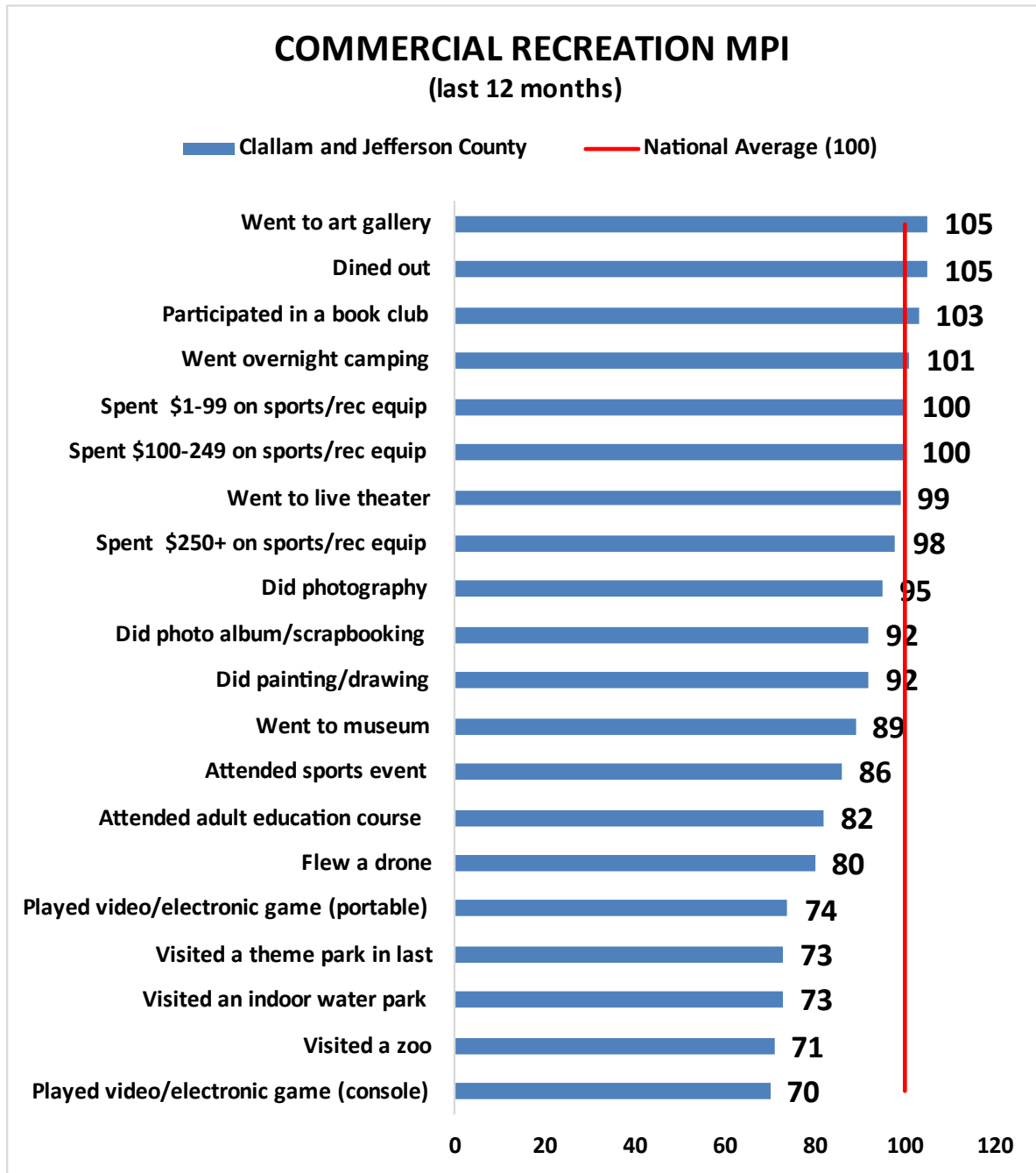


Figure 19a: Primary Service Area's Commercial

The secondary service area, similarly, had several activities that stood out with relatively high scores that showed variety in the type of commercial recreation that residents enjoy. Within this analysis, 'Went to art gallery' also scored the highest (at 113) (See Figure 19b).

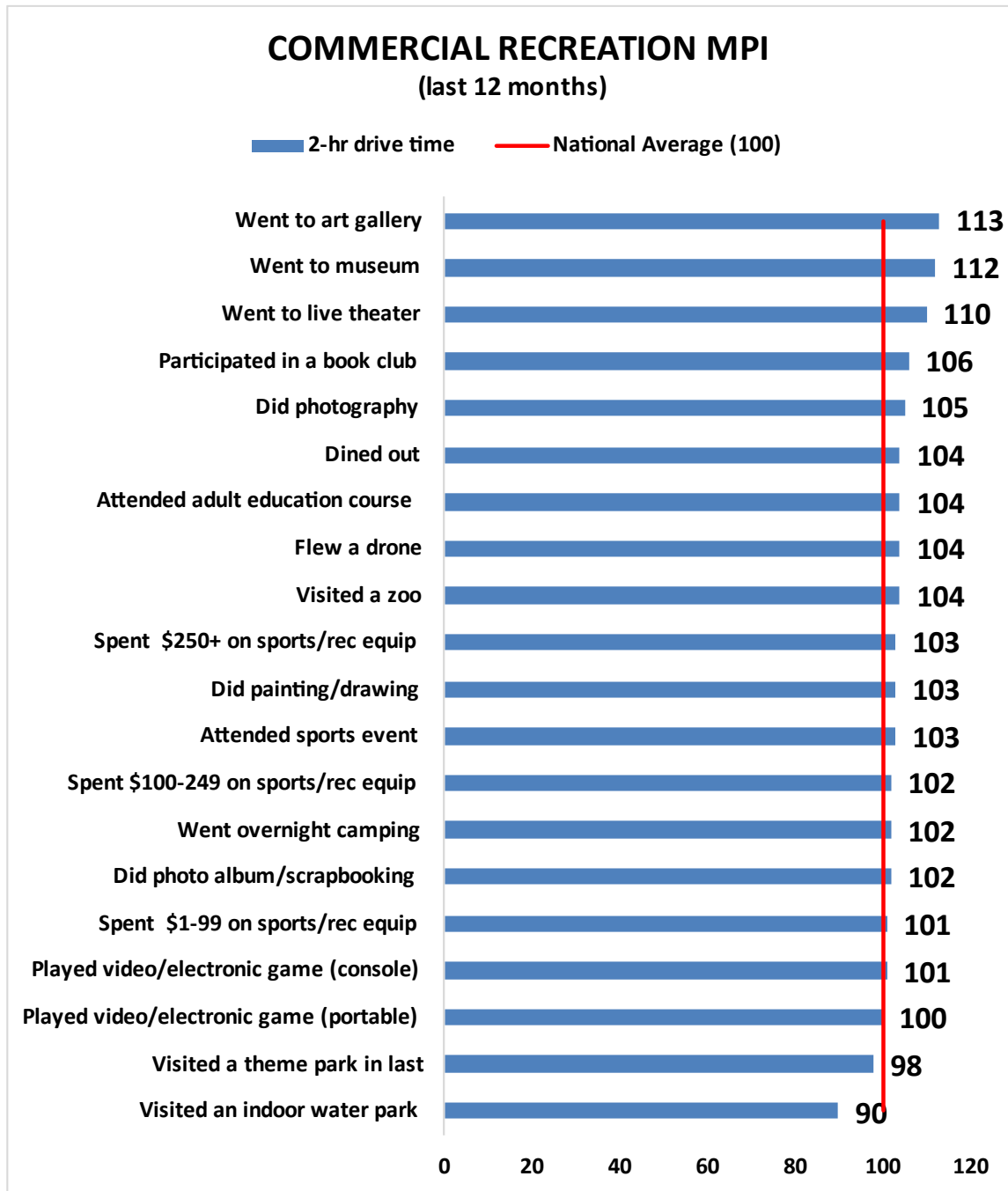


Figure 19b: Secondary Service Area's Commercial Recreation MPI

Appendix B – Core vs. Casual Participation Trends

General Sports

National Core vs Casual Participatory Trends - General Sports								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Basketball	23,401	100%	27,135	100%	28,149	100%	20.3%	3.7%
Casual (1-12 times)	8,546	37%	11,019	41%	13,000	46%	52.1%	18.0%
Core(13+ times)	14,856	63%	16,019	59%	15,149	54%	2.0%	-5.4%
Golf (9 or 18-Hole Course)	23,829	100%	25,111	100%	25,566	100%	7.3%	1.8%
Tennis	17,683	100%	22,617	100%	23,595	100%	33.4%	4.3%
Golf (Entertainment Venue)	8,345	100%	12,362	100%	15,540	100%	86.2%	25.7%
Baseball	15,642	100%	15,587	100%	15,478	100%	-1.0%	-0.7%
Casual (1-12 times)	6,405	41%	7,392	47%	7,908	51%	23.5%	7.0%
Core (13+ times)	9,238	59%	8,195	53%	7,570	49%	-18.1%	-7.6%
Soccer (Outdoor)	11,924	100%	12,556	100%	13,018	100%	9.2%	3.7%
Casual (1-25 times)	6,665	56%	7,586	60%	7,666	59%	15.0%	1.1%
Core (26+ times)	5,259	44%	4,970	40%	5,352	41%	1.8%	7.7%
Pickleball	3,132	100%	4,819	100%	8,949	100%	185.7%	85.7%
Casual (1-12 times)	1,923	61%	3,454	72%	6,647	74%	245.7%	92.4%
Core(13+ times)	1,210	39%	1,365	28%	2,302	26%	90.2%	68.6%
Football (Flag)	6,551	100%	6,889	100%	7,104	100%	8.4%	3.1%
Casual (1-12 times)	3,572	55%	4,137	60%	4,573	64%	28.0%	10.5%
Core(13+ times)	2,979	45%	2,752	40%	2,531	36%	-15.0%	-8.0%
Core Age 6 to 17 (13+ times)	1,565	24%	1,574	23%	1,552	22%	-0.8%	-1.4%
Badminton	6,430	100%	6,061	100%	6,490	100%	0.9%	7.1%
Casual (1-12 times)	4,564	71%	4,251	70%	4,636	71%	1.6%	9.1%
Core(13+ times)	1,867	29%	1,810	30%	1,855	29%	-0.6%	2.5%
Volleyball (Court)	6,317	100%	5,849	100%	6,092	100%	-3.6%	4.2%
Casual (1-12 times)	2,939	47%	2,465	42%	2,798	46%	-4.8%	13.5%
Core(13+ times)	3,378	53%	3,384	58%	3,293	54%	-2.5%	-2.7%
Softball (Slow Pitch)	7,283	100%	6,008	100%	6,036	100%	-17.1%	0.5%
Casual (1-12 times)	3,060	42%	2,729	45%	2,666	44%	-12.9%	-2.3%
Core(13+ times)	4,223	58%	3,279	55%	3,370	56%	-20.2%	2.8%
Soccer (Indoor)	5,399	100%	5,408	100%	5,495	100%	1.8%	1.6%
Casual (1-12 times)	2,657	49%	3,054	56%	3,144	57%	18.3%	2.9%
Core(13+ times)	2,742	51%	2,354	44%	2,351	43%	-14.3%	-0.1%
Football (Tackle)	5,224	100%	5,228	100%	5,436	100%	4.1%	4.0%
Casual (1-25 times)	2,145	41%	2,642	51%	3,120	57%	45.5%	18.1%
Core(26+ times)	3,078	59%	2,586	49%	2,316	43%	-24.8%	-10.4%
Core Age 6 to 17 (26+ times)	2,427	46%	2,110	40%	2,088	38%	-14.0%	-1.0%
Football (Touch)	5,629	100%	4,884	100%	4,843	100%	-14.0%	-0.8%
Casual (1-12 times)	3,332	59%	3,171	65%	3,201	66%	-3.9%	0.9%
Core(13+ times)	2,297	41%	1,713	35%	1,642	34%	-28.5%	-4.1%
Gymnastics	4,805	100%	4,268	100%	4,569	100%	-4.9%	7.1%
Casual (1-49 times)	3,139	65%	2,787	65%	3,095	68%	-1.4%	11.1%
Core(50+ times)	1,666	35%	1,482	35%	1,473	32%	-11.6%	-0.6%
Volleyball (Sand/Beach)	4,947	100%	4,184	100%	4,128	100%	-16.6%	-1.3%
Casual (1-12 times)	3,544	72%	2,918	70%	2,977	72%	-16.0%	2.0%
Core(13+ times)	1,403	28%	1,265	30%	1,152	28%	-17.9%	-8.9%
Track and Field	4,161	100%	3,587	100%	3,690	100%	-11.3%	2.9%
Casual (1-25 times)	2,040	49%	1,712	48%	1,896	51%	-7.1%	10.7%
Core(26+ times)	2,121	51%	1,875	52%	1,794	49%	-15.4%	-4.3%
Racquetball	3,526	100%	3,260	100%	3,521	100%	-0.1%	8.0%
Casual (1-12 times)	2,451	70%	2,270	70%	2,583	73%	5.4%	13.8%
Core(13+ times)	1,075	30%	990	30%	938	27%	-12.7%	-5.3%

GENERAL SPORTS (Continued)

National Core vs Casual Participatory Trends - General Sports								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Cheerleading	3,816	100%	3,465	100%	3,507	100%	-8.1%	1.2%
Casual (1-25 times)	2,164	57%	2,030	59%	2,092	60%	-3.3%	3.1%
Core(26+ times)	1,653	43%	1,435	41%	1,415	40%	-14.4%	-1.4%
Ice Hockey	2,544	100%	2,306	100%	2,278	100%	-10.5%	-1.2%
Casual (1-12 times)	1,227	48%	1,206	52%	1,209	53%	-1.5%	0.2%
Core(13+ times)	1,317	52%	1,101	48%	1,068	47%	-18.9%	-3.0%
Softball (Fast Pitch)	2,309	100%	2,088	100%	2,146	100%	-7.1%	2.8%
Casual (1-25 times)	1,077	47%	934	45%	1,002	47%	-7.0%	7.3%
Core(26+ times)	1,232	53%	1,154	55%	1,144	53%	-7.1%	-0.9%
Ultimate Frisbee	3,126	100%	2,190	100%	2,142	100%	-31.5%	-2.2%
Casual (1-12 times)	2,270	73%	1,441	66%	1,438	67%	-36.7%	-0.2%
Core(13+ times)	856	27%	749	34%	703	33%	-17.9%	-6.1%
Wrestling	1,896	100%	1,937	100%	2,036	100%	7.4%	5.1%
Casual (1-25 times)	1,179	62%	1,290	67%	1,452	71%	23.2%	12.6%
Core(26+ times)	717	38%	647	33%	585	29%	-18.4%	-9.6%
Lacrosse	2,171	100%	1,892	100%	1,875	100%	-13.6%	-0.9%
Casual (1-12 times)	1,142	53%	1,009	53%	999	53%	-12.5%	-1.0%
Core(13+ times)	1,030	47%	883	47%	876	47%	-15.0%	-0.8%
Roller Hockey	1,834	100%	1,425	100%	1,368	100%	-25.4%	-4.0%
Casual (1-12 times)	1,419	77%	1,088	76%	1,065	78%	-24.9%	-2.1%
Core(13+ times)	415	23%	337	24%	303	22%	-27.0%	-10.1%
Squash	1,492	100%	1,185	100%	1,228	100%	-17.7%	3.6%
Casual (1-7 times)	1,044	70%	720	61%	816	66%	-21.8%	13.3%
Core(8+ times)	447	30%	466	39%	413	34%	-7.6%	-11.4%
Rugby	1,621	100%	1,238	100%	1,166	100%	-28.1%	-5.8%
Casual (1-7 times)	1,097	68%	778	63%	758	65%	-30.9%	-2.6%
Core(8+ times)	524	32%	460	37%	408	35%	-22.1%	-11.3%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline:	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution:	Evenly Divided between Core and Casual Participants (45-55%)		Moderate Amount of Participants (56-74%)		Majority Amount of Participants (75% or greater)			

General Fitness

National Participatory Trends - General Fitness								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Walking for Fitness	110,805	100%	115,814	100%	114,759	100%	3.6%	-0.9%
<i>Casual (1-49 times)</i>	35,326	32%	39,036	34%	38,115	33%	7.9%	-2.4%
<i>Core(50+ times)</i>	75,479	68%	76,778	66%	76,644	67%	1.5%	-0.2%
Treadmill	52,966	100%	53,627	100%	53,589	100%	1.2%	-0.1%
<i>Casual (1-49 times)</i>	24,444	46%	25,353	47%	26,401	49%	8.0%	4.1%
<i>Core(50+ times)</i>	28,523	54%	28,274	53%	27,189	51%	-4.7%	-3.8%
Free Weights (Dumbbells/Hand Weights)	52,217	100%	52,636	100%	53,140	100%	1.8%	1.0%
<i>Casual (1-49 times)</i>	18,866	36%	21,560	41%	22,428	42%	18.9%	4.0%
<i>Core(50+ times)</i>	33,351	64%	31,076	59%	30,712	58%	-7.9%	-1.2%
Running/Jogging	50,770	100%	48,977	100%	47,816	100%	-5.8%	-2.4%
<i>Casual (1-49 times)</i>	24,004	47%	23,441	48%	23,776	50%	-0.9%	1.4%
<i>Core(50+ times)</i>	26,766	53%	25,537	52%	24,040	50%	-10.2%	-5.9%
Yoga	27,354	100%	34,347	100%	33,636	100%	23.0%	-2.1%
<i>Casual (1-49 times)</i>	16,454	60%	20,110	59%	20,409	61%	24.0%	1.5%
<i>Core(50+ times)</i>	10,900	40%	14,237	41%	13,228	39%	21.4%	-7.1%
Stationary Cycling (Recumbent/Upright)	36,035	100%	32,453	100%	32,102	100%	-10.9%	-1.1%
<i>Casual (1-49 times)</i>	18,447	51%	15,124	47%	15,424	48%	-16.4%	2.0%
<i>Core(50+ times)</i>	17,588	49%	17,330	53%	16,678	52%	-5.2%	-3.8%
Weight/Resistant Machines	36,291	100%	30,577	100%	30,010	100%	-17.3%	-1.9%
<i>Casual (1-49 times)</i>	14,496	40%	11,953	39%	12,387	41%	-14.5%	3.6%
<i>Core(50+ times)</i>	21,795	60%	18,624	61%	17,623	59%	-19.1%	-5.4%
Free Weights (Barbells)	27,444	100%	28,243	100%	28,678	100%	4.5%	1.5%
<i>Casual (1-49 times)</i>	10,868	40%	12,649	45%	13,576	47%	24.9%	7.3%
<i>Core(50+ times)</i>	16,576	60%	15,595	55%	15,103	53%	-8.9%	-3.2%
Elliptical Motion/Cross-Trainer	32,283	100%	27,618	100%	27,051	100%	-16.2%	-2.1%
<i>Casual (1-49 times)</i>	15,854	49%	14,156	51%	14,968	55%	-5.6%	5.7%
<i>Core(50+ times)</i>	16,430	51%	13,461	49%	12,083	45%	-26.5%	-10.2%
Dance, Step, & Choreographed Exercise	22,616	100%	24,752	100%	25,163	100%	11.3%	1.7%
<i>Casual (1-49 times)</i>	14,867	66%	16,622	67%	17,096	68%	15.0%	2.9%
<i>Core(50+ times)</i>	7,748	34%	8,130	33%	8,067	32%	4.1%	-0.8%
Bodyweight Exercise	24,454	100%	22,629	100%	22,034	100%	-9.9%	-2.6%
<i>Casual (1-49 times)</i>	10,095	41%	9,915	44%	9,514	43%	-5.8%	-4.0%
<i>Core(50+ times)</i>	14,359	59%	12,714	56%	12,520	57%	-12.8%	-1.5%
High Impact/Intensity Training	21,476	100%	21,973	100%	21,821	100%	1.6%	-0.7%
<i>Casual (1-49 times)</i>	12,105	56%	12,490	57%	12,593	58%	4.0%	0.8%
<i>Core(50+ times)</i>	9,370	44%	9,483	43%	9,228	42%	-1.5%	-2.7%
Trail Running	9,149	100%	12,520	100%	13,253	100%	44.9%	5.9%
<i>Casual (1-25 times)</i>	7,085	77%	10,052	80%	10,792	81%	52.3%	7.4%
<i>Core(26+ times)</i>	2,064	23%	2,468	20%	2,461	19%	19.2%	-0.3%
Rowing Machine	11,707	100%	11,586	100%	11,893	100%	1.6%	2.6%
<i>Casual (1-49 times)</i>	7,276	62%	7,111	61%	7,875	66%	8.2%	10.7%
<i>Core(50+ times)</i>	4,431	38%	4,475	39%	4,017	34%	-9.3%	-10.2%
Stair Climbing Machine	14,948	100%	11,786	100%	11,677	100%	-21.9%	-0.9%
<i>Casual (1-49 times)</i>	9,501	64%	7,332	62%	7,569	65%	-20.3%	3.2%
<i>Core(50+ times)</i>	5,447	36%	4,453	38%	4,108	35%	-24.6%	-7.7%
Pilates Training	9,047	100%	9,745	100%	10,311	100%	14.0%	5.8%
<i>Casual (1-49 times)</i>	5,698	63%	6,611	68%	7,377	72%	29.5%	11.6%
<i>Core(50+ times)</i>	3,348	37%	3,133	32%	2,935	28%	-12.3%	-6.3%

General Fitness (Continued)

National Participatory Trends - General Fitness								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Cross-Training Style Workout	13,622	100%	9,764	100%	9,248	100%	-32.1%	-5.3%
<i>Casual (1-49 times)</i>	6,890	51%	4,179	43%	4,281	46%	-37.9%	2.4%
<i>Core(50+ times)</i>	6,732	49%	5,585	57%	4,968	54%	-26.2%	-11.0%
Martial Arts	5,838	100%	6,186	100%	6,355	100%	8.9%	2.7%
<i>Casual (1-12 times)</i>	2,021	35%	2,728	44%	3,114	49%	54.1%	14.1%
<i>Core(13+ times)</i>	3,816	65%	3,458	56%	3,241	51%	-15.1%	-6.3%
Stationary Cycling (Group)	9,409	100%	5,939	100%	6,268	100%	-33.4%	5.5%
<i>Casual (1-49 times)</i>	6,023	64%	3,134	53%	3,925	63%	-34.8%	25.2%
<i>Core(50+ times)</i>	3,386	36%	2,805	47%	2,344	37%	-30.8%	-16.4%
Cardio Kickboxing	6,693	100%	5,099	100%	5,531	100%	-17.4%	8.5%
<i>Casual (1-49 times)</i>	4,671	70%	3,328	65%	3,958	72%	-15.3%	18.9%
<i>Core(50+ times)</i>	2,022	30%	1,771	35%	1,573	28%	-22.2%	-11.2%
Boxing for Fitness	5,157	100%	5,237	100%	5,472	100%	6.1%	4.5%
<i>Casual (1-12 times)</i>	2,738	53%	2,985	57%	3,383	62%	23.6%	13.3%
<i>Core(13+ times)</i>	2,419	47%	2,252	43%	2,089	38%	-13.6%	-7.2%
Boot Camp Style Cross-Training	6,651	100%	5,169	100%	5,192	100%	-21.9%	0.4%
<i>Casual (1-49 times)</i>	4,637	70%	3,461	67%	3,691	71%	-20.4%	6.6%
<i>Core(50+ times)</i>	2,014	30%	1,709	33%	1,500	29%	-25.5%	-12.2%
Barre	3,436	100%	3,659	100%	3,803	100%	10.7%	3.9%
<i>Casual (1-49 times)</i>	2,701	79%	2,822	77%	3,022	79%	11.9%	7.1%
<i>Core(50+ times)</i>	735	21%	837	23%	781	21%	6.3%	-6.7%
Tai Chi	3,787	100%	3,393	100%	3,394	100%	-10.4%	0.0%
<i>Casual (1-49 times)</i>	2,329	61%	2,001	59%	2,139	63%	-8.2%	6.9%
<i>Core(50+ times)</i>	1,458	39%	1,393	41%	1,255	37%	-13.9%	-9.9%
Triathlon (Traditional/Road)	2,162	100%	1,748	100%	1,780	100%	-17.7%	1.8%
Triathlon (Non-Traditional/Off Road)	1,878	100%	1,304	100%	1,350	100%	-28.1%	3.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline:	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution:	Evenly Divided between Core and Casual Participants (45-55%)		Moderate Amount of Participants (56-74%)		Majority Amount of Participants (75% or greater)			

Outdoor/Adventure Recreation

National Participatory Trends - Outdoor / Adventure Recreation								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Hiking (Day)	44,900	100%	58,697	100%	59,578	100%	32.7%	1.5%
Casual (1-7 times)	35,068	78%	44,183	75%	44,154	74%	25.9%	-0.1%
Core(8+ times)	9,832	22%	14,514	25%	15,424	26%	56.9%	6.3%
Bicycling (Road)	38,866	100%	42,775	100%	43,554	100%	12.1%	1.8%
Casual (1-25 times)	20,212	52%	22,280	52%	23,278	53%	15.2%	4.5%
Core(26+ times)	18,654	48%	20,495	48%	20,276	47%	8.7%	-1.1%
Fishing (Freshwater)	38,346	100%	40,853	100%	41,821	100%	9.1%	2.4%
Casual (1-7 times)	19,977	52%	22,451	55%	23,430	56%	17.3%	4.4%
Core(8+ times)	18,369	48%	18,403	45%	18,391	44%	0.1%	-0.1%
Camping	26,262	100%	35,985	100%	37,431	100%	42.5%	4.0%
Casual (1-7 times)	19,854	76%	27,590	77%	28,459	76%	43.3%	3.1%
Core(8+ times)	6,409	24%	8,394	23%	8,972	24%	40.0%	6.9%
Wildlife Viewing (>1/4 mile of Vehicle/Home)	20,351	100%	20,452	100%	20,615	100%	1.3%	0.8%
Camping (Recreational Vehicle)	16,159	100%	16,371	100%	16,840	100%	4.2%	2.9%
Casual (1-7 times)	9,332	58%	9,688	59%	10,286	61%	10.2%	6.2%
Core(8+ times)	6,826	42%	6,683	41%	6,553	39%	-4.0%	-1.9%
Birdwatching (>1/4 mile of Vehicle/Home)	12,296	100%	14,815	100%	15,818	100%	28.6%	6.8%
Fishing (Saltwater)	13,062	100%	13,790	100%	14,344	100%	9.8%	4.0%
Casual (1-7 times)	7,625	58%	8,543	62%	9,151	64%	20.0%	7.1%
Core(8+ times)	5,437	42%	5,246	38%	5,192	36%	-4.5%	-1.0%
Backpacking Overnight	10,975	100%	10,306	100%	10,217	100%	-6.9%	-0.9%
Skateboarding	6,382	100%	8,747	100%	9,019	100%	41.3%	3.1%
Casual (1-25 times)	3,970	62%	6,181	71%	6,469	72%	62.9%	4.7%
Core(26+ times)	2,411	38%	2,566	29%	2,559	28%	6.1%	-0.3%
Bicycling (Mountain)	8,609	100%	8,693	100%	8,916	100%	3.6%	2.6%
Casual (1-12 times)	4,389	51%	4,517	52%	4,896	55%	11.6%	8.4%
Core(13+ times)	4,220	49%	4,176	48%	4,020	45%	-4.7%	-3.7%
Fishing (Fly)	6,791	100%	7,458	100%	7,631	100%	12.4%	2.3%
Casual (1-7 times)	4,448	65%	4,762	64%	4,993	65%	12.3%	4.9%
Core(8+ times)	2,344	35%	2,696	36%	2,638	35%	12.5%	-2.2%
Archery	7,769	100%	7,342	100%	7,428	100%	-4.4%	1.2%
Casual (1-25 times)	6,602	85%	6,054	82%	6,202	83%	-6.1%	2.4%
Core(26+ times)	1,167	15%	1,288	18%	1,227	17%	5.1%	-4.7%
Climbing (Sport/Boulder)	2,103	100%	2,301	100%	5,778	100%	174.8%	151.1%
Roller Skating, In-Line	5,268	100%	4,940	100%	5,173	100%	-1.8%	4.7%
Casual (1-12 times)	3,853	73%	3,525	71%	3,763	73%	-2.3%	6.8%
Core(13+ times)	1,415	27%	1,415	29%	1,410	27%	-0.4%	-0.4%
Bicycling (BMX)	3,413	100%	3,861	100%	4,181	100%	22.5%	8.3%
Casual (1-12 times)	2,039	60%	2,466	64%	2,792	67%	36.9%	13.2%
Core(13+ times)	1,374	40%	1,396	36%	1,389	33%	1.1%	-0.5%
Climbing (Indoor)	5,045	100%	5,684	100%	2,452	100%	-51.4%	-56.9%
Climbing (Traditional/Ice/Mountaineering)	2,527	100%	2,374	100%	2,452	100%	-3.0%	3.3%
Adventure Racing	2,529	100%	1,826	100%	1,714	100%	-32.2%	-6.1%
Casual (1 time)	899	36%	312	17%	236	14%	-73.7%	-24.4%
Core(2+ times)	1,630	64%	1,514	83%	1,478	86%	-9.3%	-2.4%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline:	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution:	Evenly Divided between Core and Casual Participants (45-55%)		Moderate Amount of Participants (56-74%)		Majority Amount of Participants (75% or greater)			

Aquatics

National Participatory Trends - Aquatics								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Swimming (Fitness)	27,135	100%	25,620	100%	26,272	100%	-3.2%	2.5%
<i>Casual (1-49 times)</i>	18,319	68%	17,598	69%	18,827	72%	2.8%	7.0%
<i>Core(50+ times)</i>	8,815	32%	8,022	31%	7,445	28%	-15.5%	-7.2%
Aquatic Exercise	10,459	100%	10,400	100%	10,676	100%	2.1%	2.7%
<i>Casual (1-49 times)</i>	7,222	69%	8,347	80%	8,626	81%	19.4%	3.3%
<i>Core(50+ times)</i>	3,237	31%	2,053	20%	2,050	19%	-36.7%	-0.1%
Swimming on a Team	3,007	100%	2,824	100%	2,904	100%	-3.4%	2.8%
<i>Casual (1-49 times)</i>	1,664	55%	1,708	60%	1,916	66%	15.1%	12.2%
<i>Core(50+ times)</i>	1,343	45%	1,116	40%	988	34%	-26.4%	-11.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline:	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution:	Evenly Divided between Core and Casual Participants (45-55%)		Moderate Amount of Participants (56-74%)		Majority Amount of Participants (75% or greater)			

Water sports/activities

National Participatory Trends - Water Sports / Activities								
Activity	Participation Levels						% Change	
	2017		2021		2022		5-Year Trend	1-Year Trend
	#	%	#	%	#	%		
Kayaking (Recreational)	10,533	100%	13,351	100%	13,561	100%	28.7%	1.6%
Canoeing	9,220	100%	9,199	100%	9,521	100%	3.3%	3.5%
Snorkeling	8,384	100%	7,316	100%	7,376	100%	-12.0%	0.8%
<i>Casual (1-7 times)</i>	6,721	80%	5,989	82%	6,005	81%	-10.7%	0.3%
<i>Core(8+ times)</i>	1,663	20%	1,326	18%	1,371	19%	-17.6%	3.4%
Jet Skiing	5,418	100%	5,062	100%	5,445	100%	0.5%	7.6%
<i>Casual (1-7 times)</i>	3,928	72%	3,780	75%	4,151	76%	5.7%	9.8%
<i>Core(8+ times)</i>	1,490	28%	1,281	25%	1,294	24%	-13.2%	1.0%
Stand-Up Paddling	3,325	100%	3,739	100%	3,777	100%	13.6%	1.0%
Surfing	2,680	100%	3,463	100%	3,692	100%	37.8%	6.6%
<i>Casual (1-7 times)</i>	1,705	64%	2,158	62%	2,444	66%	43.3%	13.3%
<i>Core(8+ times)</i>	975	36%	1,305	38%	1,248	34%	28.0%	-4.4%
Sailing	3,974	100%	3,463	100%	3,632	100%	-8.6%	4.9%
<i>Casual (1-7 times)</i>	2,720	68%	2,418	70%	2,633	72%	-3.2%	8.9%
<i>Core(8+ times)</i>	1,254	32%	1,045	30%	999	28%	-20.3%	-4.4%
Rafting	3,479	100%	3,383	100%	3,595	100%	3.3%	6.3%
Water Skiing	3,572	100%	3,058	100%	3,040	100%	-14.9%	-0.6%
<i>Casual (1-7 times)</i>	2,575	72%	2,209	72%	2,185	72%	-15.1%	-1.1%
<i>Core(8+ times)</i>	997	28%	849	28%	855	28%	-14.2%	0.7%
Wakeboarding	3,005	100%	2,674	100%	2,754	100%	-8.4%	3.0%
<i>Casual (1-7 times)</i>	2,101	70%	1,902	71%	2,075	75%	-1.2%	9.1%
<i>Core(8+ times)</i>	903	30%	772	29%	679	25%	-24.8%	-12.0%
Kayaking (White Water)	2,500	100%	2,587	100%	2,726	100%	9.0%	5.4%
Scuba Diving	2,874	100%	2,476	100%	2,658	100%	-7.5%	7.4%
<i>Casual (1-7 times)</i>	2,113	74%	1,795	72%	2,012	76%	-4.8%	12.1%
<i>Core(8+ times)</i>	761	26%	680	27%	646	24%	-15.1%	-5.0%
Kayaking (Sea/Touring)	2,955	100%	2,587	100%	2,642	100%	-10.6%	2.1%
Boardsailing/Windsurfing	1,573	100%	1,297	100%	1,391	100%	-11.6%	7.2%
<i>Casual (1-7 times)</i>	1,289	82%	1,002	77%	1,103	79%	-14.4%	10.1%
<i>Core(8+ times)</i>	284	18%	295	23%	288	21%	1.4%	-2.4%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline:	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution:	Evenly Divided between Core and Casual Participants (45-55%)		Moderate Amount of Participants (56-74%)		Majority Amount of Participants (75% or greater)			

Appendix C – Community Tapestry Segmentation

Major Centrum Workshop Participant Segmentation: Urban Chic

It is not surprising that Centrum’s workshops draw, primarily, the **Urban Chic** demographic as major users. This community consists of higher income, mostly married people who prefer the finer things; this market tends to consist of people in their late 30’s to their early 40’s, and often features families of one or more children (though the average household size is just 2.39). Due to their higher income, they are more than capable of affording to attend Centrum workshops, including the cost of traveling to those workshops from outside of the immediate region. This is the demographic where Fort Worden likely has the most to gain, as they could potentially capture members of this community as visitors on a yearly basis.



WHO ARE WE?

Urban Chic residents are professionals that live a sophisticated, exclusive lifestyle. Half of all households are occupied by married-couple families and about 30% are singles. These are busy, well-connected, and well-educated consumers—avid readers and moviegoers, environmentally active, and financially stable. This market is a bit older, with a median age of 43 years, and growing slowly, but steadily.

OUR NEIGHBORHOOD

- More than half of *Urban Chic* households include married couples; nearly 30% are singles.
- Average household size is slightly lower at 2.39.
- Homes range from prewar to recent construction, high-rise to single family. Over 60% of householders live in single-family homes; more than one in four live in multiunit structures.
- Two-thirds of homes are owner occupied.
- Major concentrations of these neighborhoods are found in the suburban periphery of large metropolitan areas on the California coast and along the East Coast.
- Most households have two vehicles available. Commuting time is slightly longer, but commuting by bicycle is common (Index 252).

SOCIOECONOMIC TRAITS

- Well educated, more than 65% of residents hold a bachelor's degree or higher (Index 212).
- Labor force participation is higher at 68%.
- Residents are employed in white-collar occupations—in managerial, technical, and legal positions.
- Nearly 40% of households receive income from investments.
- Environmentally aware, residents actively recycle and maintain a "green" lifestyle.
- These busy, tech-savvy residents use PCs extensively for an array of activities such as shopping, banking, and staying current—a top market for Apple computers.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Major Centrum Workshop Participant Segmentation: Golden Years

The second most common community who participate in Centrum workshops are known as **Golden Years**. The Golden Years are an independent, older demographic that has not quite reached the end of their careers but is getting close. Though this group has less disposable income than the Urban Chic group, they make up for it in an abundance of free time due to nearing retirement age and having aging or grown children. As a result, this group should be just as much of a priority for Fort Worden due to the potential of making these near seniors reoccurring visitors; oftentimes they are looking for annual getaways at places like Fort Worden and may simply only need a nudge in the right direction to call Fort Worden their second home.



LifeMode Group: Senior Styles

Golden Years

Households: 1,657,400

Average Household Size: 2.06

Median Age: 52.3

Median Household Income: \$71,700

9B

WHO ARE WE?

Independent, active seniors nearing the end of their careers or already in retirement best describes *Golden Years* residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

OUR NEIGHBORHOOD

- This older market has a median age of 52 years and a disproportionate share (nearly 32%) of residents aged 65 years or older.
- Single-person households (over 40%) and married-couple families with no children (one-third) dominate these neighborhoods; average household size is low at 2.06 (Index 80).
- Most of the housing was built after 1970; approximately 43% of householders live in single-family homes and 43% in multiunit dwellings.
- These neighborhoods are found in large metropolitan areas, outside central cities, scattered across the US.

SOCIOECONOMIC TRAITS


- *Golden Years* residents—22% have graduate or professional degrees, 28% have bachelor's degrees, and 25% have some college credits.
- Labor force participation is somewhat low at 56% (Index 89), due to residents reaching retirement.
- Median household income is higher in this market, more than \$71,000. Although wages still provide income to nearly two out of three households, earned income is available from investments (Index 171), Social Security benefits (Index 146), and retirement income (Index 144).
- These consumers are well connected: Internet access is used for everything from shopping or paying bills to monitoring investments and entertainment.
- They are generous supporters of the arts and charitable organizations.
- They keep their landlines and view cell phones more as a convenience.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are attributed from data by MRB-Seniors.

Major Centrum Workshop Participant Segmentation: Exurbanites

The third most common Centrum workshop participants are **Exurbanites**. Slightly younger than their Golden Years peers, this group is slightly more active and has much more disposable income. Exurbanites are also currently very connected to Centrum and are a demographic that can more easily become regular visitors. In short, Exurbanites are former Urban Chic that are nearing their Golden Years and may be looking for an excuse to frequent Fort Worden or Centrum. Their typical characteristics are below:



LifeMode Group: Affluent Estates

Exurbanites

1E

Households: 2,398,200

Average Household Size: 2.50

Median Age: 51.0

Median Household Income: \$103,400

WHO ARE WE?


Exurbanites residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

OUR NEIGHBORHOOD

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- A larger market of empty nesters, married couples with no children; average household size is 2.50.
- Primarily single-family homes with a high median value of \$423,400 (Index 204), most still carrying mortgages.
- Higher vacancy rate at 9%.

SOCIOECONOMIC TRAITS

- Residents are college educated; more than half have a bachelor's degree or higher; nearly 81% have some college education.
- This labor force is beginning to retire. One in three households currently receive Social Security or retirement income. Labor force participation has declined to less than 60% (Index 95).
- More of the residents prefer self-employment (Index 178) or working from home (Index 177).
- Consumers are more interested in quality than cost. They take pride in their homes and foster a sense of personal style.
- Exurbanites residents are well connected, using the internet for everything from shopping to managing their finances.
- Sociable and hardworking, they still find time to stay physically fit.



TAPESTRY
SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRSSimmons.

Major Centrum Workshop Participant Segmentation: Top Tier

The **Top Tier** are a unique group, in that they are much higher earners than the previous groups that frequented Centrum workshops in 2023. This is a large population with a high potential to be star customers; with high incomes and either no children or grown children, it makes sense that these are some of Centrum's most common workshop participants. Further details on this group can be seen below:



LifeMode Group: Affluent Estates

Top Tier

Households: 2,113,000

Average Household Size: 2.84

Median Age: 47.3

Median Household Income: \$173,200

1A

WHO ARE WE?

The residents of the wealthiest Tapestry market, *Top Tier*, earn more than three times the US household income. They have the purchasing power to indulge any choice, but what do their hearts' desire? Aside from the obvious expense for the upkeep of their lavish homes, consumers select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. Whether short or long, domestic or foreign, their frequent vacations spare no expense. Residents fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping. These highly educated professionals have reached their corporate career goals. With an accumulated average net worth of over US\$3 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses.



OUR NEIGHBORHOOD

- Married couples without children or married couples with older children dominate this market.
- Housing units are owner occupied with the highest home values—and above-average use of mortgages.
- Neighborhoods are older and located in the suburban periphery of the largest metropolitan areas, especially along the coasts.


SOCIOECONOMIC TRAITS

- Top Tier is a highly educated, successful consumer market: more than one in three residents has a postgraduate degree.
- Annually, they earn more than three times the US median household income, primarily from wages and salary but also self-employment income (Index 177) and investments (Index 251).
- These are the nation's wealthiest consumers. They hire financial advisers to manage their diverse investment portfolios but stay abreast of current financial trends and products.
- Socially responsible consumers who aim for a balanced lifestyle, they are goal oriented and hardworking but make time for their kids or grandkids and maintain a close-knit group of friends.
- These busy consumers seek variety in life. They take an interest in the fine arts; read to expand their knowledge; and consider the internet, radio, and newspapers as key media sources.
- They regularly cook their meals at home, attentive to good nutrition and fresh organic foods.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are extracted from data by MDS-Gommons.

Major Centrum Workshop Participant Segmentation: Young and Restless

The fifth and final most common Centrum workshop participants are the **Young and Restless**. This group is by far the lowest earning of the five assessed workshop frequenters but have a lot to offer due to their youth and (usually) empty nest. Though their median household income is well below the typical Jefferson County or Clallam County family, they can still be counted on for their attendance.



LifeMode Group: Midtown Singles

Young and Restless

11B

Households: 2,131,500

Average Household Size: 2.04

Median Age: 29.8

Median Household Income: \$40,500

WHO ARE WE?

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional and technical occupations, as well as sales and office and administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost one in five residents move each year. More than half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the internet extensively. *Young and Restless* consumers typically live in densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.



OUR NEIGHBORHOOD

- One of the youngest markets: More than half the householders under age 35; median age 29.8.
- Primarily single-person households (Index 163) with some shared households (Index 201).
- Highly mobile market, beginning careers and changing addresses frequently.
- One of the top 5 renter markets (Index 233).
- Apartment rentals popular: 44% in 5–19 unit buildings (Index 487), 27% in 20+ unit buildings (Index 318).
- Majority of housing built in 1970 or later (84%).

SOCIOECONOMIC TRAITS

- Education completed: More than two out of three have some college, an associate's degree, or a bachelor's degree or higher. Almost 14% are still enrolled in college (Index 175).
- Labor force participation rate is exceptionally high at 75.0%.
- These careful shoppers are aware of price and demonstrate little brand loyalty.
- Like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the internet and TV rather than traditional media.
- Carry their cell phone everywhere they go.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Major Centrum Ticket Buyer Segmentation: Silver & Gold

In terms of Centrum ticket buyers, there are slightly different community demographics in comparison to workshop participants. The first of those demographic groups are the **Silver and Gold**. With demographics similar to the standard Jefferson County or Clallam County resident, this group can be counted on to attend regular events that Centrum offers, due to their higher-than-average amount of free time afforded by their retirement or near end-of-career standing. As a result, this group would be a great target for Fort Worden to capture, as either frequent guests for weekend getaways or daily users.



WHO ARE WE?

Almost the oldest senior market, *Silver and Gold* is the most affluent. The affluence of *Silver and Gold* has afforded the opportunity to retire to sunnier climates that feature exclusive communities and vacation homes. These consumers have the free time, stamina, and resources to do what they enjoy. This market is smaller but growing.

OUR NEIGHBORHOOD

- Residents of *Silver and Gold* prefer a more bucolic setting, but close to metropolitan cities.
- Predominantly single-family, owner-occupied homes that have a median value of \$385,700 (Index 186).
- Neighborhoods include seasonal or vacation homes, reflected in the high vacancy rate of 43%.
- Mostly older married couples with no children, average household size is 2.03.

SOCIOECONOMIC TRAITS

- 47% have college degree(s).
- Primarily retired, but many still active in the labor force, participation rate of 41%.
- Self-employment is the highest across all Tapestry markets (Index 218).
- More than half of the households receive income from wages/salaries, Social Security, or investments, many drawing retirement income (Index 213).
- Connected, but primarily to get news and track investments, more likely to own an e-reader or tablet than a smartphone.



Note: The index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Major Centrum Ticket Buyer Segmentation: The Great Outdoors

The second most common ticket buyer segmentation, **The Great Outdoors**, are a mostly middle-aged group that often find themselves in nature. Though they are relatively low earners, this demographic tends to a higher-than-average amount of their money on outdoor adventures. As a result, this specific group could be found more often by amplifying and marketing the natural beauty that Fort Worden has to offer.



LifeMode Group: Cozy Country Living

The Great Outdoors

Households: 1,908,600

Average Household Size: 2.44

Median Age: 47.4

Median Household Income: \$56,400

6C

WHO ARE WE?

These neighborhoods are found in pastoral settings throughout the United States. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals. Although retirement beckons, most of these residents still work, with incomes slightly above the US level.



OUR NEIGHBORHOOD

- Over 55% of households are married-couple families; 36% are couples with no children living at home.
- Average household size is slightly smaller at 2.44.
- Typical of areas with rustic appeal, the housing inventory features single-family homes (77%) and mobile homes (15%); a significant inventory of seasonal housing is available (Index 397).
- Residents live in small towns and rural communities throughout the West, South, and Northeast regions of the country.
- More than half of all homes were constructed between 1970 and 2000.
- Most households have one or two vehicles; average travel time to work is slightly higher (28 minutes) despite a disproportionate number that work from home (Index 149).

SOCIOECONOMIC TRAITS

- 60% have attended college or hold a degree.
- Labor force participation is low at 60%.
- Typical of neighborhoods with older residents, income from retirement and Social Security is common, but residents also derive income from self-employment and investments.
- Residents are very do-it-yourself oriented and cost conscious.
- Many service their own autos, work on home improvement and remodeling projects, and maintain their own yards.
- They prefer domestic travel to trips abroad.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRG-Simmons.

Major Centrum Ticket Buyer Segmentation: Midlife Constants

The **Midlife Constants** are similar in age to The Great Outdoors and a few other community segmentations; however, this group is more known for being higher participants when cost barriers are minimized. With a relatively low median household income, this group likely supplies ticket buyers that live nearby and are looking for relatively cheap activities or entertainment. More details on Midlife Constants can be found below.



LifeMode Group: GenXurban

Midlife Constants

Households: 3,068,400

Average Household Size: 2.31

Median Age: 47.0

Median Household Income: \$53,200

5E



WHO ARE WE?

Midlife Constants residents are seniors, at or approaching retirement, with below-average labor force participation and below-average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous but not spendthrifts.

OUR NEIGHBORHOOD

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of \$154,100 (Index 74).

SOCIOECONOMIC TRAITS

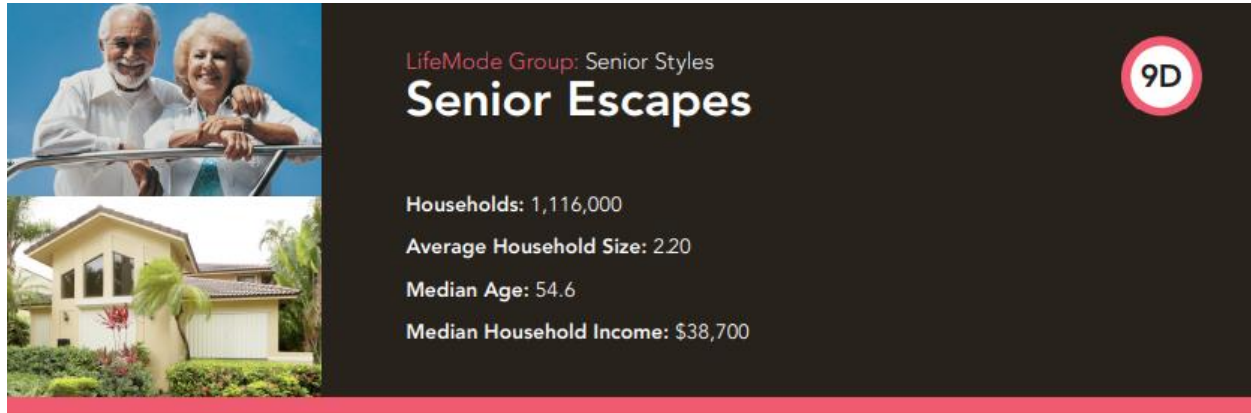
- Education: 63% have a high school diploma or some college.
- At 31%, the labor force participation rate is low in this market (Index 91).
- Almost 42% of households are receiving Social Security (Index 141); 27% also receive retirement income (Index 149).
- Traditional, not trendy; opt for convenience and comfort not cutting edge. Technology has its uses, but the bells and whistles are a bother.
- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.
- Radio and newspapers are the media of choice (after television).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Major Centrum Ticket Buyer Segmentation: Senior Escapes

The **Senior Escapes** are some of the lowest earning people in this assessment; however, they are often heavily focused on living a care-free lifestyle. They are relatively older and earn a median household income of just under \$40,000 but are often retired. They are often frugal and aim to mitigate any unnecessary expenses, but are typically willing to dole out some of their retirement to live in a nice area.



WHO ARE WE?

Senior Escapes neighborhoods are heavily concentrated in the warmer states of Florida, California, and Arizona. These areas are highly seasonal, yet owner occupied. Many homes began as seasonal getaways and now serve as primary residences. Nearly 40% are mobile homes; over half are single-family dwellings. About half are in unincorporated and more rural areas. Nearly one-fifth of the population is between 65 and 74 years old. Residents enjoy watching TV, going on cruises, playing trivia games, bicycling, boating, and fishing. They are very conscious of their health and buy specialty foods and dietary supplements.

OUR NEIGHBORHOOD

- Neighborhoods include primary and second homes in rural or semirural settings.
- One quarter of all housing units are vacant; many are for seasonal use only.
- More than one-third of the households are married couples without children; a third are single-person households.
- More than half the homes are single family; nearly 40% are mobile homes.
- Three-quarters of all homes are owner occupied, and the majority own their homes free and clear.
- Most households have one or two vehicles.

SOCIOECONOMIC TRAITS

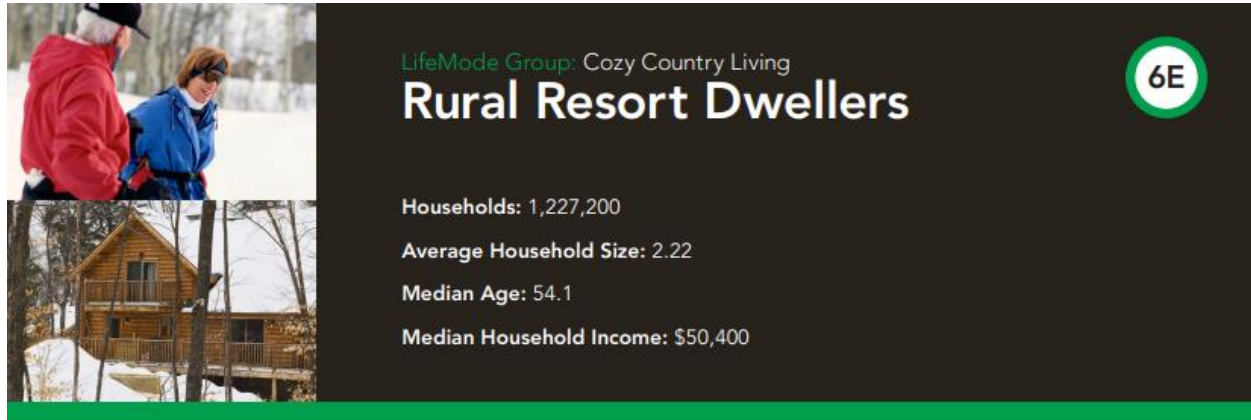
- Labor force participation is low, but more than half the households are drawing Social Security income.
- They spend majority of their time with spouse or significant other or alone.
- They are limited by medical conditions but still enjoy gardening and working on their vehicles.
- They take good care of vehicles, but haven't bought a new one in over five years.
- They only spend within their means, do their banking in person, and do not carry a balance on their credit card.



Note: The index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Seniors.

Major Centrum Ticket Buyer Segmentation: Rural Resort Dwellers

The final assessed community segmentation for Centrum ticket buyers is the **Rural Resort Dwellers**. This demographic is full of people that choose the rural resort life over the bustle of the city and are often willing to inhabit those resorts for extended periods of time. This group is hardcore; though the group itself is smaller in number, they should be considered a huge opportunity for Fort Worden and Centrum alike.



WHO ARE WE?

Although the Great Recession forced many owners of second homes to sell, *Rural Resort Dwellers* residents remain an active market, just a bit smaller. These communities are centered in resort areas, many in the Midwest, where the change in seasons supports a variety of outdoor activities. Retirement looms for many of these blue collar, older householders, but workers are postponing retirement or returning to work to maintain their current lifestyles. Workers are traveling further to maintain employment. They are passionate about their hobbies, like freshwater fishing and hunting.

OUR NEIGHBORHOOD

- Housing is owner-occupied, single-family homes, with some mobile homes. A strong market for second homes, these rural areas contain homes valued near the US median. Over half of the housing units are vacant due to a high seasonal vacancy rate.
- In this older market, 42% of households consist of married couples with no children at home, while another 28% are single person. Married couples with children at home have older school-age children.
- Set in scenic rural locations with proximity to outdoor activities, two vehicles are essential to get around.

SOCIOECONOMIC TRAITS

- *Rural Resort Dwellers* residents are close to retirement. They've accumulated wealth and begun to shift their portfolios to low-risk assets. These active residents continue to work in skilled occupations.
- Simple tastes and modesty characterize these blue-collar residents. They shop for timeless, comfortable clothing but only when something must be replaced. They pay little attention to advertising and usually stick to the brands they know.
- They spend time with their spouses and also maintain a social calendar.



Note: The index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.