

# ***Kitsap Public Facilities District***

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## **Minutes of the Board of Directors Meeting**

Monday, September 24, 2018

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

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

**Staff:** Mike Walton, Executive Director

**Absent:** Daron Jagodzinske, Chair

1. **Call to Order:** The Vice-Chair called the meeting to order at 5:35 PM,
2. **Meeting Minutes:** Minutes from the Regular Meeting on the 23rd of July. Erin noted a small typo on the second page.  
**Tom Bullock moved to approve the Minutes as corrected. Erin Leedham seconded the motion and it passed unanimously.**
3. **Financial Reports:**
  - A. **Monthly Financial Reports** – The ED summarized from the July & August financial reports. **July** tax revenue was \$146.9K up 16% over 2017. Debt service transfer to 286 was <\$70K>. Expenses were <\$11.9K> and net to cash was \$65K. There was a transfer of \$20K from 977 to 968 for Operations. **August** tax rebate revenue was \$158.1K, up 11.3% over 2017. Debt Service transfer to 286 was <\$70K> and expenses were <\$8.6K>, net to cash was \$789.5K.
  - B. **Sales Tax Rebate Revenue by Month Report** – As mentioned above, the July and August tax revenues, were \$146.9K and \$158.1K respectively. Both were up double digits – 16% and 11.3% respectively over last year. This is six straight months of double-digit increases over last year’s numbers, bringing the total received over the first eight months at over \$1.1 Million, indicating we should receive more than \$1.6 million this year, an increase of \$100k over last year.
  - C. **Current Invoices** –  
A Blanket Voucher of invoices in the amount of \$4,066.22 for Sept was submitted by the ED for approval. It included \$3,055 for the annual liability insurance premium from Enduris.  
**Pat Hatchel moved to approve the Blanket Voucher of \$4,066.22 as presented. It was seconded by Erin Leedham and approved unanimously.**
4. **Project Proposal – Port Gamble Heritage Park, Kol Medina**
  - A. Kol Medina, along with MacLeod Reckord, planner for Kitsap County, presented a proposal for a development in the Port Gamble Heritage Park of a trail system and tourist facilities, which could include a lodge or cabins. It was well prepared, presented and worthy of consideration. The consensus of the Board was for a more detailed presentation to be presented at the Dec 3<sup>rd</sup> meeting.
5. **CNW Market Demand Study – Board received four documents that comprised the study**
  - A. **CNW/The Joel Cohen Group/Tim Frost Presentation**  
Brian Nilsen – a brief on Circuit of the NW (CNW)  
Joel Cohen, The Cohen Group LLC (JCG) – introduction of Tim Frost,  
Tim Frost – Frost Motorsports  
Tim made a detailed PowerPoint presentation summarizing the data and information from the Feasibility Study; Estimated Operating Results; Economic Impact Analysis and Community Benefits Analysis submitted to the PFD. His conclusions were that the project would not only provide significant Economic Development benefit through both direct and indirect employment and spending in Bremerton and the county, but the multi-use nature of

scheduling up to 100 days of non-racing community and public activities and events, would also contribute significantly to both revenue and community benefit.

## B. Questions & Discussion

1. Board Members raised questions about;
  - funding sources – how much public & how much private? \$20+ M expected from private/membership sources; public might be as much as \$10 M?
  - Additional question about membership program, answered by both Tim & Brian – expensive program for enthusiasts and those who can afford it.
  - Question about driver certification process for member/drivers – solution might include a driver school like Bondurant.
  - Additional benefits of CNW – manufacturer testing; autonomous vehicle testing, motorcycles can be as much as 30% of usage; “Motorsports Mondays” for open events/activities; many other existing (at the runway facility) and additional community events.
  - Ownership model – some tracks are owned by Cities, or Counties or even Park Districts at other locations.

## C. Public Comment

1. Stanford Tharp, Point of Data – Mr Tharp spoke of the benefit of having a facility like CNW in the County - the Economic Development benefits and the opportunities for additional growth around the Facility.
2. Richard Huddy, Bremerton City Council – Mr Huddy spoke in support of the facility and its contribution to the growth of jobs, revenue, the City and the County.
3. Jerry McDonald, former Bremerton City Council – Mr McDonald spoke of the possibility of a joint OC/WSU pilot training or aerospace campus at the facility.
4. Ralph Morton, Seattle Sports Commission – Mr Morton spoke in support of the project and was excited about the prospect of a motorsports road course in the Puget Sound region and what it could bring in tourism, economic development and revenue to the region.
5. Jim Rothlin, CEO of Port of Bremerton – Jim expressed the support of the Port for the project, but also that there were many details to be worked out by the Port and the PFD. He expressed the willingness to work with the PFD to get an agreement in place to go forward.
6. Others – Representatives from the Porsche Car Club and the Sports Car Club also spoke out I support of the facility.

## D. Next Steps –

1. After some further discussions by the Board about the next steps that could be taken, a motion about paying for the balance of the invoice for the Study (\$30,000) was made.

**Patrick Hatchel made a motion to approve the Blanket Voucher of \$30,000 for the balance of the consulting fee to The Joel Cohen Group for the preparation of the Market Demand Study. It was seconded by Erin Leedham and approved unanimously.**

2. After some additional discussion about cooperation with the Port and for Phase 2 of the “ask” from CNW and JCG in the amount of \$550K for drawings, schematics and other preparations for stockholder/Member sales. It was the consensus of the Board that any further financial commitments could not be made without a more detailed and formal agreement with the Port of Bremerton.

**Patrick Hatchel made a motion to authorize the ED and the PFD attorney to work with the Port of Bremerton and their attorney(s) to prepare a more comprehensive MOU or ILA to explore funding Phase II of the CNW Project. It was seconded by Tom Bullock and passed unanimously.**

3. The Board also was not willing to wait until the Dec 3<sup>rd</sup> meeting to address the Port agreement and consideration of the possible Phase 2 funding, so they requested that the ED prepare to hold a Special Meeting on October 22<sup>nd</sup>, if the documents and

agreements could be prepared in time. The ED agreed to tentatively schedule that meeting, but would confirm two weeks before that date if it needed to be rescheduled.

**6. Regional Facilities:**

- A. **Kitsap Conference Center** – July and August reports, sent electronically, showed they now are caught up for the year and are above forecasted numbers, several multi-day events are now booked for later in the year.
- B. **Kitsap Fairgrounds and Event Center** – the reports for July & August were submitted electronically. It showed a continuing trend of slightly better results than forecast.
- C. **NKREC** – no activity or discussions.

**7. Ongoing Business:**

- A. **Executive Director's Report:** ED reported to the Board on his activities in August & September, much of what was involved with discussions and documentation relating to the Market Demand Study for the CNW project. ED also has scheduled meetings to present New Project info with County Parks, Poulsbo City Council and NK District School Board.

**8. Public Comment/Announcements:**

- A. AWSFPD Conference in Seattle at WA State Convention Center on Sept 26 & 27<sup>th</sup> – ED attending, with Erin Leedham and Bill Mahan.

**Meeting was adjourned at 8:20 pm**

**The next Regular Meeting of the Board will be on December 3rd, 2018 at 5:30 pm in the East Bay Room at the Silverdale Beach Hotel.**

**NOTE: A Special Meeting of the Board is tentatively scheduled for the 22<sup>nd</sup> of October, at 5:30 pm in the East Bay room of the SBH/BWP Hotel.**