

**KITSAP PUBLIC FACILITIES DISTRICT
KITSAP COUNTY, WASHINGTON**

RESOLUTION 11-2007

A RESOLUTION of the Board of Directors of the Kitsap Public Facilities District (PFD) of Kitsap County, Washington requesting elimination of Tax Stabilization Fund.

WHEREAS, the County Commissioners established the PFD pursuant to Chapter 36.100 RCW and Resolution No. 093-2000, to perform any function or combination of functions authorized by that chapter; and

WHEREAS, the PFD is authorized by RCW 36.100.030 to acquire, construct, own, remodel, maintain, equip, re-equip, repair, and operate “regional centers,” as defined in RCW 35.57.020; and

WHEREAS, RCW 35.57.020 defines “regional center” to include special event centers and facilities available to the public and used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances, together with related parking facilities, so long as such facilities serve a regional population, and are constructed, improved, or rehabilitated after July 25, 1999, at a cost of at least \$10,000,000 (Ten Million Dollars); and

WHEREAS, RCW 82.14.390 authorized the PFD to impose a 0.033% sales and use tax (the “Sales Tax”), which operates to shift a share of the State’s sales and use tax revenues to public facilities districts at no additional cost to taxpayers; and

WHEREAS, the PFD has imposed the Sales Tax authorized by RCW 82.14.390; and

WHEREAS, the Sales Tax may be applied to acquire, remodel, finance, and operate a regional special events center as defined in RCW 35.57.020; and

WHEREAS, the PFD and the County in 2002 decided to cooperate in establishing a “regional center” as defined in RCW 35.57.020; and

WHEREAS, the PFD and the County decided to establish this regional center at the Kitsap County Fairgrounds and Ball Fields Complex, encompassing

129 acres; and

WHEREAS, the PFD and the County implemented their decision to establish this regional center by entering into that certain Interlocal Agreement Regarding Funding, Development, and Operation of the Kitsap Special Events Center, dated March 25, 2002 (“the Original ILA”), which agreement has since been amended; and

WHEREAS, the Original ILA created the Kitsap Special Events Center, the name of which was later changed to the “Kitsap Fairgrounds & Event Center,” and

WHEREAS, the Original ILA as amended required the County to issue bonds in an amount sufficient to make available to the PFD the sum of \$11.1 million (net of the costs of issuing the bonds) in order to make funds available to the PFD for the Kitsap Fairgrounds & Event Center and to the City of Bremerton for its regional conference center; and

WHEREAS, the Original ILA as amended required the PFD to pay a portion of its Sales Tax revenue to the County to be used to repay the bonds; and

WHEREAS, the Original ILA as amended in order to provide additional security for the bonds also required the PFD to pay another portion of its Sales Tax revenue into a “Tax Stabilization Fund” until a “Balance Requirement” as defined in those agreements was met; and

WHEREAS, the Original ILA as amended and the County’s bonds provided that the Tax Stabilization Fund was required only until April 2007, at which point the County in consultation with the PFD could determine to change or eliminate the Tax Stabilization Fund entirely; and

WHEREAS, it has not been necessary to use any of the funds in the Tax Stabilization Fund because the Sales Tax revenue collected by the PFD has consistently exceeded projected collections; and

WHEREAS, the PFD wishes to use the funds in the Tax Stabilization Fund to provide further funding to its regional centers; now therefore

BE IT RESOLVED, by the Board of Directors of the Kitsap Public Facilities District as follows:

Section 1. The County is hereby requested to eliminate entirely the requirement that the PFD fund the Tax Stabilization Fund and to release to the PFD all principal and accrued interest being held in County Fund 286.

Section 2. In the event the County eliminates entirely the requirement that the PFD fund the Tax Stabilization Fund, then the PFD shall establish and maintain a debt service reserve account in an amount sufficient to insure that it can make its payments on the County's bonds in the event of a decrease in the PFD's Sales Tax revenue.

Adopted at a regular and open public meeting of the Kitsap Public Facilities District Board of Directors on the ___ day of _____, 2007, the following Directors being present and voting:

Linda Berry-Maraist, Chair

Warren VanZee, Vice-chair

Walter S. Draper IV, Treasurer

Emily Parsons

Trent England

Rick Smith

Jim Heins