

Kitsap Public Facilities District

Minutes of the Special Board of Directors Meeting

Monday, June 18, 2018

Silverdale Beach Hotel, East Bay Room, 3073 NW Bucklin Hill Rd, Silverdale, WA

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

Staff: Mike Walton, Executive Director; Legal Counsel Brian Lawler

Absent: Tom Bullock; Rick Smith.

1. **Call to Order:** The Chair called the meeting to order at 5:32 PM, and welcomed the sizable audience present for this meeting

2. **Ongoing Business: Circuit of the NW Project – Special Meeting to consider items**
 - A. **Legal Update from Brian Lawler:** Brian summarized the results of a couple of legal issues at our previous meeting and were presented in a Legal Brief supplied to the Board prior to the meeting:
 1. Per WA Constitution, the KPFDD cannot provide funding directly to CNW LLC for construction of the CNW Project.
 2. KPFDD may work with other public entities, such as the Port of Bremerton who own the property the track will sit on, to support the goals and objectives of the KPFDD.
 3. KPFDD can contract with private service providers for research, studies, and estimates, in support of existing or prospective projects.
 - B. **Agreement with Port of Bremerton (POB):**
 1. A draft Memorandum of Understanding (MOU) was prepared by Brian, with assistance of templates provided by the Port of Bremerton, to provide a framework for the KPFDD and POB to cooperate in having a Market Demand study conducted, for evaluating the prospects of a successful multi-use facility like CNW constructed. It was modified from a first draft to have POB pay for the study and be reimbursed, to the final version where KPFDD would contract with The Cohen Group LLC and Frost Motorsports to conduct the study.
 2. Jim Rothlin, CEO of POB, spoke about their multi-year discussions and cooperation with Brian Nilsen, from their existing operations on the abandoned runway, and resulting in their agreement to lease the designated 232 acre property to CNW LLC for a greatly enlarged motorsports racing and multi-use facility.
 - C. **Visitor Statements/Public Comment:**
 1. **Charlotte Garrido, County Commissioner, South District** – Charlotte expressed her satisfaction that a significant project was now being considered for her district, after several years of requesting something be sited there. She was aware of Brian and the CNW effort to move ahead with relocating his current operations to a larger Port Site, and she spoke in support of the project.

2. **Rob Putaansuu, Mayor of Port Orchard** – The Mayor spoke in support of the CNW project and presented a Resolution from the City Council in support of the project.
3. **Axel Strakeljahn, POB Commissioner** – Axel spoke in support of the project and the long involvement with the Port at their current site on the unused runway at the Airport. He also supported the continuation of the many non-profit and other organizations that use the runway that might lose that venue when the Port begins commercial use of that portion of their property.
4. **Michelle Caldier, WA Representative from the 26th District** – spoke in support of the CNW project and its presence in her district. She said it would be a significant Economic Development boost to the economy in the 26th District and to the County.
5. **Richard Huddy, Bremerton City Councilman** – Richard concurred with the other elected officials that the CNW project was potentially a significant provider of economic benefit and mentioned that Mayor Wheeler had penned a letter in support of the CNW project.
6. **Sargent Mike Merrill, Kitsap County Sheriff's Office** – Sgt Merrill spoke eloquently in favor of continuation of the several training sessions for various police disaster simulation & fire district practices that are conducted on the old runway and may have to be relocated, if they are not able to be included in the community multi-use plans for the CNW project.
7. **Sarah Nilsen, Drafts & Drums for PTSD** – using the facility for a fund raising event to benefit PTSD afflicted veterans.
8. **Kevin Nouwens, Porsche Club of America and Drivers Skill training** – Kevin also spoke of the ability to come out, race and hone their skills on a convenient and accessible facility and hope he wouldn't have to go considerable father away to get the same benefits.
9. **Quinn Hill, MotoWest; Motocross and ATV riding** – Quinn spoke passionately about riders from all age groups and skill levels come out to enjoy the ability to get on a bike or an ATV and practice, race and joy ride on the old runway area and the desire to see it continue in the new facility.
10. Approximately 10 other organizations not represented by a speaker were listed by Brian as users and benefitting from of his current facility.

D. Discussion of MOU with Port of Bremerton

1. There was significant discussion of the MOU and the definition of who was paying for the study. As was mentioned in section B1. above, the intent of the draft MOU was changed from having the Port pay for it and the PFD reimburse them, to the PFD paying for the study and then it would become PFD “property” in order for us to be able to make an independent decision about the viability and desirability of the project. It was deemed to be too time consuming to go through two more layers of Board approvals to achieve the first goal and the PFD Board wanted to be more directly involved to assure and independent result from the study.

Motion by Bill Mahan to approve the final version of the MOU with the Port of Bremerton, as submitted by the ED, to cooperate on securing and reviewing a Market Demand Study for the CNW Project. It was seconded by Erin Leedham and passed unanimously.

E. Discussion of Consulting/Market Demand Study

1. There was also significant discussion about why the PFD would not do the RFP and selection of the firm to conduct the study. There were three considerations in the decision:
 - a. That the selection process had already been conducted by The Cohen Group, a consulting firm in Indianapolis, IN. The ED said he had met Joel Cohen on a previous visit to Kitsap and had substantial discussions with him. His Group had designed, invested in and built several tracks over the last two decades and were a reputable and substantial member of the racing community;
 - b. The ED has personal knowledge of the Consultant selected to do the study, Tim Frost of Frost Motorsports. He has had numerous interactions over almost 30 years regarding motorsports racing publications in association with The Raceways Directory, owned and operated by Time Frost for most of that time. Tim also has a considerable positive reputation in the racing industry.
 - c. And lastly, it would only add substantial additional time to re-conduct an RFP process and search for a consultant, when one was already selected, by a reputable consultant, and ready to start immediately on the study.

A motion was made by Bill Mahan to approve up to \$60,000 to pay for a Market Demand Study, managed by The Cohen Group, for evaluating the value of community use and economic benefits to be derived from the proposed CNW Project. It was seconded by Walt Draper and passed unanimously.

3. Announcements:

The ED repeated information about the AWSPFD Annual Conference in Sept 2018 at the Seattle Convention Center as an opportunity to attend and get valuable information about how other PFDs are operated and what is happening with the increase revenue use in other PFDs.

Meeting was adjourned at 7:40 pm

The next Regular Meeting of the Board will be on July 23rd, 2018 at 5:30 pm in the East Bay Room at the Best western Plus/Silverdale Beach Hotel.