

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, January 14, 2019

BWP/Silverdale Beach Hotel, East/West Bay Rooms, 3073 NW Bucklin Hill Rd, Silverdale, WA

Attending: Daron Jagodzinske, Chair; Bill Mahan, Vice-Chair; Walt Draper, Treasurer; Rick Smith; Patrick Hatchel; Tom Bullock and Erin Leedham.

Staff: Mike Walton, Executive Director; Brian Lawler, KPFD Attorney.

Absent:

1. **Call to Order:** The Chair called the meeting to order at 5:31 PM.
2. **Meeting Minutes:** Minutes from the Regular Meeting on the 3rd of December 2018.
Walt Draper moved to approve the Minutes as submitted. Erin Leedham seconded the motion and it passed unanimously.
3. **Public Comment:** No Public Comment
4. **Project Evaluation Process:**
 - A. **Guest Speaker:** Patricia Graf-Hoke, Visit Kitsap
Patty talked about tourism in Kitsap County and the importance of the branding Kitsap as “The Natural Side of Puget Sound” in evaluating projects for their contribution to this effort. She also spoke about the successful wedding segment of the bookings at the KCC and other venues in the County; the current shortage of hotel rooms; and the need to adjust to new strategies when new assets are brought to market.
 - B. **Timeline, Fixed or Flexible:** Based on the fact that there have already been adjustments to the initial timeline, it was decided that we would continue to be flexible as to time and scheduling to make sure we make the right decisions.
 - C. **Evaluation Criteria Discussion:**
 1. Rating Form – the Board discussed the previously submitted rating form used during the projects from the existing facilities in 2013. There were some terms that were not clear and needed to be spelled out; they discussed Bill Mahan’s six factors he suggested – Private Equity Funding; Private Investment; Job Creation; community Impact; Tourism; and Regional Priority. The ED said he would clarify the evaluation factors and try to incorporate Bill’s factors into the Rating Form.
 2. “Keeping score” After some discussion, it was agreed that the Rating Form would only be used by individuals to keep their own notes about items or features they valued about the projects, so they could refer back to them later in the process. They would not be used to generate point scores that would be tallied at the end of the process to decide on projects to be selected.
 3. Subjective Factors – Things like position in the County, desirability; most leveraged private/public spending generated by the project; and other subjective factors would also be taken into account by the individual Directors in their decisions, so there will be many factors in their final decisions.
 4. The ED had samples of other evaluation methodology and processes for examination. Most of the Directors requested they be sent their own copies to read and assess their value to the process. The ED agreed to do that.
 5. Daron requested that the ED look for more information on the process that the initial Board went through in the selection of the first projects. The Executive Board would try and review them before the next meeting. The ED agreed to do that.

6. Daron suggested that we get the added information and corrected forms and table the remainder of the discussion until the Jan 28th meeting. It was the consensus of the Board to follow that path.

D. No motion for approval of the Evaluation Criteria at this time.

5. **Ongoing Business**

- A. **Bonding Estimate** – The ED and the PFD attorney provided some background on the current working agreement with the KeyBanc Capital Markets group that led to their estimate of the possible funding that may be generated from bond sales by KPFD. The estimates ranged from a worst case of around \$10 million and a best case of \$25-27 million. The more likely median case is perhaps \$15-18 million. This variation is dependent on whether the bonds are taxable or non-taxable; the market conditions; the rating of the KPFD at the time of the sale; if they are sold by the County or the PFD and other factors. There are other pieces to the puzzle, bond counsel; financial advisor; bond underwriter; placement agent, etc., which Brian and I are trying to sort out.
- B. **Port of Bremerton ILA Status** – The Port commissioners met and approved the ILA, which means they will sign it within days. They will begin their procurement process for selecting Prime and Sub-contractors for the list of Deliverables. The Prime is stipulated as The Joel Cohen Group LLC (TJCG), but the subs will have to go thru the Port bid process, which will mean several more weeks. When TJCG issues an invoice for part of the work to the Port, the Port will issue an invoice to us for payment of that amount.

6. **New Business:** No New Business.

7. **Public Comment/Announcements:** No Public Comment

Meeting was adjourned at 7:40 pm

The next Regular Meeting of the Board will be on January 28th, 2019 at 5:30 pm in the East & West Bay Rooms at the Best Western Plus/Silverdale Beach Hotel.