

Kitsap Public Facilities District

Minutes of the Board of Directors Meeting

Monday, April 22, 2019

BWP/Silverdale Beach Hotel, Ball Room, 3073 NW Bucklin Hill Rd, Silverdale, WA

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

Staff: Mike Walton, Executive Director

Absent: Brian Lawler, Attorney

1. **Call to Order:** The Chair called the meeting to order at 5:30 PM.
2. **Meeting Minutes:** ED submitted minutes from the Regular Meeting on the 8th of April 2019. **Bill Mahan moved to approve the Minutes as corrected. Rick Smith seconded the motion and it passed unanimously.**
3. **Public Comment:** (Otherwise not on Agenda)
Karla Broughton, Poulsbo Project – brought materials for the Board to update some of the information in the Poulsbo Events and Recreation Center project.
Cary Bozeman, Port of Bremerton – spoke to thank the Directors for the time and effort being put in to select some of the projects to benefit the County.
4. **Financial Reports:**
 - A. **Revenue Report/Monthly Reports**
The ED reported that the Revenue from the tax rebate from March was \$125.9K up only 1.8% over last year, so looks more like a down trend with two single digit increases in the last two months. Debt service of <\$70K> was deducted and <\$18K> for expenses with a Net to the 977 cash account of \$37.9K. March QuickBooks expenses for March were provided along with the Summary by Fund report, showing \$2.718 million in 977 account. ED clarified that \$550k was still earmarked for Parks project at Lobe Field #1, and Fund needed to be created for POB/CNW project for repayment of Phase #2 deliverables to the Port of Bremerton.
 - B. **Blanket Voucher Approval**
The ED presented the Blanket Voucher for the month's expenses in the amount of \$8,122.33 for approval by the Board. Legal expenses continued to be the biggest single item.
Walt Draper moved to approve the BV in the amount of \$8,122.33 and Erin Leedham seconded. It was passed unanimously.
 - C. **POB/CNW Voucher Approval**
The ED presented a new Voucher for an invoice from the Port of Bremerton in the amount of \$77,321. This was for the second increment of work performed for the Phase #2 engineering work by the consultant/contractor, Joel Cohen LLC (\$16,976) and other contractors for the engineering drawings (\$60,525).
Erin Leedham moved to approve the voucher in the amount of \$77,321 and it was seconded by Bill Mahan. The motion was approved unanimously.
5. **Project Evaluation Process:**
 - A. **Evaluation Criteria:** It was explained to the presenters that the KPFDD's primary criteria were their four goals: 1) Economic Development; 2) efficient use of public & private funds; 3) innovation; and 4) multiple use of the facilities.
The Evaluation Form agreed upon by the Board and published to the Project Teams will be used by the Directors to take notes and highlight strong points and deficiencies. (Although the CNW team had filled one out ahead of time for their project.)
NOTE: The presentations are being video recorded and will be available on the KPFDD website when all the projects have been presented.

6. Project Evaluation Presentations

A. **Circuit of the Northwest– Brian Nilsen, Principal Owner**

Brian gave a brief summary of the planned transition from the unused runway on airport grounds to a new full multiuse facility on undeveloped land across the highway. It was explained at length about the public and community use of the “dragstrip” for police and fire training, as well as many other community users. It was for this reason the Kitsap PFD was approached about possible public financing for part of the project.

Joel Cohen, (The Joel Cohen group LLC) explained about being approached about participation in the project and because of the outstanding location, topography of the site and business opportunity, they partnered with Brian and his team. Joel and site manager, Andy Gertes, detailed the several aspects of the site, the plan for the membership and the plan for the public access and amenities.

As the Board had been asking for details of the private financing and when it was going to occur, Joel and Andy shared that the Membership documents had been finalized and the offer to prospective members was now going to occur. They have an existing list of 100 committed members and a list of an additional 500 candidates. Their target is for 300 members and a target of \$20 million toward the cost of the infrastructure.

Brian then had several more speakers from the audience that came up and spoke in support of the project, one of which was Ryan Villopoto, former multiple world champ on the motocross circuit, who pledged support and/or investment in the project.

Ryan Villopoto: potential equity partner; founding member and garage buyer

Bruce Carlson: poten. equity partner, founding member and garage buyer/ builder.

Erik Bood: Polaris industries; OEM involvement

Tate Matherly: Team Tortoise off-road events

Zac Holmes: founding member and potential equity partner

Joey Sim: Bremerton Sports Car Club and driver’s skills. Skills pad user

Sgt Mike Merrill: eloquently described in detail the EVOC training requirements, the different depts using them and the value to the communities in three Counties y from this training; also a skills pad user.

TOTAL COST; The total project cost is estimated at \$35 million. The CNW plan is to sell Memberships at the facility that would realize \$20 Million; and get additional private investment of at least \$5 Million.

ASK: From the KPFD is \$10 Million for the Public/Community portion of the infrastructure for Phase III – Construction.

B. **Public Comment –**

1. **Pete Crane** – as a former ED expert, Pete indemnified this a “grandkids’ grandkids” level project, a special opportunity not to be overlooked.
2. **Jessica Worly** – a self-described “white woman that likes to go fast” Jessica is a frequent competitor at the current strip and hopes the new one goes forward so she can continue to go fast...
3. **Stanford Tharp** – he thanked the Board for their consideration of this significant opportunity and said the OEM component as a major additive.
4. **Jim Rothlin, Port of Bremerton CEO.**- Jim spoke of the Port’s several year commitment to Brian’s vision and their desire to see his dream realized on the other piece of Port property. He values the partnership with the KPFD and hopes that it will carry forward into supporting the construction of the CNW project.

7. Ongoing Business/Regional Facility Reports:

- A. The ED reported on the monthly reports from the KCC and KFEC, both of whom rebounded from weather related declines in Feb to about forecast performance in March.

B. The Board wanted an update on the status of the bonding/financing efforts, so the ED briefed them on progress to date. He reported that after speaking to several individuals and companies, some components are being considered for selection:

1. Bond Underwriter – DA Davidson & David Trageser; (letter in hand)
2. Financial Advisor – KeyBanc Capital Markets & Caitlin Caldwell (preliminary letter signed and acknowledged to the Board earlier)
3. Bond Counsel – Foster Pepper & Marc Greenough (discussion only)
4. Trustee – not selected yet (a bank that handles bond payments)

None of these third parties are necessary if we get the County to sell bonds for us as was done before. The Board instructed the ED to contact the Chair of the Commissioners and the Treasure to explore that option again, with other Board members to support,

8. **Announcements:** None

Meeting was adjourned at 8:45 pm

The Evaluation of New Projects will resume at the next Regular Meeting of the Board, May 20th, 2019 at 5:30 pm in the East & West Bay Rooms at the Best Western Plus/Silverdale Beach Hotel.