

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

**RESOLUTION 2 - 2013**

**A RESOLUTION of the Board of Directors of the Kitsap Public Facilities District (KPFDD) of Kitsap County, Washington requesting Reduction of the Required Minimum Debt Service Reserve for bond repayment to \$250,000 and maintaining a \$250,000 balance in the 286 debt service reserve fund.**

**WHEREAS**, the County Commissioners established the KPFDD 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**, RCW 82.14.390 authorized the KPFDD 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 the KPFDD has imposed the Sales Tax; 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**, in 2002 the KPFDD and the County cooperated in establishing a "regional center" as defined in RCW 35.57.020, and the KPFDD and the County established this regional center at the Kitsap County Fairgrounds and Ball Fields Complex, encompassing 129 acres; and

**WHEREAS**, the KPFDD and the County entered into an 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 KPFDD the sum of \$11.1 million (net of the costs of issuing the bonds) in order to make funds available to the KPFDD 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 KPFDD 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 KPFD 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 required the Tax Stabilization Fund until April 2007 and, subsequently in 2007, the County agreed to eliminate the requirement of the Tax Stabilization Fund, provided the KPFD would maintain a debt service reserve account in the amount of Five Hundred Thousand Dollars (\$500,000);

**WHEREAS**, the required minimum debt service reserve account of \$500,000 has been maintained by the KPFD, within the KPFD General Fund and

**WHEREAS**, the KPFD has been able to make all required debt service payments without accessing the debt service reserve as the Sales Tax revenue collected by the KPFD has consistently exceeded projected collections; and

**WHEREAS**, the KPFD wishes to utilize more of its Sales Tax revenue to fund additional capital improvements in its regional centers and projects by reducing the amount of the debt service reserve account from Five Hundred Thousand Dollars (\$500,000) to Two Hundred Fifty Thousand Dollars (\$250,000) ; now therefore

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

**Section 1.** The KPFD hereby requests that the County reduce the required minimum debt service reserve to Two Hundred Fifty Thousand Dollars (\$250,000), sufficient to cover 6-12 months or more of shortages, if the revenues received do not fully pay the debt service requirements;

**Section 2.** In the event the County reduces the required minimum debt service reserve to the amount specified, the KPFD shall establish and maintain a debt service reserve account in that amount, separate from the KPFD General Fund Cash Balance, to insure that it can meet its debt service obligations on the County's bonds in the event of a decrease in the KPFD's Sales Tax revenue.

*Adopted at a regular and open public meeting of the Kitsap Public Facilities District Board of Directors on the 25th day of March, 2013, the following Directors being present and voting:*

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**Teresa Osinski, Chair**

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**Roy Runyon, Vice-chair**

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**Anne Blair, Treasurer**

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**Russ Shiplet**

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**Patrick Hatchel**

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**Rick Smith**

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**Jeffrey Braden**