

First AMENDMENT TO
REGIONAL CENTER INTERLOCAL AGREEMENT
Between the Kitsap Public Facilities District and the City of Poulsbo

This First Amendment to the Regional Center Interlocal Agreement (“Amendment”) is made and entered into pursuant to the provisions of Chapter 39.34 RCW by and between the City of Poulsbo, a Washington non-charter code city operating under RCW 35A.12 (“the City”), and the Kitsap Public Facilities District, a Washington special purpose district operating under Chapter 36.100 RCW (the “District”). The City and the District are individually a “party” and collectively the “parties”.

RECITALS

In consideration of the mutual benefits and covenants contained herein, the parties agree that their Interlocal Agreement (“ILA”) executed by the District on April 29, 2024 and executed by the City on June 17, 2024 shall be amended as follows:

WHERE AS, the City has successfully purchased an additional 2.4 Acres for the PERC project in the amount of \$860,000; and

WHERE AS, the Construction Cost Estimate is \$15.6 Million Dollars and the project will be awarded to a contractor by March 31, 2026; and

WHERE AS, the City requests an additional \$2.8 Million Dollars in funding from the District; and

WHERE AS, the financial consultant has updated the bond payment schedule based on a 4.5 % interest rate; and

WHERE AS, the City and the District seek to amend the schedule and the cost sharing for the project as follows.

AMENDMENT

1. Preliminary Cost Estimate. The parties agree that Section 2 of the ILA is hereby deleted in its entirety and replaced with the following language:

Section 2. Preliminary Cost Estimate: The preliminary cost estimate (60% design) is **\$15.6** million for construction and **\$1.5** million for design for a total project cost of **\$17.1** million prior to bond issuance costs as noted in Task 2. The cost estimate may be adjusted based on final design and current market conditions as part of the engineer’s estimate and public construction bidding process.

2. Funding Obligation. The parties agree that Section 3 of the ILA is hereby deleted in its entirety and replaced with the following language:

Section 3. Funding Obligation: The PERC Regional Multi-Use Athletic Fields project cost is estimated **\$17.1** million and shall be funded by the District and CITY as follows:

- 3.1 The District shall fund **\$1.5** million for Task 1 as reimbursements in 2024-2026 and finance **\$9.91** million plus debt service issuance cost and interest for Task 2 and 3, as set forth in Attachments B, C & D of this ILA for finalized construction.
- 3.2 The CITY shall fund **\$5.69** million plus debt service issuance cost and interest for Task 2 and 3 in Attachments B, C & D of this ILA for finalized construction.
- 3.3 Actual final costs for both the District and CITY will vary based upon debt financing and actual interest negotiated at the time of bonds sold, but the District’s total amount inclusive of interest shall not exceed **\$15.47** million See Attachment D for cost assumptions with debt financing, interest, and preliminary payment estimates.

3. Construction Contract. The parties agree that Section 5 of the ILA is hereby amended as follows:

Section 5. Construction Contract: If the CITY does not award the construction contract by **March 31, 2026**, the ILA shall terminate, and all funding commitments by the District herein shall be released and terminated. Any funds paid by the District to the CITY that are unused by the termination date of **March 31, 2026**, shall be refunded to the District subject to Article e9.6 “Refund of District Funds” herein.

- 4. Attachments. The parties agree that Attachments B, C and D are hereby deleted in their entirety and replaced with the following attachments:

Attachment B: PERC Regional Multi-use Athletic Fields

Agreement Tasks and Project Budget

Task 1: Project Management, Prepare Design Development Plans, Cost Estimates, Permitting and Construction Documents (PS&E) – City Selected Consultant -2024

Task 1 Budget: \$1.5 M

Reimbursement by District as tasks are completed.

- Task 1.1 Hire consultants and project kick off
- Task 1.2 Topographic survey, geotechnical investigations, civil site improvement/utility plans, stormwater management
- Task 1.3 Prepare 30% Design Plans and preliminary engineer’s estimate
- Task 1.4 Land Use and Environmental Permitting and Associated Fees
- Task 1.5 Engagement with PERC Steering Committee
- Task 1.6 Prepare 60% Design Plans and preliminary engineer’s estimate
- Task 1.7 Final Design Package and preliminary engineer's estimate
- Task 1.8 100% Ad Ready Construction Documents (PS&E)
- Task 1.9 Advertise for Bids
- Task 1.10 Bid Awarded
- Task 1.11 Construction Contract

Task 2: Finalize Construction Financing and Structure¹ - 2025-2026

Task 2 Budget: \$238,000*

\$151,000 District

\$87,000 City

Estimated costs will be included as part of construction financing.

- Task 2.1 District and City commit to bond mechanism to support funding split as set forth in accepted bid amount plus contingency.
- Task 2.2 The CITY will identify debt issuing entity
- Task 2.3 Quantify debt service needs and costs based on borrowing entity and structure.
- Task 2.4 Define timing and borrowing structure
- Task 2.5 Borrowing entity secures financing at lowest true interest cost available in the market
- Task 2.6 Borrowing entity issues debt

Task 3: Construction²- 2026-2027

¹ It is anticipated that an amendment to this ILA or other agreed upon instrument will be desired at the time of construction financing and bond to update the ILA with agreed structure details, including but not limited to, payment schedule.

² It is anticipated that an amendment to this Agreement or other agreed upon instrument will be desired at the time of contractor selection to update Task 3 tasks for alignment with contractor contract scope of work.

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Task 3 Budget: \$15.6 M Total
\$9.91 District
\$5.69 CITY

Financing per construction bond

- Task 3.1 Construction Contract Agreement
- Task 3.2 Construction Contractor Administration/Management
- Task 3.3 Commence of Construction of Project pursuant to Contract Plans and Specifications
- Task 3.4 Final Project Close Out

Attachment C: PERC Regional Multi-use Athletic Fields

Project Budget Summary

2025 Dollars:	\$17.338 million
<u>Task 1: Design, PS&E:</u>	\$1.5 million
<i>District reimbursement</i>	
<u>Task 2: Construction Financing and Structure:</u>	\$238,000*
<i>Financing per construction financing bond</i>	<i>\$151,000 District</i>
	<i>\$87,000 City</i>
<u>Task 3: Construction:</u>	\$15.6 million
<i>Financing per construction financing bond</i>	<i>\$9.91 District</i>
	<i>\$5.69 CITY</i>
Total 2025 Project Cost:	\$17.338 million

*Estimated. Actual bond issuance costs will be determined at bond pricing. Total bond issuance costs are allocated proportionally between the KPFD portion and the City portion.

Attachment D:

Assumptions

Design/Planning Costs: \$1,500,000 – KPFD

- Funds to be disbursed as cash payments
 - 2024- \$700,000
 - 2025- \$800,000

Construction Costs: **\$9,910,000** + Bond Financing/Issuance cost estimated at \$151,000 = **\$10,061,000**

- Bond issued by City of Poulsbo
 - Bond issued in 2026
 - KPFD Level debt service payments from 2026 to 2045 (20yrs)
 - City Level debt service payments from 2026 to 2045 (20yrs)
 - Assumed interest rate of 4.5%
 - Amortization includes estimated costs of issuance of 1.5% of principal (financing fee)
 - The amortized KPFD/City payments are an estimate. Actual annual payments will be determined at the time of bond issuance.

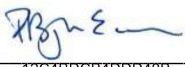
Project Proceeds: Based on Construction Cost	\$15,600,000	
City's Share	\$5,690,000	
KPFD Share	\$9,910,000	
Based on Borrowing Rate		4.5%
Base on Term		20 Years
Bond Issued		2026
Total Debt Service (Principal + Interest)	\$24,350,620	
City’s Share	\$8,881,740	
KPFD Share	\$15,468,880	

Attachment D (Continued)

Poulsbo Event and Recreation Center (PERC) Estimated payments 2024 - 2045 - Amended			
Year	KPFD Design Phase - Cash Payments Non Bonded	KPFD Construction Projected Bond Payments (w/interest)	City Construction Projected Bond Payments (w/interest)
2024	\$700,000		
2025	\$800,000		
2026		\$773,444	\$444,087
2027		\$773,444	\$444,087
2028		\$773,444	\$444,087
2029		\$773,444	\$444,087
2030		\$773,444	\$444,087
2031		\$773,444	\$444,087
2032		\$773,444	\$444,087
2033		\$773,444	\$444,087
2034		\$773,444	\$444,087
2035		\$773,444	\$444,087
2036		\$773,444	\$444,087
2037		\$773,444	\$444,087
2038		\$773,444	\$444,087
2039		\$773,444	\$444,087
2040		\$773,444	\$444,087
2041		\$773,444	\$444,087
2042		\$773,444	\$444,087
2043		\$773,444	\$444,087
2044		\$773,444	\$444,087
2045		\$773,444	\$444,087
Total Financing Cost		\$15,468,880	\$8,881,740

5. Full Force and Effect. Except as expressly amended herein, the Agreement is unmodified and remains in full force and effect. In the event of a conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall be controlling. In addition, except as otherwise stated in this Amendment, all initially capitalized terms will have the same respective defined meaning stated in the Agreement. All captions are for reference purposes only and shall not be used in the construction or interpretation of this Amendment.
6. Amendment Effective Date. This Amendment shall become effective the latest date it is executed by all parties.

City of Poulsbo

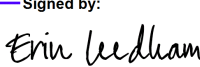
DocuSigned by:


By: Becky Erickson

Its: Mayor

Date: 12/3/2025

Kitsap Public Facilities District

Signed by:


By: Erin Leedham

Its: Chair

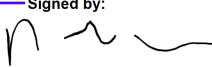
Date: 11/17/2025

Attest:

DocuSigned by:



By: Rhiannon Fernandez, City Clerk

Attest:

Signed by:


By: Patrick Hatchel, Vice Chair

Approved as to Form:

Signed by:


Emily Romanenko, City Attorney

Approved as to Form:

DocuSigned by:


Brian Lawler, District Legal Counsel