



STATE OF WASHINGTON  
DEPARTMENT OF COMMERCE

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July 9, 2024

Honorable Jay Inslee  
Washington State Governor  
PO Box 40002  
Olympia, WA 98504-0002

Dear Governor Inslee:

In accordance with RCW 36.100.025(3), the Department of Commerce is electronically submitting the independent financial feasibility review for the Kitsap Public Facilities District's debt repayment plan. This review is available at:

Report: <https://deptofcommerce.app.box.com/file/1585285079708?s=gcbhb8dm5ndytyaat128jkt334dmyjh6>

Commerce's primary role in this process is to contract for an independent review to provide objective and timely analysis of the financial feasibility of the proposed project. The statute further directs Commerce to make the review public and to submit it to the governor, the state treasurer, the state auditor, the public facility district and participating local political subdivisions, and appropriate committees of the legislature.

We hope this review is helpful to the Kitsap Public Facilities District and participating local governments in informing decisions about their project.

Sincerely,

DocuSigned by:

Mark Barkley

7/9/2024 | 1:13 PM PDT

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Mark Barkley  
Assistant Director, Local Government Division

cc: Mike Pellicciotti, Washington State Treasurer  
Pat McCarthy, Washington State Auditor  
Russ Shiplet, Kitsap PFD Executive Director  
Participating Local Political Subdivisions

**Independent Financial Feasibility Review**  
**For Kitsap Public Facilities District**  
**Relating to Poulsbo Events and Recreation Center**



**Prepared for**  
**Washington State Department of Commerce**

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# **Independent Financial Feasibility Review**

## **For Kitsap Public Facilities District**

### **Relating to Poulsbo Events and Recreation Center**

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#### **Executive Summary**

The Kitsap Public Facilities District (“KPF”) was formed by Kitsap County (the “County”) in 2000 for the purpose of owning, operating or funding projects for various purposes. In accordance with State law, public facilities districts with qualifying projects could establish a .033% sales and use tax to be credited against the state’s general sales tax. The KPF qualified for and imposed this sales and use tax.

Between 2002 and 2017, the KPF entered into certain Interlocal Agreements (“ILAs”) to provide funding support for various projects (the “Existing Projects”) each deemed by the KPF to be regional facilities qualifying for expenditures from the sales and use tax credit. The financial commitments for these projects are coming to an end or have decreased significantly, and the KPF’s revenue has increased significantly over the years. Additionally, in 2017, State law changes provided that, under certain circumstances, public facilities districts can collect the sales and use tax for 15 additional years.

Based on the continued availability of revenue in excess of investments in the Existing Projects, the KPF determined that it will have funds to invest in additional qualifying projects. The KPF selected three new projects for investment through 2041 (the “New Projects”) when the .033% sales and use tax revenue is scheduled to terminate, and one project for funding over 10 years from 2022 through 2041. The Poulsbo Events and Recreation Center (the “PERC”), one of the three New Projects selected for new investment, is being undertaken by the City of Poulsbo on a 6-acre parcel owned by the city, and is the subject of this independent financial feasibility review.

Because the KPF wishes to enter into a long-term payment commitment related to the PERC, which payment will provide for debt service on bonds to be issued by the City of Poulsbo, the KPF has determined that a review is required under RCW 36.100.025. RCW 36.100.025 requires independent financial feasibility reviews for certain activities undertaken by public facilities districts, and states that the review must examine the potential costs to be incurred by the public facility district and the adequacy of revenues or expected revenues to meet those costs.

Our review includes consideration of commitments and payment obligations for the Existing Projects, as well as commitments and payment obligations contemplated for the New Projects, and the project being funded over ten years.

The KPFD had \$2,337,374 of annual sales and use tax revenue in 2023, which is expected to grow in amount through 2041. The KPFD has continuing annual payment obligations from the Existing Projects of approximately \$855,000 in each of 2024 and 2025, and \$67,000 from 2026 through 2041. The KPFD has entered into ILAs to make certain payments for the New Projects, including the PERC, which is the subject of this review, and a fourth project to be funded over ten years.

The ILAs for the three New Projects contemplate future changes to the ILAs to take into account changing circumstances such as construction budgets, plan changes, and changes in debt service costs. The current ILAs and commitments do not obligate the KPFD to provide additional funding, and all funding is subject to availability of KPFD funds to make any payments. While this provides the KPFD with protections both in the face of reductions in revenue and increases in project costs and needs, those risks will need to be addressed by the entities that are the owners and managers of the projects.

Based on our review of the potential revenue and the commitments of the KPFD, as described in this review, we have concluded that the KPFD has developed a cautious approach to the newly planned investments, and that it is reasonable to expect that there will be sufficient revenue to complete the committed payments as currently set forth in the various ILAs with the project owners, including the ILA for the PERC.

# **Independent Financial Feasibility Review**

## **For Kitsap Public Facilities District**

### **Relating to Poulsbo Events and Recreation Center**

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## **Introduction and Purpose of Review**

### **Introduction**

The Kitsap Public Facilities District (“KPF”) was formed by Kitsap County (the “County”) in 2000 to acquire, construct, own, remodel, maintain, equip, reequip, repair and operate sports facilities, entertainment facilities, convention facilities, or regional centers as defined in RCW 35.57.020, together with contiguous parking facilities.

The KPF has entered into various Interlocal Agreements (“ILAs”) to provide funding support for various projects each deemed by the KPF to be regional facilities qualifying for expenditures.

The KPF determined that it expects to have sufficient revenue to enter into additional agreements to support additional regional projects and, after undertaking a proposal review process in 2018, selected the Poulsbo Events and Recreation Center (“PERC”), the project that is the subject of this independent financial feasibility review, as one of three projects for future funding by the KPF.

The PERC includes an event and recreational facility consisting of two multi-purpose turf fields and related amenities to be located on a six-acre city-owned parcel in Poulsbo. The PERC has a budget estimated at \$13 million in 2025 dollars, of which the KPF’s total cost is not to exceed \$10,275,288 in accordance with the ILA between the City of Poulsbo (“Poulsbo”) and the KPF.

### **Purpose of the Review**

This review is provided to comply with provisions of state law RCW 36.100.025. In accordance with the law, the state of Washington (the “State”) Department of Commerce contracts with independent contractors to provide independent financial feasibility reviews, which are intended to ensure that local decision makers have access to objective analysis of the potential costs to be incurred by the public facilities district and the adequacy of revenues or expected revenues to meet those costs.



RCW 36.100.025 provides as follows:

- (1) An independent financial feasibility review under this section is required to be performed prior to any of the following events:
  - a. The formation of a public facilities district under chapter 36.100 RCW;
  - b. The issuance of any indebtedness, excluding the issuance of obligation to refund or replace such indebtedness, by a public facilities district under this chapter; or
  - c. The long-term lease, purchase, or development of a facility under this chapter.*
- (2) The independent financial feasibility review required by this section must be conducted by the department of commerce . . . The review must examine the potential costs to be incurred by the public facility district and the adequacy of revenues or expected revenues to meet those costs. The cost of the independent financial feasibility review must be borne by the public facility district or the local government proposing to form a public facility district.*
- (3) The independent financial feasibility review, upon completion, must be a public document and must be submitted to the governor, the state treasurer, the state auditor, the public facility district and participating local political subdivisions, and appropriate committees of the legislature.*

This independent financial feasibility review has been requested for a project for which the KPFD will obligate itself through an ILA to make payments for debt service on a portion of bonds to be issued by the City of Poulsbo for the PERC, and is provided by Susan Musselman LLC through contract with the State's Department of Commerce. Information regarding the contractor, Susan Musselman LLC, is provided in Appendix A.

The primary documents reviewed in performance of this independent financial feasibility review are listed in Appendix B.

## **Overview of KPFD and KPFD Sales and Use Tax**

### **KPFD Formation**

The Kitsap Public Facilities District (“KPFD”) was formed by Kitsap County (the “County”) in 2000 to acquire, construct, own, remodel, maintain, equip, reequip, repair and operate sports facilities, entertainment facilities, convention facilities, or regional centers as defined in RCW 35.57.020, together with contiguous parking facilities. At the time of formation, the County stated a goal of promoting multiple use facilities, with an interest in creative and efficient use and construction of public facilities in the County. The KPFD does not own or operate facilities but participates in funding and support for regional facilities owned by other governmental entities within the County.

The KPFD is an independent taxing district and has all the usual powers and responsibilities of a municipal corporation. Among these is the power to impose certain taxes, to impose charges and fees for use of its facilities and to accept and expend gifts, grants and donations.

The KPFD established Bylaws in 2001, which have been amended over the years, most recently in October of 2020, relating to administration of the KPFD. The Bylaws state the KPFD’s purpose as “to aid in the creation of new public facilities for sports, entertainment and conventions.” The KPFD is governed by a seven-member Board, appointed to four-year terms by the Board of County Commissioners. The formation resolution contemplates that the Board will include representation from each city and each commissioner district in the County and encourages support of multi-use facilities.

### **The KPFD Sales and Use Tax**

The KPFD imposed a sales and use tax at a rate of .033% on taxable retail sales in the County, for collection starting in 2002. The tax is credited against the general sales and use tax levied by the State so the effect of the tax is no increase to those paying sales and use tax, but a carve out of a portion of the State’s revenue that is disbursed to the KPFD. This arrangement is available for public facilities districts in the State for projects that meet certain requirements as set forth in RCW 82.14.390. This taxing authority was initially available for up to 25 years after its first collection and in 2017 State law was changed to extend the tax for up to 40 years after its first collection, if bond payment obligations are in place through that time. Subsequently, in 2022, the KPFD entered into a bond payment obligation through 2041, ensuring the sales and use tax revenue will be available for project funding through 2041.

The KPFD’s only other source of revenue is interest earnings on invested funds. While public facilities districts in the State have authority to impose other charges, fees and taxes, some of which require majority vote of the electorate within the public facilities district, the KPFD has not imposed any additional charges, fees and taxes.

Historical revenue from the sales and use tax imposed by the KPFD is shown in Table 1. While the rate of change in the sales and use tax revenue has varied over time, with some years showing low growth or declines, the overall growth rate of revenue has averaged just under 5% per year. This is not inconsistent with results statewide, given changing economic conditions.

**Table 1**

Historical Sales and Use Tax Revenue for the KPFD					
<u>Year</u>	<u>Revenue</u>	<u>Change</u>	<u>Year</u>	<u>Revenue</u>	<u>Change</u>
2002	\$ 903,638	--	2013	\$ 1,133,785	4.2%
2003	952,233	5.4%	2014	1,208,398	6.6%
2004	1,039,781	9.2%	2015	1,304,453	7.9%
2005	1,101,474	5.9%	2016	1,419,068	8.8%
2006	1,197,100	8.7%	2017	1,507,252	6.2%
2007	1,257,598	5.1%	2018	1,707,652	13.3%
2008	1,194,023	-5.1%	2019	1,791,249	4.9%
2009	1,071,879	-10.2%	2020	1,839,423	2.7%
2010	1,049,608	-2.1%	2021	2,145,423	16.6%
2011	1,058,542	0.9%	2022	2,304,514	7.4%
2012	1,088,503	2.8%	2023	2,337,374	1.4%

Data Source: Kitsap Public Facilities District

## Revenue for KPFD Projects

Between 2002 and 2018 KPFD entered into various Interlocal Agreements (“ILAs”) with local governments in support of three projects, each deemed by KPFD to be regional centers qualifying for KPFD investment. Using this approach, KPFD has made one-time payments for certain purposes and entered into long term commitments for payment of debt service issued by Kitsap County, through a number of ILAs with the County and other local government entities in the county. According to the KPFD, these commitments resulted in support for \$14,736,484 of project costs for the three projects.

In 2018 the KPFD entered into an ILA with the Port of Bremerton for funding for certain tasks relating to public components of a project known as the Circuit of the Northwest, totaling \$562,300 through 2020.

Because the revenue from the KPFD’s .033% sales and use tax has increased over time, and with the ability to collect taxes for an additional 15 years, in 2018 the KPFD determined that it has capacity to fund additional regional centers to support further multi-use regional services. In 2019, the KPFD requested proposals from public entities for additional regional projects that may qualify for funding and support from the KPFD. Seven proposals were submitted and the KPFD selected three proposals for future investment, including the Poulsbo Event and Recreation Center (“PERC”), the project that is the subject of this independent financial feasibility review, and committed to providing additional funding to the Port of Bremerton.

## **KPFD Commitments for the PERC Project Subject to this Review**

### **Overview**

As stated earlier, the KPFD has determined that it expects to have sufficient revenue to enter into agreements to support additional regional projects and has selected the PERC, the project that is the subject of this independent financial feasibility review, as one of three regional centers for investment.

The KPFD and Poulsbo entered into an ILA in December 2019 in which the KPFD committed to \$243,900 of funding for Poulsbo to conduct a feasibility study for the PERC project. The ILA set forth areas of focus for the feasibility study to include community outreach for input on function and funding; market analysis, to identify users of the project; draft management plan to identify roles and responsibilities; concept plan/location rationale; financial analysis to develop financial estimates and financing options; and project administration.

An outcome of the feasibility study was to define Phase 1, 2 and 3 projects, with Phase 1 to include two multi-use artificial turf sport fields with lighting and fencing, sport courts to include basketball and pickleball courts with flexibility for multi-court uses, a children's play area, an entry plaza with water feature, terraced seating and an outdoor fire pit, benches and rest areas, pathways, shelters and a restroom and concessions building. Phases 2 and 3 will require additional land acquisition and funding for an event and recreation building (Phase 2) and an outdoor recreation pool (Phase 3) and are not a part of this funding commitment.

The KPFD and Poulsbo have negotiated an ILA, which has been approved by both parties as of June 17, 2024 (the "2024 PERC ILA"), under which the project details and funding arrangement for Phase 1 are set forth.

### **The 2024 Poulsbo Events and Recreation Center ILA**

The project budget, included in the 2024 PERC ILA indicates a total project cost of \$13 million of which \$8.71 million, or 67%, will be funded by the KPFD. The 2024 PERC ILA states that the PFD will pay \$700,000 for design work in 2024 and \$800,000 for design, permitting and other costs in 2025, in addition to a portion of debt service over the following years through 2041. The financing plan indicates that Poulsbo will issue bonds, which bonds are expected to be issued in Spring of 2025, with average annual payments to be made by the KPFD estimated at \$642,393 from 2026 through 2041. This annual KPFD payment amount is subject to change based on actual bond interest rates and resulting payments. As set forth in the 2024 PERC ILA, the KPFD's total cost of debt service payments is not to exceed \$10,278,288 (i.e., \$642,393 for 16 years).

The annual payment commitments under the 2024 PERC ILA are summarized in Table 2.

**Table 2**

KPFD Payments by Year Included in 2024 PERC ILA	
<u>Year</u>	<u>KPFD Payment</u>
2024	\$700,000
2025	800,000
2026 -2041	642,393

Source: 2024 PERC ILA

Table 3 shows the overall Project Budget Summary that is included in the 2024 PERC ILA, relating to the financial commitment of the KPFD. The project estimate is from the 2023 Feasibility Report.

**Table 3**

PERC Regional Multi-Use Athletic Fields Project Budget Summary	
2025 Dollars:	\$13 million
<u>Task 1: Design, PS&amp;E:</u> <i>District reimbursement</i>	\$1.5 million
<u>Task 2: Construction Financing and Structure:</u> <i>Financing per construction financing bond</i>	\$100,000
<u>Task 3: Construction:</u> <i>Financing per construction financing bond</i>	\$11.4 million \$7.11 District \$4.29 CITY
Total 2025 Project Cost:	\$13 million

Source: 2024 PERC ILA between KPFD and Poulsbo, Attachment C.

The 2024 PERC ILA includes conditions and contingencies, including a provision stating that if funding is withdrawn, reduced, limited, or not otherwise available after the effective date of this Agreement, this Agreement may be terminated by either party. Additionally, the 2024 PERC ILA states that construction is expected to start in Spring 2025 and if it is not started by December 31, 2025 the 2024 PERC ILA will be terminated and unused funds will be returned to the KPFD.

# Financial Commitments of the KPFD

## Overview

In order to review the adequacy of revenues or expected revenues to meet the costs to be incurred by the KPFD relative to the PERC, it is important to understand the existing financial commitments and obligations of the KPFD. The KPFD does not own or operate facilities but has entered into a number of ILAs under which it has made payment agreements in support of regional centers in the County. In some cases, these are one-time payments to aid in funding of planning and preliminary costs, and in other cases, these have been ongoing commitments to support capital costs, most of which are tied to long term bond payments. The KPFD has not issued its own bonds, but has made payments to the County for a portion of debt service on bonds issued by the County for each project.

This section will describe the existing financial commitments, as well as the expected additional commitments that resulted from the 2019 proposal process. The KPFD has entered into ILAs relating to each of the new projects, and expects to enter into additional ILAs or amendments as the projects and budgets are refined.

The KPFD generally intends that new payment obligations are conditioned upon the ability to pay from funds available after meeting prior commitments. Language in the ILAs for the planned additional commitments are explicitly subject to availability of funds.

Because the availability of funds for support of the PERC project is potentially limited by prior commitments of the KPFD, these prior commitments are described below.

## KPFD Regional Projects Committed Prior to 2019

Prior to 2019, the KPFD entered into ILAs for ongoing payments relative to three regional centers, which are described below and are collectively referred to as the “Existing Projects.” The project costs supported by the KPFD for these three regional centers are summarized in Table 4. As noted above, some of these costs were paid directly and a large portion were paid over time and are continuing, as they are related to long term bond payments.

**Table 4**

Project Costs Supported by KPFD Regional Centers Supported Prior to 2019			
<u>Year</u>	<u>KCC <sup>(1)</sup></u>	<u>KFEC <sup>(2)</sup></u>	<u>NKREC <sup>(3)</sup></u>
2003	\$ 7,175,028	\$ 4,500,000	
2008			\$ 1,450,000
2009		900,000	
2010	450,000		
2012		250,000	
2017			11,456
Total	\$ 7,625,028	\$ 5,650,000	\$ 1,461,456

<sup>(1)</sup> Kitsap Conference Center

<sup>(2)</sup> Kitsap Fairground and Events Center

<sup>(3)</sup> North Kitsap Regional Event Center

Source: Kitsap Public Facilities District

The three Existing Projects are described below.

### ***Kitsap Conference Center***

The Kitsap Conference Center (the “KCC”), owned and operated by the City of Bremerton (“Bremerton”) opened in August 2004. This is a regional facility with approximately 15,000 square feet of gross floor space, banquet space, parking, and related public spaces, which was funded through an agreement among the KPFD, the County, and Bremerton, dated July 28, 2003. Pursuant to the agreement, the KPFD agreed to pay \$75,000 to Bremerton for the project and to make annual payments to the County sufficient to pay debt service on bonds to be issued by the County for the project. The balance of the project funding was the responsibility of Bremerton. The payment obligation to the County is a scheduled annual amount sufficient to pay bonds that provided \$6.9 million of proceeds used by Bremerton for design, development and construction of the Kitsap Conference Center.

Additionally, the KPFD provided \$424,000 of funding to support an expansion of the Kitsap Conference Center, which expansion opened in April 2014 at an estimated cost of \$1.5 million.

Initially, the ongoing payment commitment for KCC was scheduled to terminate in 2026, but in 2022 the ILA related to this project was amended so that a relatively small annual payment will continue through 2041.

### ***Kitsap Fairgrounds and Event Center***

The Kitsap County Fairgrounds is owned and operated by the County. In 2002 the KPFD and the County decided to cooperate in establishing a regional center at the Kitsap County Fairgrounds (the “KFEC”) and entered into an ILA regarding funding and development of a special event center, which was planned to be built in phases. Phase I improvements included purchase of a press box at Gordon Field (stadium) and improvements to the Loeb Field baseball complex. Phase II included undertaking an inventory of all sports facilities in the County to determine what additional facilities or improvements were necessary at the Fairgrounds. The Phase II projects resulted in improvements including conversion of a grass soccer and multiuse field to two synthetic turf fields, further improvements to the Loeb Field baseball complex, lighting and other work.

KPFD initially provided \$4.325 million for financing of the Phase I project improvements through annual payments to support bonds issued by the County. In 2005, the KPFD and the County amended the original ILA to address funding for additional Phase II improvements related to the regional center. Pursuant to the 2005 ILA, the KPFD agreed to pay to the County twenty annual payments of \$24,000 as a contribution to principal and interest costs for the additional improvements. The County was responsible for paying the balance of project costs, which totaled approximately \$1.6 million. Based on agreements in the 2005 ILA, the annual payment obligation was reduced after 2016 to a lower annual amount to reflect debt service savings from the issuance of refinancing bonds in 2015.

Initially, the ongoing payment commitment for KFEC was scheduled to terminate in 2026, but in 2022 the ILA related to the KFEC project was amended so that a relatively small annual payment will continue through 2041.

### ***North Kitsap Regional Event Center***

The North Kitsap Regional Event Center (the “NKREC”) is owned and operated by North Kitsap School District (“NKSD”). The KPFD and NKSD entered into an ILA in 2003 regarding funding and development of the NKREC, with an initial \$5,000 payment from the KPFD to the NKSD and an agreement to continue cooperation. In the initial ILA for the NKREC, the KPFD stated that funding for this project will be subject to funds being available after meeting commitments for the Kitsap Conference Center and the Kitsap Fairgrounds and Event Center projects.

In 2005 the NKSD, the KPFD, the County and Poulsbo (collectively “the Parties”) entered into an additional ILA under which the KPFD provided funding for master planning and conceptual site plan services for the NKREC.



Ultimately, the master plan provided a long-term vision for social, cultural and recreational activities to include multi-sport fields and courts, trails, parking, aquatics and more, and in 2007 the Parties entered into an agreement for scope and funding for two project phases. In a 2007 ILA the KPFD committed to providing \$650,000 of funding for Phase I and \$250,000 of funding for Phase II. Phase I of the project was completed in November of 2008 with replacement of grass fields with artificial turf on existing fields and installation of lights at North Kitsap School District. According to the KPFD, the KPFD contributed \$1.45 million toward the approximately \$2.2 million project cost for Phase I.

Ongoing funding commitments for this project will end in 2026.

## KPFD Payment Obligations for the Existing Projects

Table 5 shows the remaining annual payment commitments by the KPFD relative to the Existing Projects. Note that the KCC and NKREC projects were funded in the same bond issue, so the annual payment shown each year is related to both of the KCC and NKREC projects. As stated above, the annual payment obligation for these projects was to terminate in 2026 but in 2022, the 2026 payment was restructured to extend through 2041 to ensure KPFD would be eligible to continue collection of the .033% sales and use tax that is its only revenue source other than some interest earnings on fund balances.

**Table 5**

KPFD's Future Payment Commitments for Existing Regional Projects					
<u>Year</u>	<u>KCC/NKREC</u>	<u>KFEC</u>	<u>Year</u>	<u>KCC/NKEC</u>	<u>KFEC</u>
2024	\$ 855,536	\$ 20,700	2033	\$ 67,001	-
2025	856,329	19,800	2034	67,002	-
2026	67,000	23,340	2035	66,999	-
2027	67,001	-	2036	67,004	-
2028	67,006	-	2037	66,999	-
2029	67,000	-	2038	66,996	-
2030	66,999	-	2039	67,006	-
2031	66,997	-	2040	66,998	-
2032	67,004	-	2041	67,003	-

Source: Kitsap Public Facilities District

## **New Projects Selected for KPFD Funding After 2019**

### **Overview**

In January 2019, with increased collection of sales and use tax and the change in State law to allow the KPFD to collect taxes for an additional 15 years, the KPFD requested proposals for new projects in order to maximize its mission to fund regional centers in Kitsap County.

The KPFD evaluated seven project proposals for consideration for support and funding, and from these applicants, the PFD selected three projects for investment, one of which is the PERC which was described earlier, and two of which are described below (collectively, the “New Projects”). After entering into initial ILAs for the New Projects in 2020, the selected entities worked on public feedback and feasibility phases for the proposed facilities to be included in the projects. It is the intention of the KPFD to enter into additional ILAs relating to the New Projects based on final decision on project scope, budget and funding plan. In the selection of the New Projects for future funding, the KPFD ranked the projects from 1 through 3, with the intention of establishing a priority for payments. The PERC, which is the subject of this review, was ranked as the No. 2 project out of the three New Projects. The KPFD also agreed to provide additional funding to the Port of Bremerton, without the intention to enter into additional ILAs.

Table 6 shows the projected revenue that KPFD expects to have available for investment in additional regional centers.

**Table 6**

Projected KPFD Revenue Available for Investment in New Projects				
YEAR	Projected Sales and Use Tax Revenue <sup>(1)</sup>	<u>Minus:</u> Payment Commitments for Existing Projects <sup>(2)</sup>	<u>Minus:</u> Projected KPFD Operating Costs <sup>(3)</sup>	<b>Projected Revenue Available for New Project Investments</b>
2024	\$ 2,395,808	\$ 876,236	\$340,000	\$1,179,572
2025	2,455,704	876,129	345,100	1,234,475
2026	2,517,096	90,340	350,277	2,076,480
2027	2,580,024	67,006	355,531	2,157,487
2028	2,644,524	67,000	360,864	2,216,660
2029	2,710,637	66,999	366,277	2,277,361
2030	2,778,403	66,996	371,771	2,339,636
2031	2,847,863	66,997	377,347	2,403,519
2032	2,919,060	67,004	383,007	2,469,049
2033	2,992,036	67,001	388,753	2,536,282
2034	3,066,837	67,002	394,584	2,605,251
2035	3,143,508	66,999	400,503	2,676,006
2036	3,222,096	67,004	406,510	2,748,582
2037	3,302,648	66,999	412,608	2,823,041
2038	3,385,214	66,996	418,797	2,899,421
2039	3,469,845	67,006	425,079	2,977,760
2040	3,556,591	66,998	431,455	3,058,138
2041	3,645,506	67,003	437,927	3,140,576

<sup>(1)</sup> Based on actual 2023 revenue as reported by the KPFD and an assumed annual growth rate of 2.5%

<sup>(2)</sup> Based on actual commitments for projects committed prior to 2019

<sup>(3)</sup> Based on 2024 budgeted expenses with annual growth rate of 1.5% thereafter

## **The New Projects and Commitments**

In addition to the PERC, the KPFD selected the Port Orchard Community Event Center, in Port Orchard (the “POCEC”), which was ranked No. 1; and the Port Gamble Forest Heritage Park, in North Kitsap County (the “PGFHP”) which was ranked No. 3. The Port of Bremerton/Circuit of the Northwest Project, in Bremerton (“POB/CNW”) was provided with a one-time funding commitment.

### ***Port Orchard Community Event Center in Port Orchard***

The POCEC project was selected as the No. 1 project for new investment by KPFD and includes a new multi-purpose facility and gathering place in downtown Port Orchard to support a multitude of functions for local and regional use. The facility is proposed to include a library and event and meeting space. The project is intended to support redevelopment of the shoreline area of Port Orchard with pedestrian and water access and to serve as a centerpiece of a larger redevelopment project that includes parking, office, commercial, retail, and residential development.

The KPFD committed in an ILA to funding in the amount of \$12 million for the project, some of which has been paid for initial costs of planning and related work. In 2021 the KPFD provided \$1 million, which was used together with a State Department of Commerce grant of \$1.3 million and \$300,000 from the City of Port Orchard to acquire land to be used for the project, at a cost of \$2.5 million. It is expected that the KPFD will pay \$2.9 million from revenues and funds on hand and provide annual payments to support debt service in the amount of \$9.1 million.

In recognition of increasing construction cost estimates, the KPFD and Port Orchard entered into a Letter of Intent, dated February 28, 2023 (the “LOI”), that set forth terms and conditions under which the KPFD would be willing to commit to additional funding for the POCEC, up to \$6,546,000 more. The LOI further states that the KPFD will ask Kitsap County to issue bonds in an amount up to \$15,756,000 for this project and if Kitsap County will not issue bonds, the KPFD may elect to issue bonds on its own. The LOI states that any issuance of bonds by the KPFD may result in less funds available for the project.

If the KPFD were to issue bonds for this project, it would be a first-time issuance of bonds by the KPFD and will result in higher debt service cost compared to the issuance of general obligation debt by Kitsap County, the City of Port Orchard or another related party. While specific credit terms and structure will be developed prior to bond issuance, it is currently estimated that the KPFD’s annual debt service payment obligation will be approximately \$832,000 per year. Prior to issuance of debt for this project, the KPFD will seek an independent financial feasibility review pursuant to RCW 36.100.025, which review will focus specifically on the POCEC project and issuance of debt for that purpose.

### ***Port Gamble Forest Heritage Park, in North Kitsap County***

The PGFHP project was selected as the No. 3 project for new investment by the KPFD. PGFHP is a 3,500-acre park owned by the County, which has developed a Master Plan to establish the park as a regional attraction. The PGFHP has 65 miles of trails for mountain biking, hiking and other uses. There is a plan to add a 177-acre mountain bike park with features for all ages and skills levels, which is expected to draw users to the north end of Kitsap County. Improvements will include parking, restrooms and other facilities. The planning process was previously funded by the KPFD.

The KPFD and the County entered into an ILA in 2020, which has been revised to amend the schedule for deliverables and to adjust the KPFD funding commitment, with the latest revision in December 2023. Pursuant to the ILA the KPFD is expected to provide up to \$2,047,556 of funding support for the project through June 30, 2025.

### ***Port of Bremerton/Circuit of the Northwest***

While not selected for long-term investment by the KPFD, the POB/CNW project was awarded funding by the KPFD. This project is being undertaken by the Port of Bremerton (the “Port”). The Circuit of the Northwest LLC (“CNW”) is a for-profit company, operating a Motorsports Park on property owned by and leased from the Port. The Port has an interest in developing a public events center and outdoor event space on the property that is currently leased to CNW. The KPFD, in cooperation with the Port, provided just over \$500,000 in funding in late 2019 and early 2020 for design and engineering work for the proposed project. The PFD previously provided \$60,000 of funding for a Market Demand Study to determine the public and community benefits if this facility were built.

The KPFD commitment in the most recent ILA is to provide \$1,439,000 of funding for design and construction documents for the public portions of the POB/CNW project, to be paid as \$143,900 each year 2022 through 2031. The KPFD funding for this project is contingent upon availability of funding from the KPFD and other conditions set forth in the ILA with the Port and no further funding is contemplated by the ILA.

## KPFD Payment Obligations for New Projects and Commitments

The KPFD payment obligations for the three New Projects are made up of actual payments made from 2020 to date, fixed amounts to be paid over various time periods, and estimated amounts to be paid over various time periods.

The KPFD additional funding for the POB/CNW project is made up of 10 annual payments from 2022 through 2031.

Table 7 shows the prior payments and the projected payments to be made for the New Projects and the POB/CNW project.

**Table 7**

New Payment Commitments by the KPFD for Projects Committed After 2019					
<u>Year</u>	<u>PERC</u>	<u>POCEC</u>	<u>PGHP</u>	<u>POB/CNW</u>	<u>TOTAL</u>
2020	\$ 27,136	\$ 60,096			\$ 87,232
2021	120,994	1,326,290	\$ 172,182		1,619,466
2022	36,889	521,109	632,512	\$ 143,900	1,334,410
2023	12,154	287,652	25,300	143,900	469,005
2024	700,000	594,853	417,563	143,900	1,856,316
2025	800,000	-0-	800,000	143,900	1,743,900
2026	642,393	832,000		143,900	1,618,293
2027	642,393	832,000		143,900	1,618,293
2028	642,393	832,000		143,900	1,618,293
2029	642,393	832,000		143,900	1,618,293
2030	642,393	832,000		143,900	1,618,293
2031	642,393	832,000		143,900	1,618,293
2032-2041	642,393	832,000			1,474,393
	\$11,975,457	\$ 6,102,000	\$ 2,047,556	\$1,439,000	\$31,564,013

Source: Derived from Interlocal Agreements relating to each project

## PFD Financial Overview

### Overview

In addition to funding and investments for qualifying projects, the KPFD pays necessary expenses relating to administration and operation of the entity itself. These expenses include staff to coordinate and oversee the work of the KPFD, including agendas, minutes and other information, insurance, legal, accounting and general administration of the affairs of the KPFD. As the KPFD has planned for new projects and entered into new agreements, these expenses have increased over time, with \$340,000 budgeted for KPFD operations in 2024.

From the perspective of this review, it is assumed that expenses related to the operation of the KPFD are paramount, as many of the expenses are legally required or necessary for operation of any public facilities district. The ILAs relating to the New Projects include certain KPFD commitments and obligations, which may increase some administrative costs. While we recognize that the KPFD may be able to adjust or reduce expenses in the event of revenue shortfalls, we are assuming that the current level of expense is necessary in order to oversee and administer the new investments in the additional regional centers.

As a result of over 20 years of operations, the KPFD has fund balances, including a \$250,000 debt service reserve that is required in its ILA with the County. Table 8 shows the amount of invested funds held by the KPFD for each of the past five years, according to the KPFD.

**Table 8**

KPFD Invested Funds	
<u>Year</u>	<u>Amount</u>
2019	\$3,193,911
2020	3,705,048
2021	3,110,283
2022	3,002,239
2023	3,805,822

Source: Kitsap Public Facilities District

### Financial Resources Available for New Projects

As shown in Table 1 of this review, the KPFD has had a history of increasing sales and use tax collection, averaging just under 5% per year. For planning purposes, the KPFD has assumed an average annual rate of growth of 2.5% starting in 2023. Based on general trends and indicators and the actual distributions received from January through May of 2024 compared to the same period of 2023, it may be reasonable to expect that the actual increase for 2024 vs 2023 will be closer to 0 to 1%. A 1% change equals

\$23,373, so this is a minimal difference in the first year, and it can be expected that growth will be higher or lower in various years. We believe that 2.5% is a reasonable planning rate.

Additionally, the KPFD will have earnings on invested funds. In the years 2019 through 2023 interest earnings ranged from a low of \$11,450 to a high of \$84,171 and totaled \$213,337. For the purpose of our review, interest earnings were not taken into account, as they will vary based on the amount of funds available for investment as well as interest rates.

Table 9 shows the potential future sales and use tax revenue to be available to the KPFD based on assumed annual growth rates of 1%, 2.5% and 5%. This demonstrates the impact of growth in the tax base on potential revenue of the KPFD and, therefore, the funds available for additional investment. As shown in Table 1 above, the actual rate of growth from 2002 to 2023 averaged just under 5% and the KPFD assumes a 2.5% growth rate in its plan.

**Table 9**

Potential Future Sales Tax Revenue <sup>(1)</sup>			
YEAR	Assumed Growth Rate of 1% Annually	Assumed Growth Rate of 2.5% Annually	Assumed Growth Rate of 5% Annually
2024	\$ 2,360,748	\$ 2,395,808	\$ 2,454,243
2025	2,384,355	2,455,704	2,576,955
2026	2,408,199	2,517,096	2,705,803
2027	2,432,281	2,580,024	2,841,093
2028	2,456,604	2,644,524	2,983,147
2029	2,481,170	2,710,637	3,132,305
2030	2,505,981	2,778,403	3,288,920
2031	2,531,041	2,847,863	3,453,366
2032	2,556,352	2,919,060	3,626,034
2033	2,581,915	2,992,036	3,807,336
2034	2,607,734	3,066,837	3,997,703
2035	2,633,812	3,143,508	4,197,588
2036	2,660,150	3,222,096	4,407,467
2037	2,686,751	3,302,648	4,627,841
2038	2,713,619	3,385,214	4,859,233
2039	2,740,755	3,469,845	5,102,194
2040	2,768,162	3,556,591	5,357,304
2041	<u>2,795,844</u>	<u>3,645,506</u>	<u>5,625,169</u>
Total	\$46,305,471	\$53,633,401	\$69,043,700

<sup>(1)</sup> Based on actual 2023 revenue of \$2,337,374 provided by KPFD



The KPFD has existing invested balances, as shown in Table 8, which totaled \$3,805,822 at the end of 2023. Other than \$250,000 that is designated for a reserve fund required by an ILA with Kitsap County, these funds are available for project payments and other purposes of the KPFD. In addition to providing a general buffer in the event of reductions in sales and use tax revenue, invested balances can help the KPFD with annual cash flow when payment outflows in any year exceed revenue for that year.

The following table, Table 10, demonstrates the projected results of overall KPFD operations, taking into account invested fund balances, existing commitments, KPFD operations, and new payment commitments for the three New Projects and the COB/CNW project. We have not included investment earnings in any of these calculations, as actual earnings will depend on the actual amount of invested funds and interest rates.

**Table 10**

Impact of Existing and New Payment Commitments					
YEAR	Actual and Projected Fund Balance <sup>(1)</sup>	Revenue Available After Existing Commitments and Operations <sup>(2)</sup>	New Payment Commitments for Projects Committed After 2019 <sup>(3)</sup>	Projected Annual Revenue Available after New Payment Commitments	
2024	\$ 3,805,822	\$ 1,179,572	\$ 1,856,316	\$	(676,744)
2025	3,129,078	1,231,075	1,743,900		(512,825)
2026	2,616,253	2,069,543	1,618,293		451,250
2027	3,067,504	2,146,875	1,618,293		528,582
2028	3,596,086	2,202,228	1,618,293		583,935
2029	4,180,020	2,258,960	1,618,293		640,667
2030	4,820,687	2,317,111	1,618,293		698,818
2031	5,519,505	2,376,713	1,618,293		758,420
2032	6,277,926	2,437,799	1,474,393		963,406
2033	7,241,331	2,500,422	1,474,393		1,026,029
2034	8,267,360	2,564,606	1,474,393		1,090,213
2035	9,357,573	2,630,400	1,474,393		1,156,007
2036	10,513,580	2,697,830	1,474,393		1,223,437
2037	11,737,017	2,766,955	1,474,393		1,292,562
2038	13,029,579	2,837,807	1,474,393		1,363,414
2039	14,392,993	2,910,417	1,474,393		1,436,024
2040	15,829,017	2,984,861	1,474,393		1,510,468
2041	17,339,485	3,061,152	1,474,393		1,586,759

<sup>(1)</sup> 2024 data is based on actual balance on December 31, 2023 as provided by the KPFD. See Table 8 herein. 2024-2041 projected fund balance is calculated based on accumulation of the projected annual revenue available after all commitments and payments are made. The KPFD may make additional payments and investments in the future which would decrease the projected fund balance.

<sup>(2)</sup> Includes payments for Existing Projects committed prior to 2019 and KPFD operating costs. See Table 6 herein.

<sup>(3)</sup> Includes payments for the three New Projects and the COB/CNW project. See Table 7 herein.

## Considerations Relating to the PERC Project

The following are considerations relating to the KPFD commitments to the PERC.

1. For any project, there are risks related to construction, including actual construction bids coming in higher than estimates and escalation due to change orders during construction. While the KPFD is not responsible for construction contracting or management, and is not directly responsible for construction risks, it is possible that more funding would be requested from the KPFD to assist with higher project costs.

The 2024 PERC ILA between Poulsbo and the KPFD provides protection to the KPFD through:

- A. a stated maximum amount of funding to be provided by the KPFD
- B. contingency language linking the KPFD funding for the project to availability of funds
- C. a termination date for the agreement if construction is not started by December 31, 2025
- D. provisions for a refund of unspent funds in the event of project cancellation

While these terms protect the KPFD, the construction risks remain for Poulsbo, the project owner. This is a risk for any construction project and it comes with some reputational risk for KPFD.

2. While the KPFD has identified funding priorities for the New Projects (Nos 1 through 3), there is an element of risk relative to the timing of project expenditures among the new projects. For example, the PERC, which is subject to this review, may be moving forward earlier than the number 1 ranked project. Changes in higher ranked projects could impact lower ranked projects. Funds are being expended and commitments are being made for all three New Projects now, so if revenues were to decline, funds may not be available for all commitments on the schedules currently contemplated.

This risk is mitigated by the following:

- A. The KPFD has language in each ILA limiting its commitments to availability of funds
- B. The KPFD has a robust planning model, supported by a registered municipal advisor who is independent of the projects, and has a fiduciary responsibility to the KPFD
- C. The KPFD has a significant unrestricted fund balance that can be used to address imbalances between timing of revenue and timing of project outflows
- D. We believe the KPFD's commitments are based on good faith estimates of fund availability and reasonable assumptions

While these terms and factors protect the KPFD, the risk remains for Poulsbo's project, which is the number 2 ranked project, and the project owner, the City of Poulsbo.

3. The level of financial commitment to each of the new regional centers is based on several assumptions, including projections for growth rates in sales and use tax revenue and interest rates on bonds to be sold in the future.

This risk related to assumptions is mitigated by the following:

- A. The KPFD has robust modeling, which includes relatively low sales and use tax growth rates as compared to the historical average (i.e., 2.5% assumption vs the actual 20-year historical average of 5%)
  - B. Modeling with interest rates that are approximately 1% above current market interest rates for the type of bonds being contemplated
  - C. The KPFD had over \$3.8 million of invested funds, as of December 31, 2023, available to provide for imbalances in revenue and commitments each year
4. The plan for the POCEC, the number 1 ranked project, includes the KPFD requesting that Kitsap County issue bonds on its behalf in order to provide project funding. If the County declines to issue debt for that purpose, then there is potential for issuance of sales tax revenue bonds by the KPFD to be based on KPFD sales and use tax revenue. That would be a first-time bond issue for the KPFD. While the bond security and structure is not yet established, it can generally be expected that (a) the debt service cost will be higher than it would be for a general obligation bond by the County, and (b) the KPFD may pledge sales and use tax revenue for payment of its revenue bonds as a first priority on the sales and use tax, or a position that is a higher priority than payment commitments under the various ILAs, including the PERC.

Any assumptions about the debt for the POCEC are premature at this time, but potential bond security and structure will need to be developed with careful consideration to payment commitments under various ILAs, including the PERC. The final plans will be subject to a future independent financial feasibility review, and the risks relating to the POCEC and other KPFD projects will be addressed at that time.

## Conclusion

Based on our review of the potential revenue and the commitments of the KPFD, we conclude that the KPFD has developed a cautious approach to the newly planned investments, and that it is reasonable to expect that there will be sufficient revenue to complete the committed payments as currently set forth in the various ILAs with its project owners.

The ILAs for the three New Projects contemplate future changes to the ILAs to take into account changing circumstances such as construction budgets, plan changes, and changes in debt service costs. We understand the current ILAs and commitments do not obligate the KPFD to provide additional funding, and that all funding is subject to availability of KPFD funds to make any payments. While this provides the KPFD with protections both in the face of reductions in revenue and increases in project costs and needs, those risks will need to be addressed by the entities that own and manage the projects. To the extent the KPFD revenues are higher than projected, the KPFD has the legal and financial flexibility to provide more funding to these projects, subject to Board approval.

## **APPENDICES**

### **APPENDIX A**

Provider of this Independent Financial Feasibility Review

### **APPENDIX B**

Documents Reviewed in Performance of this Independent Financial  
Feasibility Review

## **Appendix A**

### **Provider of this Independent Financial Feasibility Review**

This review is conducted by Susan Musselman LLC, an independent consulting firm contracted by the state Department of Commerce for this purpose. Susan Musselman LLC was formed in 2018 by Susan Musselman, Principal, for the purpose of providing selected consulting services to municipal entities in the state of Washington.

Ms. Musselman began her career in public finance in 1982 and in 1996 formed her own independent financial advisory firm for the purpose of assisting governments in the Northwest with development and execution of financing plans. Her clients included cities, counties, school districts, state agencies, public facilities districts, fire districts and universities, primarily in Washington.

After 17 years, Ms. Musselman sold her financial advisory firm and subsequently retired from the regulated securities advisory work. Thereafter, she formed Susan Musselman LLC to provide a limited level of general consulting relating to capital projects, revenue estimations and budgeting.

Ms. Musselman has direct experience as an advisor relative to formation of PFDs, including development of formation documents, and financing for various PFDs. As consultant to the state Department of Commerce, she has provided independent financial feasibility reviews relating to formation of a PFD by Asotin County, development of a Sports Complex and Event Center by the Lewis County PFD and proposed formation of a PFD by Jefferson County.

It is hoped that the information provided in this review will be helpful to the State and the KPF, its partners and constituents as further investment in regional centers is being considered.

## Appendix B

### Documents Reviewed in Performance of this Independent Financial Feasibility Review

The performance of this independent financial feasibility review required access to and review of certain information and documents prepared by others, including the following.

1. Kitsap County Resolution 93-2000, formation of the KPFD  
<https://mrsc.org/getmedia/f7b86da0-fa82-4f4e-8aa2-4ec257cfedb7/K54r093-2000.pdf>
2. Kitsap County Resolution 93-2000 and Resolution 139-2000, relating to formation of the KPFD
3. Kitsap Public Facilities District Bylaws as amended in 2020:  
[https://www.kitsap-pfd.org/wp-content/uploads/2021/09/Signed\\_Final\\_Ammended\\_Bylaws\\_10-26-20.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2021/09/Signed_Final_Ammended_Bylaws_10-26-20.pdf)
4. Kitsap Public Facilities District - Project Expenditures to Date Spreadsheet  
<https://www.kitsap-pfd.org/wp-content/uploads/2024/02/All-Project-Expenditures-to-Date.pdf>
5. Kitsap Public Facilities District - Annual Sales Tax Revenue to Date  
[https://www.kitsap-pfd.org/wp-content/uploads/2024/06/Tax-Revenue-to-Date\\_MAY-2024.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2024/06/Tax-Revenue-to-Date_MAY-2024.pdf)
6. Interlocal Agreements Relating to Projects Prior to 2019
  - A. Interlocal Agreements with Kitsap School District relating to the North Kitsap Regional Center dated December 11, 2003
    - ILA dated 12/11/2003 <https://www.kitsap-pfd.org/wp-content/uploads/2021/09/NKSDILAFINALsigned12-11-03.pdf>
    - ILA Dated 5/21/2007 [https://www.kitsap-pfd.org/wp-content/uploads/2021/09/NKREC\\_Phase\\_1-2\\_funding\\_ILA-signed\\_07.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2021/09/NKREC_Phase_1-2_funding_ILA-signed_07.pdf)
  - B. Interlocal Agreements with Kitsap Fairgrounds and Event Center (Kitsap Special Events Center) –
    - ILA with County for Special Events Center March 25, 2002 – Kitsap Fairgrounds and Event Center and Convention Center
    - Second Amended and Restated Interlocal Agreement Regarding the Kitsap Special Events Center – April 2003 (Approved by KPFD Resolution 04-2003 - becomes the entire agreement)

- C. Interlocal Agreement between the North Kitsap School District and the KPFD relating to the North Kitsap Regional Center <https://www.kitsap-pfd.org/wp-content/uploads/2021/09/NKSDILAFINALsigned12-11-03.pdf>
  - D. Interlocal Agreement among PFD, Kitsap County and City of Bremerton regarding the Kitsap Conference Center, dated July 28, 2003  
<https://www.kitsap-pfd.org/wp-content/uploads/2021/09/KCCILA-signedJuly2003.pdf>
7. Interlocal Agreements Relating to New Projects Since 2019
- A. Interlocal Agreement between the KPFD and City of Port Orchard for Port Orchard (POCEC)
    - [https://www.kitsap-pfd.org/wp-content/uploads/2022/05/POCEC\\_Amendment\\_No.\\_3\\_05112022.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2022/05/POCEC_Amendment_No._3_05112022.pdf)
    - LOI Between KPFD and City of Port Orchard relating to POCEC
  - B. Interlocal Agreements between KPFD City of Poulsbo and Poulsbo relating to the PERC
    - Initial Interlocal Agreement <https://www.kitsap-pfd.org/wp-content/uploads/2023/09/Kitsap-Public-Facilities-District-ILA-CN-2019-050-Regional-Center-Amendment-3.pdf>
    - Interlocal Agreement between the KPFD and City of Poulsbo Agreement [https://cityofpoulsbo.com/wp-content/uploads/2024/06/3-Poulsbo-PERC-ILA\\_Final\\_signed-by-KPFD.pdf](https://cityofpoulsbo.com/wp-content/uploads/2024/06/3-Poulsbo-PERC-ILA_Final_signed-by-KPFD.pdf)
  - C. Interlocal Agreement between Kitsap PFD and Kitsap County for Port Gamble Heritage Park
    - [https://www.kitsap-pfd.org/wp-content/uploads/2024/01/Port-Gamble-KPFD-ILA-Amendment-4\\_122023.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2024/01/Port-Gamble-KPFD-ILA-Amendment-4_122023.pdf)
  - D. Interlocal Agreement between Kitsap PFD and Port of Bremerton relating to the Circuit of the Northwest Project, dated March 10, 2021
    - <https://www.kitsap-pfd.org/wp-content/uploads/2021/09/Signed-Phase-3-ILA-KPFD-and-POB-3-10-21.pdf>
8. Documents Relating to the PERC Project, that is the subject of this review
- Poulsbo Events & Recreation Center Feasibility Final Report, dated January 2023  
([https://cityofpoulsbo.com/wp-content/uploads/2023/01/Final-Feasibility-Study\\_Jan-2023-1.pdf](https://cityofpoulsbo.com/wp-content/uploads/2023/01/Final-Feasibility-Study_Jan-2023-1.pdf))
  - City of Poulsbo Resolution No. 2023-11, accepting the PERC feasibility study and declaring intent to develop Phase I (<https://cityofpoulsbo.com/wp-content/uploads/2023/11/2023-11-Poulsbo-Event-and-Recreation-Center-1.pdf>)



- Request for Proposals for the PERC Project, issued by City of Poulsbo, and related clarifications ([https://cityofpoulsbo.com/wp-content/uploads/2024/02/PERC-RFP\\_Design-PS\\_E-and-PM\\_Final.pdf](https://cityofpoulsbo.com/wp-content/uploads/2024/02/PERC-RFP_Design-PS_E-and-PM_Final.pdf))
  - Various documents and Information regarding the PERC Project, on City of Poulsbo website (<https://cityofpoulsbo.com/perc-updated/>)
9. Resolutions relating to various KPFDF funds
- A. Kitsap County Resolution 192-2007 – elimination of Tax Stabilization Fund; establishment of reserve requirement of \$500,000;
  - B. KPFDF Resolution 11-2007 Requesting changes in reserve requirements
  - C. Kitsap County Resolution 073-2013 – Reducing DSRF from \$500,000 to \$250,000 ([https://www.kitsap-pfd.org/wp-content/uploads/2023/09/Reserve\\_Resolution\\_05152013-170552.pdf](https://www.kitsap-pfd.org/wp-content/uploads/2023/09/Reserve_Resolution_05152013-170552.pdf))
  - D. KPFDF Resolution 06-2019 establishing an Operations Fund 96968 and a Capital Projects Fund 96977 and consolidating or eliminating other funds
10. Additional KPFDF Supporting Documentation at <https://www.kitsap-pfd.org/meetings/archives/>