



POULSBO EVENTS & RECREATION CENTER FEASIBILITY FINAL REPORT

January 2023



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ACKNOWLEDGEMENTS

City of Poulsbo Mayor and City Council

| | |
|-----------------|------------|
| Becky Erickson | Mayor |
| Andrew Phillips | Position 1 |
| Connie Lord | Position 2 |
| Britt Livdahl | Position 3 |
| Jeff McGinty | Position 4 |
| Ed Stern | Position 5 |
| David Musgrove | Position 6 |
| Gary McVey | Position 7 |

Kitsap Public Facilities District Board

| | |
|-------------------|-----------------------------|
| Patrick Hatchel | North County - District 1 |
| Erin Leedham | South County – District 2 |
| Phil Havers | Central County – District 3 |
| Tom Bullock | City of Bainbridge Island |
| Walt Draper | City of Bremerton |
| John Morrissey | City of Port Orchard |
| Daron Jagodzinske | City of Poulsbo |
| Rick Smith | Former Board Member |
| Bill Mahan | Former Board Member |

PERC Steering Committee Members

| | |
|-------------------|---|
| Abby Garland | Community Member |
| Andrew Phillips | Poulsbo City Councilmember |
| Becky Erickson | Poulsbo Mayor |
| Catherine Ahl | Kitsap League of Women Voters |
| Chris Rieland | PNW Title |
| Dakota McKinnon | Poulsbo Chamber of Commerce |
| Daron Jagodzinske | Kitsap Public Facilities District |
| Don Williams | Community Member |
| Doug Newell | Community Member |
| Ed Stern | Poulsbo City Councilmember |
| Gary Lindsey | Community Member |
| Greg Enright | Cultural Arts Foundation |
| Holly Hill | Western Washington University on the Peninsulas |
| Irene Moyer | Community Member |
| Jason Rhodes | North Kitsap School District |
| Jeremy Sullivan | Port Gamble S'Klallam Tribe |
| Jessie Palmer | YMCA of Pierce and Kitsap Counties |
| Joe Morrison | Kitsap Economic Development Alliance |
| John Vaughan | Olympic College |
| Kate Ahvakana | The Suquamish Tribe |
| Kathi Foresee | Poulsbo Chamber of Commerce |
| Kelly Michaels | Poulsbo Parks and Recreation Commission |
| Laurynn Evans | North Kitsap School District |
| Mari Gregg | Poulsbo Parks and Recreation Commission |
| Mark Kipps | Poulsbo Planning Commission |
| Marty Cavalluzzi | Olympic College |
| Matt Hagerman | Columbia Hospitality |
| Mike Walton | Kitsap Public Facilities District |
| Mychal Walz | Western Washington University on the Peninsulas |
| Patti Graf-Hoke | Visit Kitsap Peninsula |

| | |
|----------------|--|
| Peter Blue | New Life, Poulsbo |
| Ray Stevens | Poulsbo Planning Commission |
| Rob Gelder | Kitsap County Commissioner, North |
| Shannon Turner | 23 rd Legislative District/Community Member |
| Tim Morgan | Sports/Events Management |
| Tom Duchemin | Gateway Fellowship |
| Tom Eckmann | Olympic College |

Consultant Team

Perteet (Project Management)

Peter Battuello

ARC (Concept Planning and Design)

Ariel Jamison

Emily Wheeler

Paul Curtis

Michael Faulkner, Shawn Jensen and Bruce Dees – Bruce Dees Landscaping

Trish Drew - DCW

BERK Consulting (Market Analysis and Management Plan)

Brian Murphy

Jason Hennessy

Kathleen Goetz

Sherrie Hsu

Fusion NW (Website design)

Shiloh Schroeder

Jo Buxon Design (Branding)

Jo Buxon

City Staff

| | |
|------------------|--|
| Anthony Burgess | Senior Engineering Technician |
| Dan Schoonmaker | Parks and Recreation Director (through 9/2022) |
| Debbie Booher | Assistant City Administrator |
| Diane Lenius | Public Works Director |
| Heather Wright | Planning and Economic Development Director |
| James Haney | City Attorney |
| Jeff Ozimek | Parks and Recreation Director (beginning 1/2023) |
| Jess Rae | Administrative Assistant |
| Karla Boughton | Special Project Planner |
| Lauren Ellington | Grants Accounting Technician |
| Mary McCluskey | Parks and Recreation Director (through 12/2020) |
| Mike Lund | Public Works Superintendent |
| Nikole Coleman | Senior Planner |
| Sandi Ryon | Grants Accounting Technician |
| Tiffany Simmons | Administrative Assistant |

KPDF Staff

| | |
|------------------|---|
| Alan Dashen | Financial Advisor |
| Brian Lawler | Legal Counsel |
| Mike Walton | Former Executive Director through 10/2021 |
| Marc Greenough | Bond Counsel |
| Russ Shiplet | Executive Director |
| Shannon Thompson | Construction Consultant |
| Susan Veach | Accounting |

EXECUTIVE SUMMARY

Purpose

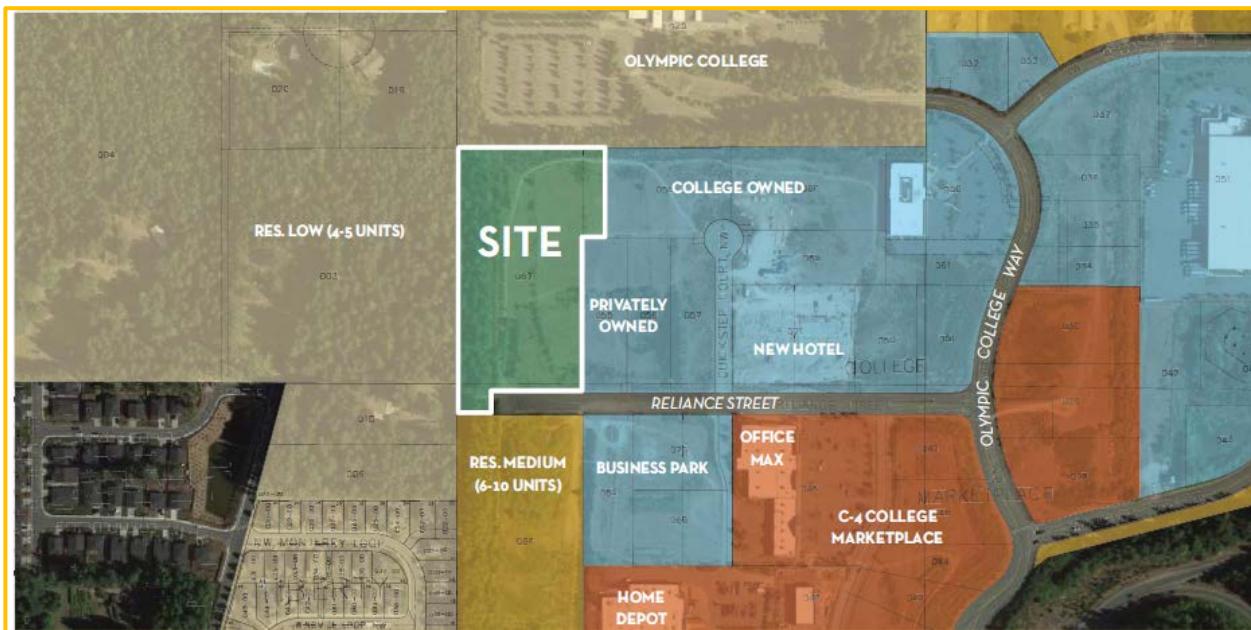
In 2018, the Kitsap Public Facilities District (KPFD) Board of Directors announced a new project funding opportunity and call for local public facility projects. The proposed projects needed to provide economic impact, benefit the residents and communities of Kitsap County, and be in accordance with the KPFM's guiding principles. Proposed projects must also be greater than \$10 million in total value and have matching funds from a public partner of no less than one-third of the project value.

New projects proposals were submitted to the KPFM by December 31, 2018, and presentations to the Board from the sponsors of the project proposals were made in Spring 2019. The KPFM Board ranked the proposed projects at their August 2019 meeting, and the Poulsbo Event and Recreation Center (PERC) ranked second of the seven proposed projects. The City of Poulsbo proposed a concept of a multi-use recreation and events center, which includes outdoor sports fields, indoor recreation, and event/meeting space.

The top project teams were authorized to negotiate Interlocal Agreements (ILA) with the KPFM to receive funding. The City of Poulsbo negotiated funding for a community-based Feasibility Report for the PERC. This Feasibility Report meets the requirements of the PERC ILA Attachment A and provides a determination to the City of Poulsbo and Kitsap Public Facilities District of whether the PERC is feasible.

PERC Site

The PERC site is 6 acres of undeveloped property located in the Northwest corner of the city limits within College Market Place. The land is owned by the City of Poulsbo and is the result of developer mitigation from the approval of the Olhava Master Plan in 1998.



Community Engagement (Section 3.0)

Community engagement initiated the PERC Feasibility Study once the PERC was selected as one of the KPFM funded projects. The City engaged the community to gauge the recreational and event opportunities of most interest. Outreach efforts included community survey, open house, assemblage and facilitation of a community steering committee, project website and public presentations.

Community survey was hosted Fall 2020; the survey results and comments support a community facility that offers indoor and outdoor recreational opportunities, classes and activities for all ages, multipurpose event spaces and partnerships to make it happen.

- The top indoor activity preference was aquatics.
- The top outdoor activity was walking/running trails.
- The top recreational programming preference was adult classes.
- The top event center preference was performing arts.

The PERC community engagement strategy also included a community steering committee. This committee, made up of Poulsbo community members, leaders and volunteers participated in a series seven meetings, reviewing and informing the PERC team on functions and opportunities related to the use of space and the site, and advised on the key elements of the feasibility of the PERC.

Market Analysis (Section 4.0)

BERK Consulting was retained to prepare a market analysis to understand the local and regional demand for potential PERC components identified in the community survey. The market analysis combines City-provided information, market research and information from representatives of similar facilities to estimate the potential demand for venues and spaces to accommodate indoor and outdoor recreation, meetings, and events.

The following summarizes BERK's market analysis conclusions:

- **Aquatic Centers:** There is strong community interest in an aquatic center as indicated in the community survey. Stakeholder interviews indicated that to attract outside users, the PERC needs to include a 50-meter pool or two 25-yard pools. Otherwise, the PERC may meet some community demand but will not bring in enough visitors and generate sufficient outside revenue. Despite high demand for an aquatic center, BERK Consulting concluded **indoor aquatics is a saturated market**. It would be difficult for the PERC to compete with the Bainbridge Island Aquatic Center, pools available on military bases, and other indoor aquatic options; therefore, **any PERC aquatics would need to differentiate itself with unique features** that speak to the community's identity. Additionally, aquatic centers are very expensive to build and maintain. The City would need to ensure that it can generate enough revenue to cover costs of operations and maintenance.
- **Tournament Sports Fields:** Tournament sports fields at the PERC can bring in people from around the region for potential sports tournaments. These types of facility components have a longer drive time area market, because participating families tend to be accustomed to longer travel. In the community survey, between 30-50% of respondents indicated that they would be interested in participating in soccer, ultimate frisbee, or baseball/softball at the PERC. Stakeholder interviews showed that in order for the PERC to draw visitors for soccer and lacrosse tournaments, the facility needs to include four fields, of which at least two are turf fields. The facility space should include enough parking, restrooms, lighting, fencing, and covered seating.
Tournaments could combine sports fields at the PERC with North Kitsap School District's Strawberry Fields and Central Kitsap School District's turf fields, **that results in a feasible tournament destination**. Additional interviews conducted in Fall 2022 indicate that using multiple locations for a tournament is feasible and a common practice. The PERC in combination with school fields could accommodate regional tournaments, and local sports clubs indicate a growing demand for soccer and lacrosse suggesting that with more fields they could grow their programs.
- **Event Spaces:** Flexible event spaces can be used for many different purposes, including meetings, business trainings, social gatherings, weddings, and some performing arts uses. In the community survey, around 30-50% of community members showed interest in various types of event space uses. The event space market is a competitive landscape, with a variety of event spaces in the potential market – conference centers, event centers, senior centers, golf centers, wedding venues, and more. It is difficult to gauge niche markets to determine how much unmet demand there currently is and

how the PERC could meet those needs. If pursued, the PERC's event spaces should be designed as adaptable multi-use facilities which can support niche market.

Site Concept (Section 5.0)

ARC Architects in collaboration with Bruce Dees & Associates Landscape Architects, was selected to evaluate the feasibility of building sports fields along with indoor events and recreation center on the PERC site. Specific program elements to be studied were informed from the Community Survey results, BERK Consulting Market Analysis and from meetings conducted with the PERC Steering Committee. Site options were presented and evaluated in consultation with the PERC Steering Committee. The following summarizes the site concept process ARC and the PERC Steering Committee completed June-November 2021.

- **June 10, 2021:** ARC highlighted that balancing the PERC desired uses and program costs, will be the upcoming process. This first meeting is to discuss the community's hopes and dreams for the PERC, before costs and site constraints are evaluated and applied. The ARC team summarized the community survey results on indoor recreation, outdoor recreation, and events.
- **July 15, 2021:** Members of ARC Architects and Bruce Dees Landscaping set the context of discussion, by outlining that the PERC programming will ultimately be between balancing community desires with the constraints of the site and cost. ARC presented three Site Options to the PERC Steering Committee:
 - Option 1 – 2 fields, no building.
 - Option 2 – 1 field, 1 building oriented at the north end of the site.
 - Option 3 – 1 field, 1 building oriented at the south end of the site.

In addition, the one building has three size options. The building options were presented as such:

- Small: 29,000 square feet – Event Space (200 people), High School sized Gym, No Pool, Plaza, Playground, Parking, 1 field
- Medium: 46,000 square feet – Event Space (300 people), HS Gym, Outdoor Pool, Plaza, Playground, Parking, 1 field
- Large: 70,000 square feet – Event Space (450 people), NBA Gym, Indoor Pool, Outdoor Pool, 2-story building, Plaza, Playground, Parking, 1 field, tight fit



Source: ARC 2021

Preliminary cost estimate were presented by ARC to the committee. Costs ranged from \$8M for Option 1 to \$58M for Option 3 with large building and one field.

Summary Steering Committee comments included: Option 3 large building too large and too expensive; outdoor pool would be recreational and potentially revenue neutral; medium building seems reasonable but needs to be designed as multi-use; is one field enough to support tournaments; is an event building supportable; PERC cannot be all things to all people.

- **September 9, 2021:** ARC and the PERC team presented a proposed PERC site plan and program focusing on an event center with outdoor recreation amenities and outdoor pool. The site plan alternative utilized input from the previous meeting, and is a facility that focused on multi-use event spaces that can be flexible and available for a number of uses and meetings:

- An event building up to 350 people with a commercial kitchen, green room, dressing room, reception and administrative offices; and lower floor with additional classroom/meeting spaces, café/concessions and lounge.
- Outdoor recreation components included: plaza with water spray/play feature, playground, open green/informal field, amphitheater, walking trails, sports courts, outdoor recreation/family pool w/locker rooms and a lazy river, and on-site parking and circulation.
- Preliminary cost estimate was \$24M for building, outdoor elements and outdoor aquatics.

Summary Steering Committee feedback included: can these elements be implemented in phases?; concern on the loss of tournament fields; seems like a good compromise; aquatics should be considered, even if it is phased; performing arts included as part of the event space; has something for everyone.

- **November 9, 2021:** ARC provided an overview of the site plan from the September 9th meeting and highlighted the outdoor recreation components. The event and recreation center building were presented with more refined building massing and architectural design. ARC provided more specific cost estimates of all elements of the project – building, pool and outdoor recreation - to the Steering Committee. More refined preliminary costs estimate for building, site improvement, outdoor recreation and pool escalated to 2023 dollars is \$29.9M.

PERC team also announced that the City was seeking to acquire adjacent land that, if successful, could expand the PERC site and offer a phased approach to the project.

Steering Committee comments included: concern about the loss of tournament fields; concern about the cost of the total package; how will the total cost be funded and afforded?; what impact does the cost have on residents?; event center supports OC/WWU campus and activities.

- **November 2021-March 2022:** The City focused on the potential acquisition of adjacent 9 acres, that could adequately site all three desired elements of the PERC and facilitate a phased development approach. Simultaneous to this acquisition effort, the PERC staff reached out to KPDF staff and Steering Committee members, who expressed candid concerns on the cost, event center focus and loss of tournament fields of the September 9th meeting option. The result of these discussions, as well as the City's unsuccessful attempt to acquire additional property, was to reorganize the PERC project into phases that are reflective of the community's desires and could be funded and developed over time. Tournament fields were expressed by the KPDF as a priority consistent with the City's initial proposal in 2018 (as well as the intended use from the original property mitigation), and therefore identified as the first phase of the PERC.

Phased Approach (Section 6.0)

A three-phased approach to the PERC represents the elements from the community survey, Market Analysis and Steering Committee input, but necessitate acquisition of additional acreage and a defined long-term funding strategy. The PERC phased approach is summarized as:

Phase 1: Tournament Fields w/outdoor recreation elements

- Two tournaments/multi-use fields will be provided at the current PERC site. When combined with the two fields at Strawberry Fields, four tournament-sized turf fields would be available in Poulsbo.
- Desired outdoor recreational amenities will also be provided, designed to be integrated in the site to support and blend with the multi-use fields.

Phase 2: Event and Recreation Building (dependent on additional acreage)

- Flexible event/meeting space(s) and classrooms to host varied-sized community events, recreational gym and programming, and supportive to the adjacent OC/WWU campus.

Phase 3: Outdoor Recreation Pool (dependent on additional acreage)

- Informed by the market analysis results on indoor aquatics' saturated market, and Steering Committee input, an outdoor recreation pool was identified as the preferred aquatic option.
- The outdoor warmwater recreation pool with resort-type features, such as cabanas, lazy river, play/splash features and lush landscaping were identified and discussed during the Steering Committee meetings as options to set the PERC pool apart as a destination facility.

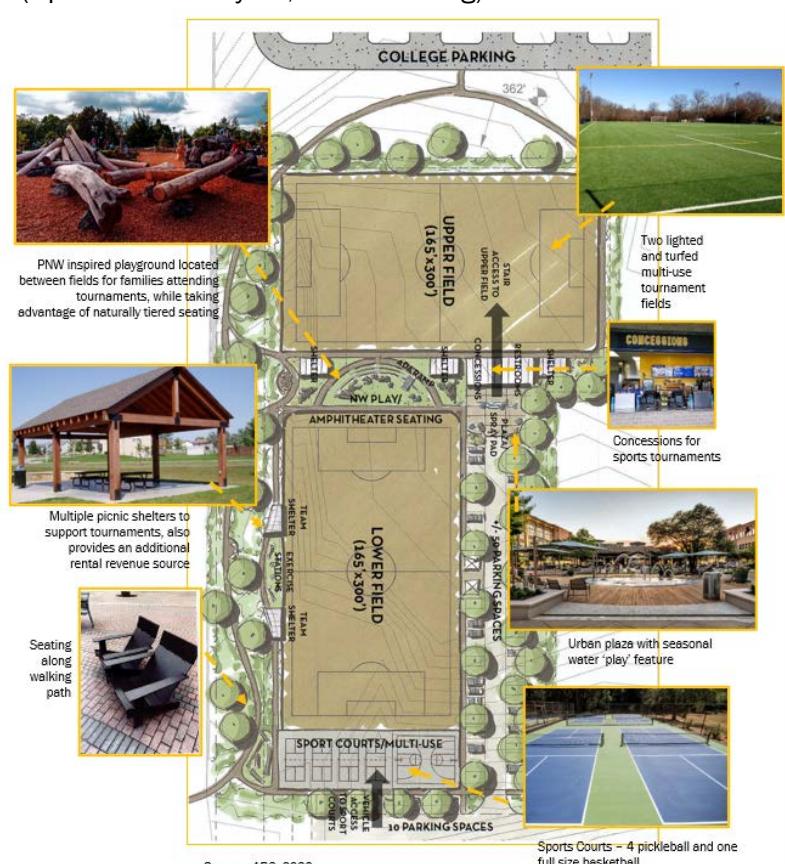
A phased approach allows the City and KPFM to move forward with Phase 1, while exploring additional sites for future phases, and developing a long-term funding strategy. The PERC Phase 1 represents the best option to begin the development of the PERC that can be funded at this time.

ARC developed a “Fields First” site design (Option 1 from July 15, 2021 meeting) for two tournament multiuse sports fields, while incorporating as many as the outdoor recreation amenities that were identified in the community survey and discussed by the PERC Steering Committee, including walking paths, water spray pad, play structure, sports courts, and potentially other features. Preliminary cost estimate of PERC Phase 1 Fields First is \$11.7M.

Management and Maintenance Considerations (Section 7.0)

The management and maintenance considerations are focused on the operations of PERC Phase 1 Fields First, including the costs and possible revenue generation. Phase 2 and 3 of the PERC when forwarded, will need to have separate management and maintenance evaluations.

BERK Consulting prepared a PERC Management Memo to assist the City with the planning for the operations of the facility, provided examples and input for various aspects of operations.



- **Estimated Expenditures:** Expenditures are based on the maintenance and capital replacement of two lighted turf fields. Maintenance includes monthly turf sweeping and semi-annual turf grooming and redistribution. Annual maintenance expenditures are estimated between \$5,300-\$6,100. Turf

replacement should be programmed every ten to thirteen years. Lifespan of a turf field can be extended with consistent maintenance. Replacement cost for two fields is between \$700K-\$1.3M.

- **Estimated Revenue:** Two forms of primary revenue are anticipated: daily hours rentals for practice and annual tournament days. BERK Consulting estimated range of 581-871 annual rental practice hours and 10-25 annual tournament days. Based on comparable rental rates, it's estimated that turf fields rentals can generate between \$31,975 to \$49,150 in annual income. (Additional revenue from shelter rentals, sponsorships, etc. can also be realized).
- **Expenditures/Revenues Analysis:** Maintenance of the fields are self-sustaining until replacement. Capital replacement reserve budgeting will be necessary to ensure adequate capital at the time of turf replacement.
- **Operations:** There will be an impact on City staff and services for all phases of the PERC, with Phase 1's impact on need for additional maintenance staff. Phases 2 and 3 would have significant impact on city staffing needs and facility maintenance and will need to be evaluated in detail as part of those phases' operations planning.

Financial Analysis (Section 8.0)

Phase 1 Fields First has a preliminary cost estimate of \$11.7 million. Preliminary cost estimates of Phase 2 Recreation/Event Building and Phase 3 Outdoor Pool components were included during the Steering Committee process: Recreation/Event Building (14,800 sf) cost of \$11.3M and Outdoor Aquatics project cost of \$6.9M. However, Phases 2 and 3 will move forward upon additional land usage or acquisition, refined programming and use determinations made, and short and long-term funding strategy identified. The cost estimate of Phase 2 and 3 will be updated if they are forwarded.

The Kitsap Public Facilities District has ranked the PERC second in its funding priorities. Upon the finding of feasibility of tournament fields of Phase 1 Fields First as determined in Section 4, the City and KPDF intend forward the project to final design and permitting, and construction through a new interlocal agreement. During discussions between KPDF and City staff, it is noted that the preferred financing approach is for the City to provide bond financing for the PERC Phase 1 project, and the annual debt payments would be structured as 77% KPDF payment and 33% City payment. This approach will be further discussed through the process of a second ILA to be drafted in first quarter 2023.

Feasibility Determination (Section 9.0)

There are four main elements utilized to determine whether a project is feasible: market feasibility, site feasibility, operational feasibility, and financial feasibility. The following provides the summary determination of each of the four feasibility elements:

- **Market Feasibility:** BERK Consulting prepared a market analysis for the PERC elements of outdoor recreation, aquatics, and event center. The results are in Section 2 of this report and [Appendix 10.2.1](#). The market analysis result is there is a feasible market for tournament sized turf fields for rentals by local organizations and multi-day tournaments (especially in conjunction with a joint marketing effort with local school districts); there is not a market for indoor aquatics, especially cold-water lap pool, but there is potential market for an outdoor resort/destination aquatic facility; and there may be a market for event center, depending on niche events and flexibility in space usage. The PERC Phase 1 Fields First has been determined to be feasible from a market perspective – **there is demand for consistent rentals, likely six days a week, and as a tournament destination**. The market determination of tournament fields also meets the KPDF economic development feasibility criteria.
- **Site Feasibility:** ARC Architects considered the site feasibility in their work on the PERC. From the outset, the six-acre City owned site was identified as a challenging size to sufficiently site turf fields, a recreation/event building and pool. Through a series of meetings with the community steering committee, ARC Architects proposed various site configurations of two fields, building with one field, and building with no field and an outdoor pool. When the City's effort to acquire additional land in order to provide sufficient area to site fields, events and aquatics failed, the City refined the PERC into three phases. Tournament turf fields were expressed by KPDF as a priority which would have

immediate financial feasibility. ARC Architects refined the conceptual configuration of two fields and included as many outdoor elements previously identified. Phase 1 Fields First conceptual site plan includes two lighted turf fields of sufficient size to support destination tournaments, as well as an outdoor plaza with water feature, walking paths, full-size basketball court and four pickleball courts, concessions, restrooms, and multiple picnic and team shelters. **There is site feasibility for the PERC Fields First at the current City-owned location.** Additional acreage or usage of additional/adjacent property will be necessary for site feasibility for Phases 2 and 3.

- **Operational Feasibility:** BERK Consulting provided an analysis of the operational feasibility of the PERC Phase 1 Fields First, focusing on the turf fields operations, maintenance, and turf replacement needs. PERC Phase 1 Fields First two lighted turf fields operational feasibility result is the revenue generated from the weekly rentals and conservative tournament estimate, provides sufficient revenue resources to be self-sustaining until turf field replacement is necessary. A turf fields capital replacement reserves will need to be established by the City, with a financing strategy identified that includes a variety of funding sources. **There is operational feasibility for the PERC Fields First with consistent maintenance and a capital replacement reserves financing strategy.** An operational feasibility analysis will also be necessary when forwarding phases 2 and 3.
- **Financial Feasibility:** The preliminary cost estimates for the PERC is \$11.7M for Phase 1 Fields First, \$11.3M for Phase 2 Recreation and Event Center and \$6.9M Outdoor Aquatics Facility. Section 8 identifies short and long-term financing strategies that could be applied to all phases of the PERC. Phase 1 Fields First is poised to move forward in 2023. It is anticipated that the City will issue debt for the full amount with the KPFM funding the debt payments for its portion, and the City fund the remainder. There are opportunities for the City to pursue other resources that can reduce its amount to be financed. **There is financial feasibility for PERC Phase 1 Fields First to move forward in 2023.** However, a long-term financing strategy will be necessary for Phase 2 and Phase 3 to be realized, such as a metropolitan park district.

The PERC represents an ambitious and desired regional recreation and event facility serving Poulsbo and the greater region. Combined, all three phases are preliminarily estimated at \$29.9M. The PERC has been organized into a phased approach to allow for the first phase to move forward in 2023, while the City continues to work on acquiring or usage of additional land and establishing a long-term financing approach for phases two and three. **There is market, site, operational and financial feasibility for Phase 1 Fields First.**

1.0 KFPD PARTNERSHIP

The Kitsap Public Facilities District (KPFD) is an independent municipal corporation managing the reinvestment of Washington state sales tax rebate funds that are allocated to Kitsap County by the State through authority in RCW 82.14.390. The KPFD's purpose is to act as a catalyst for the development of new regional centers and public recreation facilities in Kitsap County. In considering new projects, the KPFD uses the following guiding principles: 1) economic development; 2) efficient use of public and private monies; 3) innovation; and 4) multiple use. The seven-member Board of Directors are appointed by the Kitsap County Commissioners.

The Washington State Legislature in 2017, extended the period that the state's Public Facilities Districts could receive tax rebate funding until 2041, thereby creating a new revenue opportunity that can fund bonds for new capital projects for Kitsap County.

In 2018, the KPFD Board of Directors announced a new project funding opportunity and call for projects. The proposed projects needed to provide economic impact, benefit the residents and communities of Kitsap County, and be in accordance with the KPFD's guiding principles (listed above). Proposed projects must also be greater than \$10 million in total value and have matching funds from a public partner of no less than one-third of the project value. (RCW 82.14.390(5)).

Proposed projects need meet the criteria found in RCW 35.100 and 35.57.020 which states a public facilities district is authorized to fund a 'regional' center – which are defined as convention, conference, or special events center (or any combination of facilities and related parking). The statute defines 'special events center' as a facility available to the public for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances. The statute further states that a regional center is presumed to serve a regional population if state and local government investment is equal or greater than \$10 million.

New projects proposals were submitted to the KPFD by December 31, 2018, and presentations to the Board from the sponsors of the project proposals were made in Spring 2019. The KPFD Board ranked the proposed projects at their August 2019 meeting, and the Poulsbo Event and Recreation Center ranked second of the seven proposed projects.

The top project teams were authorized to negotiate Interlocal Agreements with the KPFD to receive funding. The City of Poulsbo negotiated funding for a community-based Feasibility Report for the PERC; following the KPFD preferred phased project funding process, the PERC was arranged based on the KPFD's document "Project Proposal Funding Process." The PERC ILA negotiated funding for Phase I "Project Concept to Project Feasibility" for \$243,900, and the KPFD Board and Poulsbo City Council approved the ILA in December 2019.

The PERC Phase I ILA tasks were oriented around the KPFD preferred feasibility Report model "Feasibility Study Guide for Sports and Recreation Facilities" produced by the Western Australia Department of Sport and Recreation.

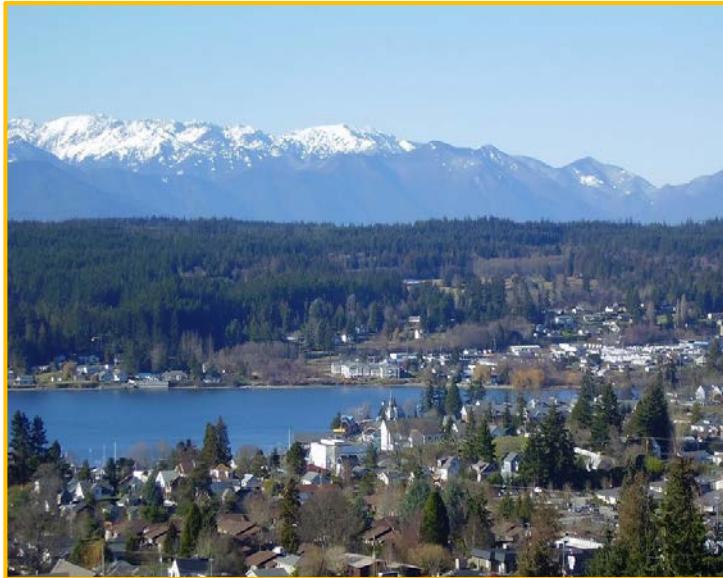
This Feasibility Report meets the requirements of the PERC ILA Attachment A. Upon a determination of feasibility, it is the intent that the City and the KPFD Board will initiate a second ILA for funding of the PERC Phase I Fields First design, permitting and construction.

2.0 INTRODUCTION

2.1 Poulsbo's Setting

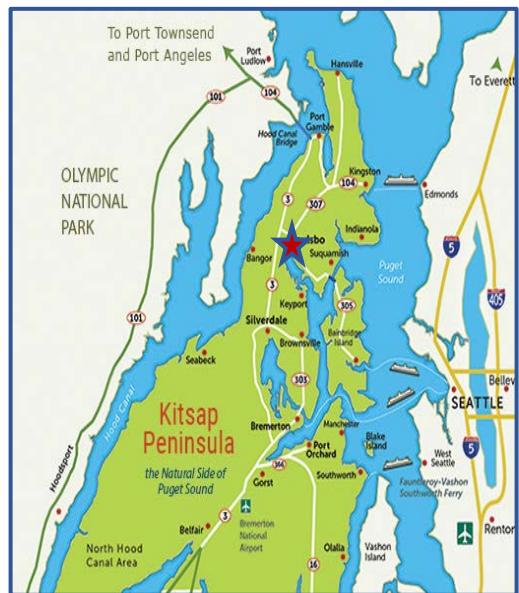
Poulsbo is centrally located in North Kitsap County and is served by three state highways: SR 3, SR 307, and SR 305. Poulsbo's natural setting has highly recognizable characteristics that define the city as a unique and special place. Encompassing over 5 square miles, Poulsbo has numerous hills and valleys, streams, and frontage on the waters of Liberty Bay. Elevations range from sea level to 440 feet, with two ridges running along each side of Liberty Bay, which gradually rise in elevation and merge to the north.

Liberty Bay and the Liberty Bay Estuary are the two major water bodies in Poulsbo. Relatively narrow and shallow, the bay serves as the receiving waters for Dogfish Creek as well as a number of other streams at the edges of the city limits.



View of Liberty Bay and Olympic Mountains from east Poulsbo

2.2 Poulsbo at the Crossroads of West Sound



Poulsbo's is at the crossroads of West Sound, and serves as the Greater North Kitsap's commercial, employment, and residential center. Located at the convergence of three state highways, and within 15 minutes of two cross sound ferries and Hood Canal Bridge, Poulsbo provides services beyond its incorporated city limits.

Poulsbo continues to grow as a community where people love to live, work and play. The City of Poulsbo had the highest population growth and second highest employment growth of all the Kitsap communities 2013-2019¹, and permits approved in 2020 and 2021 continue the residential growth trend, with nearly 1000 units approved. The City's upcoming growth will move the city from a small city to a midsize, with population nearing 15,000 when the permitted units are built and occupied.

Poulsbo continues to be a popular destination, with a strong and attractive tourism and visitor experiences. Poulsbo is frequently named one of the best small cities in Washington State to visit.

2.3 PERC Site

The PERC site is 6 acres of undeveloped property located in the Northwest corner of the city limits within the College Market Place development. The PERC site is the result of developer mitigation from the approval of the Olhava Master Plan in 1998. The land donation mitigation was intended to provide a site for recreation facilities and identified sports fields to be developed there. The PERC site is within walking distance to Olympic College/WWU campus to the north, and 101-room Fairfield Hotel by Marriott to the east, Home Depot/Wal Mart to the south, and new residential multifamily units to the north, east and south. Vehicular access is from SR 3 via ramp, providing easy access to regional destinations, such as Olympic Peninsula,

¹ Kitsap County Buildable Lands Report 2013-2019

Bremerton, Gig Harbor/Tacoma and Seattle, as well as local destination of Downtown Poulsbo, Naval Station Bangor, Kingston and Bainbridge Island.

Exhibit 2.3.1 Locational Map of PERC Site



Source: ARC 2021

2.4 Poulsbo's Parks LOS Analysis

The City recently updated its Parks, Recreation and Open Space Plan (PROS) in 2021. The PERC is identified as a new regional park and meets the identified level of service (LOS) need for Regional Parks. Exhibit 2.4.1 summarizes the LOS analysis in the current PROS Plan.

Table 2.4.1 2036 Regional Park Need based on Planned LOS²

| Park Type | 2021 Existing Acres | 2021 Existing Level of Service | 2036 Planned Level of Service | 2036 Acreage Need based on PLOS | 2036 Park Acreage Needs | PERC Acreage |
|---------------|---------------------|--------------------------------|-------------------------------|---------------------------------|-------------------------|--------------|
| Regional Park | 16.41 | 1.41 | 1.5 | 22.21 | 5.80 | 6 |

Source: 2021 City of Poulsbo Park, Recreation and Open Space Plan, p. 17

Poulsbo will plan for population and employment growth as part of its upcoming 2024 Comprehensive Plan Periodic update, as required by the Growth Management Act and consistent with regional planning through the Puget Sound Regional Council and Kitsap Regional Coordinating Council. The City (and its urban growth area) has received a new population allocation of 5,546 new persons between 2020-2044, representing a future population of 17,521. A new 2024-2044 Park Need LOS analysis will be updated using the new population allocation and will include the PERC as an important project for meeting the Regional Park LOS.

2.5 Economic Vitality and Quality of Life

The PERC also represents implementation of the City's strategic planning. The City's Comprehensive Plan establishes that economic vitality is built upon the understanding that Poulsbo's economy is intrinsically tied to its quality of life. The City's Comprehensive Plan Policies and strategic planning are founded in the relationship of livability and economic vitality.

² Existing and planned Level of Service is Acres per 1,000 population

There is a direct correlation between attractive, well-planned communities with convenient amenities and available infrastructure, and the economic growth and job creation needed to retain, attract and sustain business investments in the community. The PERC represents the implementation of many City policies regarding forwarding economic development, providing recreation facilities to its residents, and partnering with community stakeholders.

2.6 PERC Feasibility Report Process

When the PERC was selected by the Kitsap Facilities District's short list of projects, the KPDF and City agreed to a community-based process to determine feasibility. This means the development of this report has been guided by input received from the Poulsbo community and refined through a series of meetings with the PERC Community Steering Committee, which was formed with the purpose to provide perspectives on the PERC development concepts and conceptual site design. Exhibit 2.6.1 illustrates the PERC Feasibility Report process. Community engagement is described in Section 3; the PERC programming process and phased approach are described in Sections 5 and 6 of this report.

Consultants were selected to participate in the feasibility study: BERK Consulting conducted the market analysis for three desired components of the PERC – recreation, events and aquatics, as well as provided management and maintenance framework. ARC Architects facilitated PERC Steering Committee meetings on conceptual site layout and building design, with emphasis on what program elements could physically be sited on the PERC's 6 acres.

The PERC team also provide updates to the Kitsap Public Facilities District Board throughout the feasibility report development process.

Exhibit 2.6.1 PERC Feasibility Report Development Process



3.0 COMMUNITY ENGAGEMENT

3.1 Introduction

Community engagement initiated the PREC Feasibility Study once the PERC was selected as one of the KPFM funded projects. The City engaged the community to gauge the recreational and event opportunities of most interested. Outreach efforts included community survey, open house, assemblage and facilitation of a community steering committee, project website and public presentations.

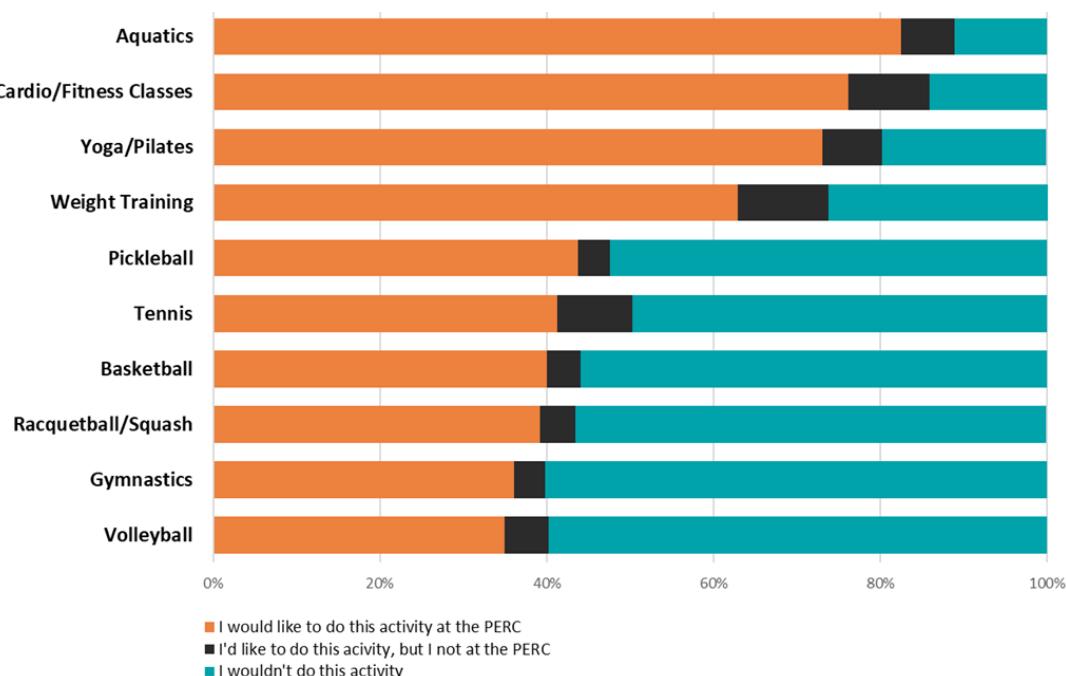
3.2 Community Survey

3.2.1 Community Survey - October – November 2020

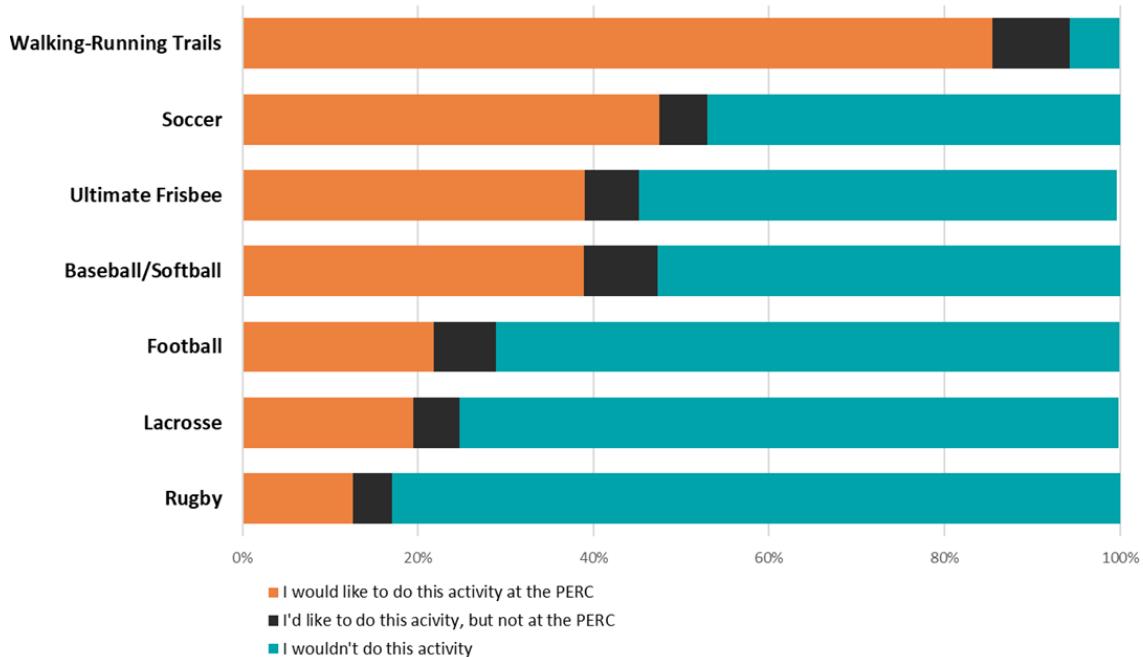
The City of Poulsbo hosted the PERC online community preference survey October 26 -November 16, 2020. Questions focused on priority preferences on indoor recreation, outdoor recreation, recreation programming, events, funding, participation, and demographics. The preference survey invitation was directly mailed to over 5,000 city resident addresses and emailed to over 10,000 households in the North Kitsap School District. The survey invitation was also posted to multiple city-run social media sites that generated 12,000 touches.

Almost 1,300 survey responses were received, with 900 of those from the Poulsbo zip code. The communities of Kingston and Suquamish provided another 100 responses. Over 450 respondents shared their contact information and requested to be placed on an email list for future notifications on the PERC progress and other survey/input opportunity. Some of the key inputs from the community included:

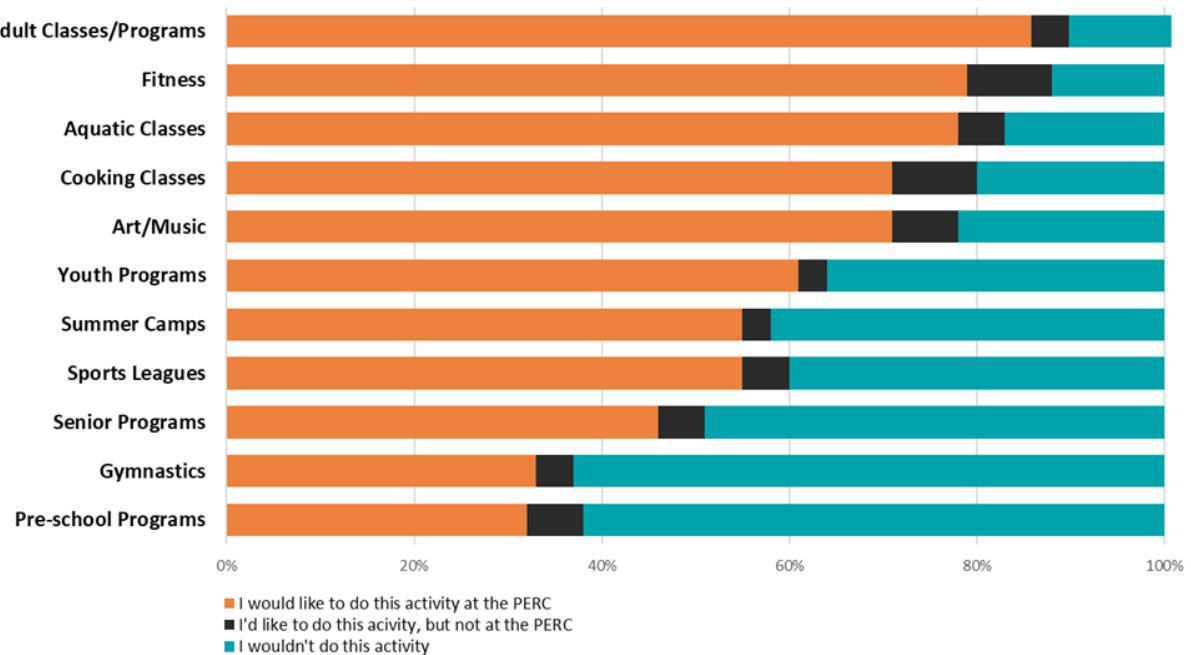
- The survey results and comments overwhelmingly support a community facility that offers indoor and outdoor recreational opportunities, classes and activities for all ages, multipurpose event spaces and partnerships to make it happen.
- The top indoor activity preference was aquatics.



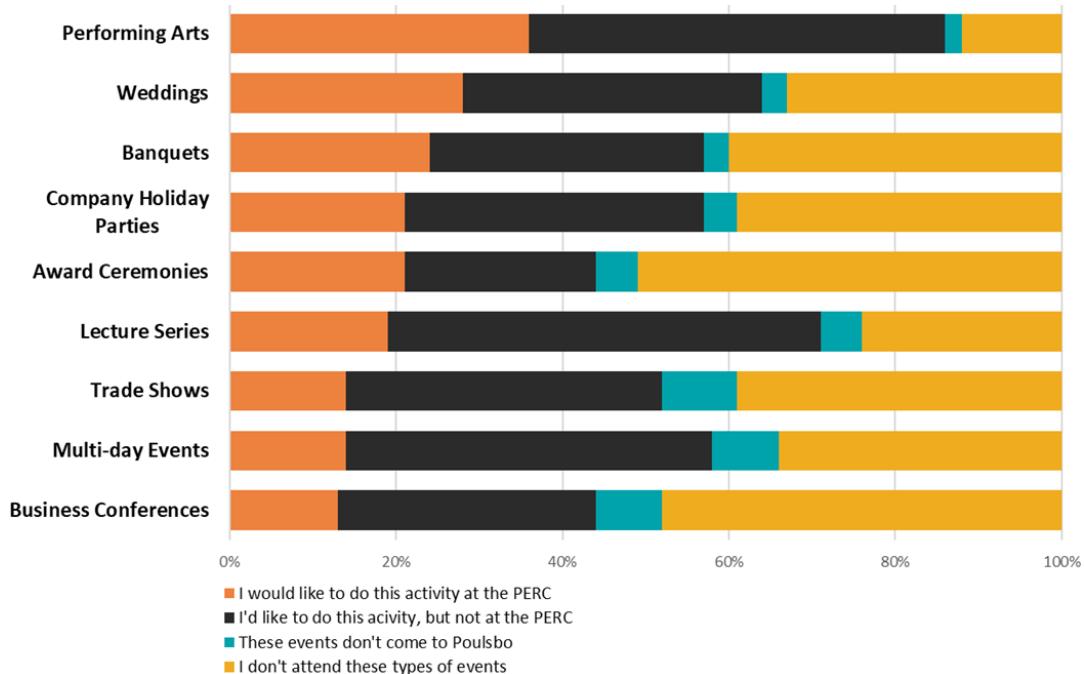
- The top outdoor activity was walking/running trails.



- The top recreational programming preference was adult classes.



- The top event center preference was performing arts.



- There was a strong desire for seek opportunities with our local education providers for the PERC to offer activities for high school and college students.
- PERC funding through a combination of private, public, and voted bonds was supported by a majority of respondents.
- Robust public comment was provided within the survey, offering support, suggestions, questions, concerns, and specific preferences.

Full community survey results are included as Appendix [10.1.1.A](#) and [B](#).

3.3 Community Open House and Follow-Up Questionnaire

The City of Poulsbo conducted an Online Open House March 1-31, 2021, to share results of the community survey and to gather additional feedback and clarification preferences from the survey. The PERC Online Open House presented the first survey results, hosted a short questionnaire, and additional comments opportunities.

As a component of the Online Open House, the PERC project team hosted two Community Chats held on March 27 and March 30, 2021. The Community Chats included a brief presentation on the background of the PERC and the findings of the Fall 2020 community preference survey. Interested community members attended the meeting and shared their thoughts, questions, and concerns about the PERC.

Community Online Open House questionnaire results are included as [Appendix 10.1.2.A](#), Online Open House Comments are found in [Appendix 10.1.2.B](#), and March 2021 Community Chat Summary is Appendix 10.1.2.C.

3.4 Community Steering Committee

An important component of the PERC community engagement strategy was the Community Steering Committee. The Committee, made up of Poulsbo community members, leaders and volunteers ([Appendix 10.1.3](#) Steering Committee Roster) participated in reviewing and informing the PERC team on functions and opportunities related to the use of space and the site, and advised on the key elements of the feasibility of the PERC.

The Community Steering Committee met seven times from January-November 2021. The meeting and member comments summaries, including links to the meeting video, are all included as Appendix 10.1.4.A-E and Appendix 10.1.5.A-B.

The Community Steering Committee was primarily engaged through the site concept process led by ARC Architects. These meetings are described in Section 5.2 of this report, and outline the considerations made by the Steering Committee and input to the architect consultants; this input provided by the Steering Committee are reported in Section 5.2 rather than below. For those meetings that were outside of the site concept process, the steering committee feedback is provided below.

3.4.1 Steering Committee and Work Group Meetings³ – January-November 2021

January 28, 2021 SC Meeting #1: Community Steering Committee Kick-off Meeting Meeting Summary [Appendix 10.1.4.A](#)

Mayor Erickson welcomed and thanked the community members for agreeing to participate on the steering committee. The overview of the PERC and anticipated process for steering committee member engagement was provided. The results of the community preference survey from Fall 2020 were presented.

Steering Committee member comments included:

- What is the economic development element that brings dollars into the community?
- Consider future expansion/phasing during concept planning.
- Need to keep it affordable; don't duplicate other recreational services.
- Multi-use for field sports is essential.
- Funding and revenues must account for long-term maintenance and life-cycle replacements.
- WWU/OC would benefit from this project's location.
- Poulsbo needs a meeting space that can attract multi-day events.

March 16, 2021 Market Analysis Work Group Meeting #1 w/BERK Consulting Meeting Summary [Appendix 10.1.5.A](#)

Members were thanked for attending, and an orientation to the market analysis and its purpose was made. BERK Consulting staff were introduced and presented an update on the research they've completed to date regarding the local and regional demand for potential PERC uses: demographic assessment of anticipated catchment area; research of national and regional recreation trends; review of similar facilities in region and state; interviews with potential user groups and input provided.

Steering Committee member comments included:

- There are a lot of ideas and desires that may spread the facility too thin.
- Concern that those who are responding to the community survey are in favor of the PERC.
- Need to engage businesses.
- Field tournaments need at least four or more fields, other fields near the PERC can enhance tournaments.
- Consider selling naming rights for additional revenue.
- Concern that the site is not large enough for all the proposed uses, more land may need to be acquired.
- Funding and land availability will limit what can be done and choices will need to be made.
- Consideration of what will set the PERC apart from other opportunities and facilities in the region, could the PERC compete?

³ At the outset of the Community Steering Committee formation, it was the intent to have smaller, work groups on the four elements of the feasibility study – market analysis, site concept, management plan and financial analysis. And while committee members chose a work group at the initial meeting, steering committee members were invited to attend all meetings. In practicality, all committee members could participate as they wished, and did so; therefore, the work group concept was abandoned, and full steering committee meetings were held, where all members were invited, and participated as their schedule allowed. Therefore, only two working group meetings were held, and the remainder were full steering committee meetings through the site plan concept phase.

June 10, 2021 SC Meeting #2: Hopes and Dreams w/ARC Architects
Meeting Summary [Appendix 10.1.4.B](#) | See also Section 5.2.1 of this report.

Steering Committee members were thanked for attending and updated on community open house and the progress of the Market Analysis study. ARC Architects staff were introduced and presented their team and established the PERC conceptual site design would be a balance of needs (uses) and means (costs). This meeting with ARC is to discuss the community's hopes and dreams for the PERC, before costs and site constraints are evaluated and applied. The ARC team summarized the community survey results and BERK's draft market analysis results on indoor recreation, outdoor recreation, and events, and offered additional uses for consideration based on their experience.

ARC discussed that the ultimate PERC indoor and outdoor uses will be driven by cost and site size and discussed a cost formula that results in a dollar amount/per square foot of building. ARC also presented the site's size constraints and opportunities. Steering Committee members discussed the indoor recreation, outdoor recreation and events ideas presented by ARC, and offered additional ideas for consideration and questions. See Section 5.2.1. of this report for detailed steering committee input.

June 17, 2021 Market Analysis Work Group Meeting #2 w/BERK Consulting

Meeting Summary [Appendix 10.1.5.B](#)

Members were welcomed and thanked for attending, and BERK Consulting staff were introduced. BERK presented a preliminary demand analysis oriented around driving time areas as potential markets. Demographic information, potential market estimates, potential market competitors and potential demand were considered, and concluded with market research pros/risks for each potential PERC use:

- Aquatics Center – pros: strong community support, potential partnerships; risks: saturated market, free/subsidized services available to nearly 40% of population
- Tournament Sports Fields – pros: complements existing Strawberry Fields facility, participating families accustomed to longer travel; risks: existing larger facilities would compete; weaker demand for soccer; potential split location may be less competitive
- Event Space – pros: flexible space leads to multiple use scenarios; risks: competitive landscape, difficult to gauge niche markets

Steering Committee member comments included:

- Is this a community facility or a regional facility, or is there overlap?
- How can we differentiate a pool at the PERC from the other nearby pools? It needs to be different. A family-friendly pool can mark a differentiation from the military facilities;
- Can the event center provide an experience that is different than someplace else? Clearwater Casino has a conference center, and it'll be hard to outdo them.
- The proximity of OC/WWU can be leveraged to make it different.
- There is a lot of competition for several of the uses considered for the PERC; focus on uniqueness and multi-use.
- Number of fields for sports tournaments is important, need to partner with other facilities; youth sports events fill hotel more than business meetings
- An aquatic center is very expensive to build and maintain, maybe a splash pad could be a compromise; pickleball is a growing sport and should be considered.
- Challenge is find the right mix of uses for the PERC that can justify spending.

July 15, 2021 SC Meeting #3: PERC Program and Site Options w/ARC Architects
Meeting Summary [Appendix 10.1.4.C](#) | See also Section 5.2.2 of this report.

Steering Committee members were thanked for attending and updated on the progress of the Market Analysis study and June 17, 2021 work group meeting. Members of ARC Architects and Bruce Dees Landscaping set the context of discussion, by outlining that the PERC programing will ultimately be between balancing community desires with the constraints of the site and cost.

ARC presented three site options to the PERC Steering Committee, with preliminary cost estimates:

- Option 1 – 2 multi-use tournament sized field with a small field house w/restroom, parking spaces and playground.
- Option 2 – 1 field, 1 building oriented at the north end of the site. In order to site a building, two fields cannot fit on the site. This option has a building, one field and an outdoor pool and plaza.
- Option 3 – 1 field, 1 building oriented at the south end of the site. Same components as Option 2

In addition, the one building has three size options. The building options and preliminary cost estimate were presented as such:

Small: 29,000 square feet – Event Space (200 people), High School sized Gym, No Pool, Plaza, Playground, Parking, 1 field \$25M

Medium: 46,000 square feet – Event Space (300 people), HS Gym, Outdoor Pool, Plaza, Playground, Parking, 1 field \$41M

Large: 70,000 square feet – Event Space (450 people), NBA Gym, Indoor Pool, Outdoor Pool, 2-story building, Plaza, Playground, Parking, 1 field, tight fit \$58M

See Section 5.2.2 of this report for detailed steering committee input from this meeting.

September 9, 2021 SC Meeting #4: PERC Program and Site Refined Option w/ARC Architects

Meeting Summary [Appendix 10.1.4.D](#) | See also Section 5.2.3 of this report.

Steering Committee members were thanked for attending and updated on the availability of the final draft Market Analysis study. ARC Architects presented a proposed PERC site plan and program focusing on an event center with outdoor recreation amenities and pool. This site plan alternative utilized input from the previous meeting, and is a facility that focused on multi-use event spaces that can be flexible and available for a number of uses and meetings:

- An event building up to 350 people with a commercial kitchen, green room, dressing room, reception, and administrative offices; and lower floor with additional classroom/meeting spaces, café/concessions and lounge.
- Outdoor recreation components included: plaza with water spray/play feature, playground, open green/informal field, amphitheater, walking trails, sports courts, outdoor recreation/family pool w/locker rooms and a lazy river, and on-site parking and circulation.

ARC presented the conceptual site layout, building design, floor plan and preliminary cost estimate.

- \$17M: event building and outdoor recreation components (but not aquatics)
- \$24M: event building and outdoor recreation, with outdoor recreation/family pool and pool house

See Section 5.2.3 of this report for detailed steering committee input from this meeting.

November 9, 2021 SC Meeting #5: PERC Sept. 9th Option Conceptual Building Elevations and Cost Estimate | Meeting Summary [Appendix 10.1.4.E](#) | See also Section 5.2.4 of this report

Steering Committee members were thanked for attending and updated on recent authorization from City Council to seek additional land acquisition, as was identified in the July meeting, the existing site could not fit all elements, specifically tournament fields that was part of the City's original proposal to the KPDF in 2018. Additional land acquisition would be able to bring two tournament fields and provide a phased approach.

ARC provided an overview of the site plan from the September 9th meeting and highlighted the outdoor recreation components. The event and recreation center building was presented with more refined building massing and architectural design. ARC provided more specific cost estimates of all elements of the project

- building, pool and outdoor recreation - to the Steering Committee. More refined preliminary costs estimate for building, site improvement, outdoor recreation and pool escalated to 2023 dollars is \$29.9M.

See Section 5.2.4 of this report for detailed steering committee input from this meeting.

3.4.2 Steering Committee Conclusion and phased approach

The PERC Community Steering Committee provided thoughtful discussion and important feedback throughout its eleven-month tenure. Through this process, various components of the PERC – indoor recreation, meeting rooms/event space, tournament fields and aquatics were evaluated, considered how they could be sited on the site, and preliminary costs presented. From the outset, the six-acre city-owned site was identified as insufficient size to fit all these elements, and the cost would be challenging as a one-time expense.

At its final meeting, Steering Committee members were hesitant on an all-in approach to the project, suggested a phased approach to the PERC implementation, and strongly recommended the City evaluate the funding strategy to ensure balance between the cost of the PERC with other City needs. Following this input, and discussions with the Kitsap Public Facilities District, the PERC was organized into three phases in March 2022. The phased approach retains all the elements identified through the community survey and refined through the market analysis and Steering Committee meetings. The phased approach allows the PERC to move forward as additional land is acquired and long-term funding is identified.

Please see Sections 5.3 and 6.0 for further discussion on the PERC phased approach and Phase 1.

4.0 MARKET DEMAND ANALYSIS

4.1 *Introduction and Context*

BERK Consulting was retained to prepare a market analysis to understand the local and regional demand for potential PERC components. The market analysis combines City-provided information, market research and information from representatives of similar facilities to estimate the potential demand for venues and spaces to accommodate indoor and outdoor recreation, meetings, and events. The Final Market Analysis is [Appendix 10.2.1](#) and is summarized below.

4.2 *Methodology*

The PERC Market Analysis began with a review of the community preference survey completed by the City Fall 2020, and a demographic assessment of potential users based on drive-time catchment areas. BERK conducted preliminary demand research on potential facility components, including comparisons to similar facilities in the region, considering location, amenities, and access.

BERK interviewed peer facilities to understand trends and lessons learned that could be useful for Poulsbo. BERK also spoke with local arts and recreation user groups, Poulsbo Chamber of Commerce members, and PERC Steering Committee members with expertise in various fields relevant to the facilities, parks, and recreation planning. These conversations provided insight on the market position of the PERC, potential usage, important facility components, and potential regional draw and use of the hotel located near the PERC.

BERK mapped potential market areas and estimated market demand based on drive times for three potential components: aquatic center, tournament sports fields, and event spaces. Based on the community survey, interviews and drive-time analysis, the market analysis summarized the anticipated demand for key PERC facility components.

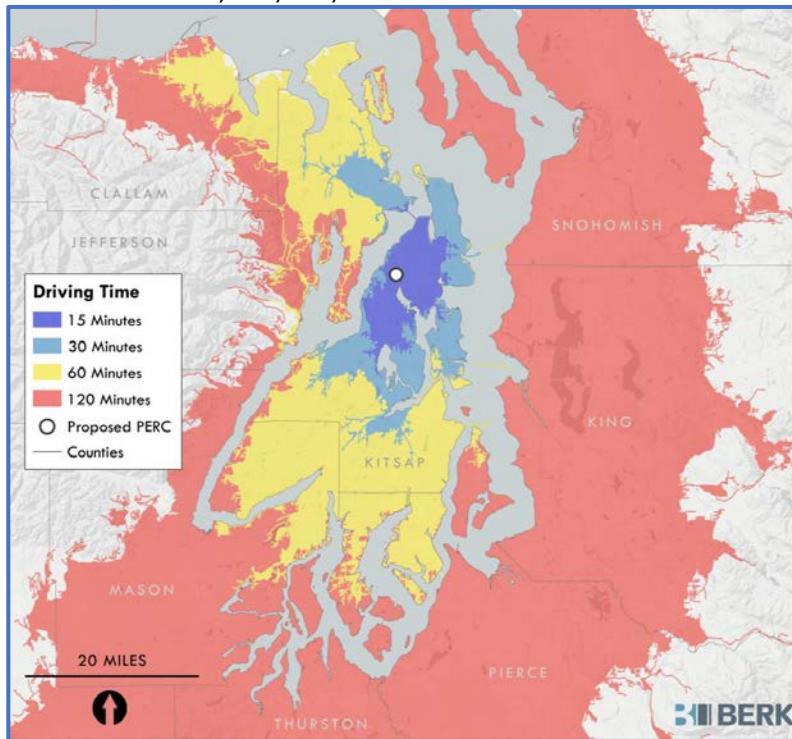
4.3 *Demand Analysis*

4.3.1 Drive Time Catchment Areas

BERK conducted a demand analysis to understand current recreation trends, community priorities and the landscape of comparative facilities. Demand can be informed by historical participant registration, national and regional recreation trends, community survey results, and input from community user groups.

Exhibit 4.3.1 maps preliminary catchment areas of 15-, 30-, 60-, and 120-minute drive times from the PERC facility site. *Using* the current road system, GIS creates areas based on how far an individual could be expected to drive from a starting point during typical traffic conditions. This provides an estimate of the market based on the number of people who could drive to the PERC.

Exhibit 4.3.1: 15-, 30-, 60-, and 120-minute Drive Time Catchment Areas



Note: The 60-minute drive time area was adjusted to remove two areas that are within saturated markets: the area across from the Tacoma Narrows Bridge, and the Edmonds area.

Sources: ESRI, 2021; BERK, 2021.

4.3.2 Demographic Summary

It is estimated 2020 population is around 60,000 in a 15-minute drive time area, around 200,000 in a 30-minute drive time area, around 400,000 in a 60-minute drive time area, and around 5 million in a 120-minute drive time area.

From 2020 through 2025, population, number of households, and number of families are all projected to grow at an annual rate of around 1%.

The median household income in a 15-minute drive time area is \$81,000; this decreases as the catchment area expands to \$78,000 in a 30-minute drive time area, \$78,000 in a 60-minute drive time area, and \$86,000 in a 120-minute drive time area.

Exhibit 4.3.2 summarizes the demographic profile of these drive-time catchment areas in 2020 and 2025.

Exhibit 4.3.2 Demographic Summary of 15-, 30-, 60-, and 120-minute Drive Time Catchment Areas

| | 15-minute Drive Time | 30-minute Drive Time | 60-minute Drive Time | 120-minute Drive Time |
|--------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| 2020 Summary | | | | |
| Population | 59,948 | 201,867 | 406,550 | 4,888,182 |
| Households | 23,465 | 79,074 | 162,708 | 1,924,676 |
| Families | 15,957 | 51,780 | 109,109 | 1,204,504 |
| Average Household Size | 2.48 | 2.44 | 2.43 | 2.49 |
| Owner Occupied Housing Units | 16,079 | 54,518 | 120,558 | 1,198,341 |
| Renter Occupied Housing Units | 7,386 | 24,556 | 42,150 | 726,335 |
| Median Age | 38.7 | 39.8 | 44.6 | 38.8 |
| Median Household Income | \$81,033 | \$78,162 | \$77,669 | \$86,501 |
| Average Household Income | \$103,081 | \$103,166 | \$104,419 | \$116,897 |
| 2025 Summary | | | | |
| Population | 62,516 | 212,150 | 428,003 | 5,230,781 |
| Households | 24,538 | 83,416 | 171,706 | 2,059,110 |
| Families | 16,676 | 54,527 | 115,004 | 1,286,163 |
| Average Household Size | 2.47 | 2.43 | 2.42 | 2.50 |
| Owner Occupied Housing Units | 16,930 | 57,503 | 127,679 | 1,278,580 |
| Renter Occupied Housing Units | 7,608 | 25,913 | 44,028 | 780,530 |
| Median Age | 40.1 | 41.2 | 45.6 | 39.4 |
| Median Household Income | \$88,689 | \$84,310 | \$84,435 | \$96,112 |
| Average Household Income | \$115,770 | \$115,151 | \$117,045 | \$130,600 |
| Trends: 2020-2025 Annual Rate | | | | |
| Population | 0.8% | 1.0% | 1.0% | 1.4% |
| Households | 0.9% | 1.1% | 1.1% | 1.4% |
| Families | 0.9% | 1.0% | 1.1% | 1.3% |
| Owner Households | 1.0% | 1.1% | 1.2% | 1.3% |
| Median Household Income | 1.8% | 1.5% | 1.7% | 2.1% |

Sources: ESRI, 2021; BERK, 2021.

4.3.3 Recreation Trends

According to national resources reviewed by Berk (Recreation Management “2020 State of the Industry Report”)

- Increased program offers are expected; across all types of facilities, the top ten planned:
 - Splash play areas added to existing parks
 - Playgrounds
 - Park Shelters
 - Dog parks
 - Restrooms
 - Synthetic turf sports fields
 - Walking trails
 - Fitness trails and outdoor fitness equipment
 - Disc golf courses
 - Outdoor sports courts

According to the National Recreation and Park Association (NRPA) emerging trends include:

- Focus on health and health equity. COVID-19 magnified the focus on health and well-being, and beyond the pandemic NRPA expects a focus on social needs of communities.
- Environmentally sustainable design. Parks will be designed with resilience in mind, considering the accelerating impacts of climate change.

GameTime, a playground equipment company, shared these top five park and playground trends for 2021:

- Inclusion and social equity
- Embracing the natural landscape
- Community health and wellness
- Using outdoor spaces for learning
- Environmentally responsible play and activity

According to the Washington Trails Association, Washington residents spend an average of 56 days per year engaged in outdoor activities. People are drawn to a more active lifestyle compared with ten years ago. Older adults are more active than the same age group populations have been in the past.

According to the Washington State Recreation and Conservation Office (RCO), the top activities for people 65 and older are walking, sightseeing, and nature-based activities.

According to interviews with peer facilities and local arts and recreation users, trends reflect interest in the following activities:

- Events: Conventions, business trade shows, conferences; birthday and retirement parties, weddings, memorials
- Indoor recreation: Performing arts; cardio, indoor track, personal training; family programs and health education classes; basketball, volleyball, pickleball, swimming
- Outdoor Recreation: Continued interest in outdoor spaces after COVID-19; turf fields, tournaments: soccer, lacrosse, little league; splash pad.

How trends may affect PERC Demand:

- Considering the trend toward **community health and wellness**, PERC programming should include a focus on health. It is expected that facility users will approach recreation with a mindset of investing in health.
- The focus on **health equity** means that community members will treat gathering spaces as public amenities that can serve social needs of communities and help address systemic inequities. The PERC should consider ways to keep the space as accessible and affordable as possible.
- Post COVID-19, there will be **interest in outdoor activities**, which may support outdoor fields, a splash pad, and outdoor spaces.
- Interest in **inclusive design and accessibility** means the PERC should include activities for all ages and abilities. Older adults and seniors are interested in continuing to be active and engage in activities.

4.3.4 Community Survey

To gauge community interest in the proposed PERC facility, the City of Poulsbo conducted a community survey from October 26 – November 16, 2020 and received 1,286 survey responses. The survey asked for community input on use preferences, funding support, and interest in continuing to provide input on this process. Below are key findings in several proposed areas:

- For **indoor recreation**, there is strong interest in aquatics/pool, followed by classes, yoga, weight training.
- For **outdoor recreation**, there is high interest in walking and running trails, followed by field sports. There is strong interest in multi-use or shared spaces/fields.

- For **recreational programs**, survey respondents were most interested in adult classes/programs, fitness, aquatic classes, cooking classes, and art/music.
- For **events**, the strongest interest was in performing arts, followed by weddings, banquets, company holiday parties, and award ceremonies.
- Overall, there is more interest in recreation and programs than events.

4.3.5 Recreation and Performing Arts User Demand

To learn more about community interest in potential PERC facility components, BERK interviewed 11 local arts and recreation user groups. Community members are excited for the new opportunities that a new facility may bring, providing spaces for local arts, recreation, and events, as well as in attracting visitors to the Poulsbo community. Local user groups were supportive of the City's effort and happy to share how the PERC could best support them.

All user groups BERK interviewed state they would use the PERC, depending on the following factors:

- Cost
- Availability
- Appropriate size and facility components

Sports tournaments and performing arts could bring visitors who would use the hotel located near to the PERC to stay overnight. A detailed summary of interviews is in Appendix B to the PERC Market Analysis Report, [Appendix 10.2.1](#) of this report.

Field Sports: Local soccer and lacrosse teams currently use the North Kitsap High School Field and Strawberry Fields. The Little League team uses school district fields, Strawberry Fields, North Kitsap High School softball fields, and North Kitsap High School baseball fields. The flag football team uses the North Kitsap High School stadium. While these sports teams do currently use local facilities, they anticipate using the PERC as well. They all expect that more fields would allow them to host tournaments in Poulsbo and bring visitors to the community. Some noted that more fields would allow them to grow their programs as well.

- North Kitsap Soccer Club is affiliated with US Club Soccer, and with enough fields, the team could use the PERC year-round and soccer tournaments would attract up to 100 visiting teams.
- Kitsap Alliance Premier Football Club could use the PERC year-round for practice. The club would like to host a tournament and could host a showcase for high school students in the future.
- North Kitsap Lacrosse, affiliated with US Lacrosse, could host three tournaments and use the PERC fields for camps as well.
- Kitsap Youth Lacrosse Association could host one to two tournaments and could use the fields for practice in the spring and clinics in the summer. The association is also interested in building additional teams and more fields would help.
- North Kitsap Little League, affiliated with Little League International, could use the PERC for tournaments and practices five times a week.
- Under the Lights, a flag football team, could use the PERC for games once a week.

For soccer and lacrosse, the ideal layout is four outdoor fields: two synthetic turf and two grass. Flag football needs at least two fields (turf is preferred and does not need to be lined/marked). For little league baseball, three baseball fields would be ideal (turf is preferred and needs to be marked).

Important facility components: outdoor fields, parking, turf fields, lights, restrooms, covered seating, fencing, storage, concession stand.

Indoor Recreation: The youth girls' basketball team (3rd grade through middle school) is organized by the City of Poulsbo Parks and Recreation department and currently uses school gyms as well as the Haselwood Family YMCA in Silverdale and Marvin Williams Recreation Center in Bremerton.

The basketball team would likely use the PERC if it included basketball courts with multiple hoops. They would use the PERC three or four days a week, for two to three hours each time. They would be able to host tournaments, and visitors would travel from as far as Idaho and stay in the local planned hotel.

Important facility components: multiple hoops, locker rooms, seating, floors for basketball use.

Aquatics: User groups shared that if the PERC includes a 50-meter swimming pool, it will become a destination facility. If not a 50-meter pool, two 25-yard pools – one for competition and one for recreation use.

There is also interest in a splash pad that should be free to enjoy.

Performing Arts: BERK heard from local arts groups that it is extremely difficult to find venues for performing arts. The North Kitsap Auditorium at the high school is the only space that meets needs in regard to capacity, flooring type, and stage size; however there are challenges with this facility. Arts users stated they would use the PERC and expect performing arts events to draw visitors to Poulsbo.

- The dance studio would use the PERC up to five times a year, for a week each time.
- The community orchestra would use the PERC three times a week for rehearsals throughout the year and three times a year for performances.
- The children's musical theater would use the PERC five to nine hours daily, 15 weeks a year.

Important facility elements: parking, orchestra pit, single occupancy private bathroom, audio/tech/lighting, 48' x 48' stage size, prop room, dressing rooms, curtains.

4.3.6 Business Users

BERK met with members of the Poulsbo Chamber of Commerce and asked what types of spaces they would use; survey respondents indicated all spaces they would use from a list of options provided. In order of frequency:

- Lounge area/reception area – there is interest in a quiet place with good Wi-Fi, coffee, a place to work or meet with friends
- Dining room – interest in catering kitchen, commercial kitchen, kitchen for community use
- Small meeting rooms to seat up to 60 theater style / 40 classroom style or round tables (approx. 650–850 sq. ft.)
- Patio/courtyard
- Executive conference room with board room table to seat up to 14 (approx. 600–800 sq. ft.)
- Large meeting rooms to seat up to 125 theater style / 100 classroom style or round tables (approx. 1,000–2,000 sq. ft.) Large conference room/ballroom to seat up to 300 theater style / 150 classroom style (approx. 3,000–4,000 sq. ft.)
- Large ballroom to seat up to 500 theater style / 450 round tables (approx. 6,000–8,000 sq. ft.)
- Auditorium
- Stage

Business community members indicated high interest in business multi-day, full-day, and partial-day trainings, meetings, or conferences. They also imagine using the PERC spaces for social events, reunions, weddings, birthday parties, retirement parties, memorials, and other events.

4.4 Competitive and Complementary Facility Analysis

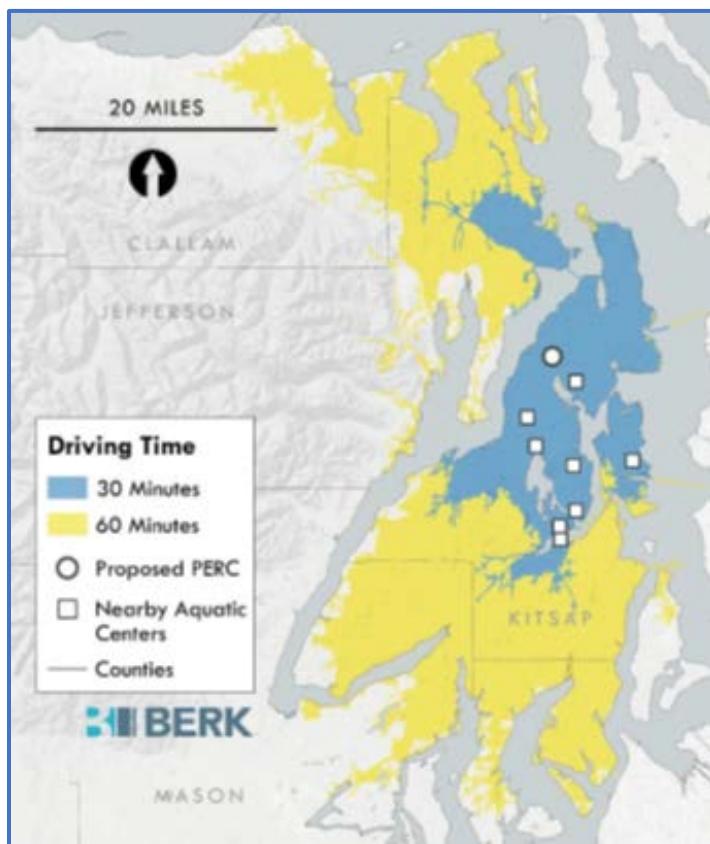
BERK evaluated eight comparable recreation and events facilities locally and across the state, including the facility size, operational structure, access, and programming. In addition, BERK looked at comparable facilities within the drive-time area potential markets for each three components: aquatic center, tournament sports fields and event space. The facilities identified were made in collaboration with City staff and the PERC Steering Committee.

4.4.1 Aquatic Centers

Exhibit 4.4.1 maps comparable aquatic centers within 30- and 60-minute drive time areas.

- **This is a saturated market with several aquatic centers within this area.** Except for Haselwood Family YMCA, most pools in the surrounding area are cold lap pools. This suggests that the PERC could potentially better differentiate itself as a family warmwater pool focused on recreation.
- Nearly 40% of the population is eligible to use or members of the Bangor Aquatic Center or Puget Sound Naval Shipyard, both of which provide free or subsidized services to those who have access to the pools. This suggests a more competitive landscape for a pool component at the PERC.
- The **Bainbridge Island Aquatic Center**, about 13 miles from the PERC location, offers two pools: the Ray Williamson Pool, a six lane 25-yard pool, and the Don Nakata Pool, a 360,000-gallon pool with a water slide, lazy river, sloped beach entry, tot pool, water features, toddler frog slide, one- and three-meter diving boards, and four 25-yard lap lanes. The facility also has a spa, and steam and sauna rooms. This is a destination facility, and many families in Poulsbo currently drive to use this facility. While those families would rather stay in Poulsbo, it would be difficult for the PERC to offer all the amenities that would allow it to compete with this facility.
- Community members also use school district pools. The **Olympic Swim Center** is located at Olympic High School in Bremerton, around 12 miles from the PERC location. This facility is a 25-yard pool with a separate shallow end and offers open swimming. The **South Kitsap Community Pool** is located at South Kitsap High School in Port Orchard, around 23 miles from the PERC location. This facility offers lap swimming, aerobics, and swim lessons.

Exhibit 4.4.1: Comparable Aquatic Centers in 30- and 60-minute Drive Time Area



Sources: ESRI, 2021; BERK, 2021.

The following facilities are mapped in Exhibit 4.4.1 (in alphabetical order):

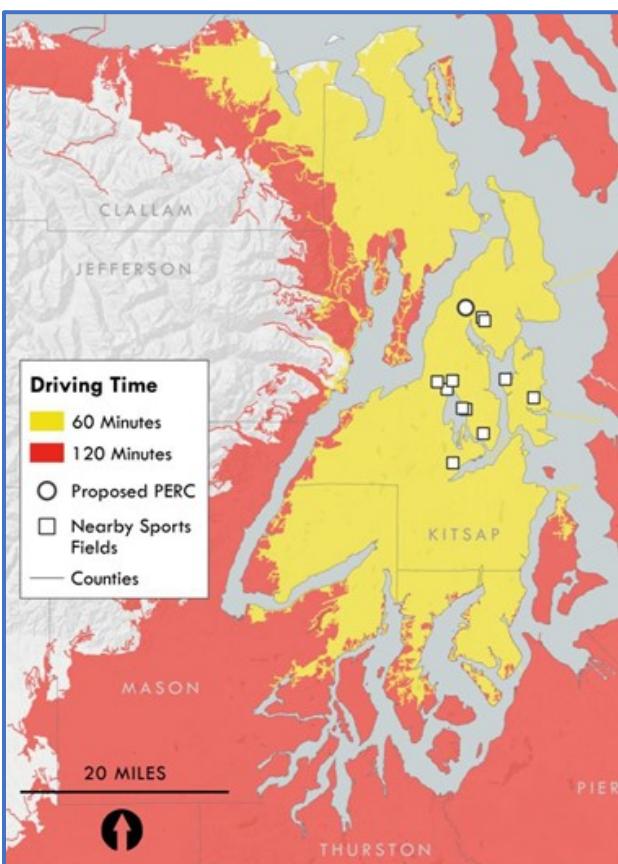
- Bainbridge Island Aquatic Center (public)
- Bangor Aquatics Center (limited by eligibility)
- Glenn Jarstad Aquatic Center (membership; fees for non-members)
- Haselwood Family YMCA (membership; fees for non-members)
- Kitsap Tennis and Athletic Center (membership)
- North Kitsap Community Pool (public)
- Puget Sound Naval Shipyard (limited by eligibility)
- South Kitsap Community Pool (public)

4.4.2 Sports Fields

Exhibit 4.4.2 maps comparable sports fields within 60- and 120-minute drive time areas.

- **Tournament sports fields have a longer drive time area market**, compared with other facility uses, because tournaments typically host visiting teams drawn from an entire region, and participating families tend to be accustomed to the travel. Poulsbo families currently drive up to several hours to attend tournaments hosted in other locations. **Visitors who travel to Poulsbo for sports tournaments might stay overnight and spend money on food and other services in the community.**
- **Hosting a tournament requires at least four to six fields**, and while the land at the proposed PERC site will not accommodate four fields, the City of Poulsbo will partner with North Kitsap and Central Kitsap School Districts to market a suite of fields for tournaments. Having all fields in the same location is ideal, but most organizations noted **that it would be feasible to hold tournaments at multiple locations**. There are existing large facilities throughout Western Washington that the PERC would need to compete with for regional events.

Exhibit 4.4.2: Comparable Sports Fields in 60- and 120-minute Drive Time Area



The following facilities are mapped in Exhibit 4.4.2 (in alphabetical order):

- Competitive Fields
 - Central Kitsap High School
 - North Kitsap High School
 - OlyPen Sports (Pendergast)
 - Strawberry Fields (Poulsbo)
- Other Sports Fields
 - Anderson Hill Athletic Fields
 - Bainbridge High School
 - Battle Point Park
 - Gordon Fields
 - Lobe Fields
 - Ostrander Field
 - Ross Field

Sources: ESRI, 2021; BERK, 2021.

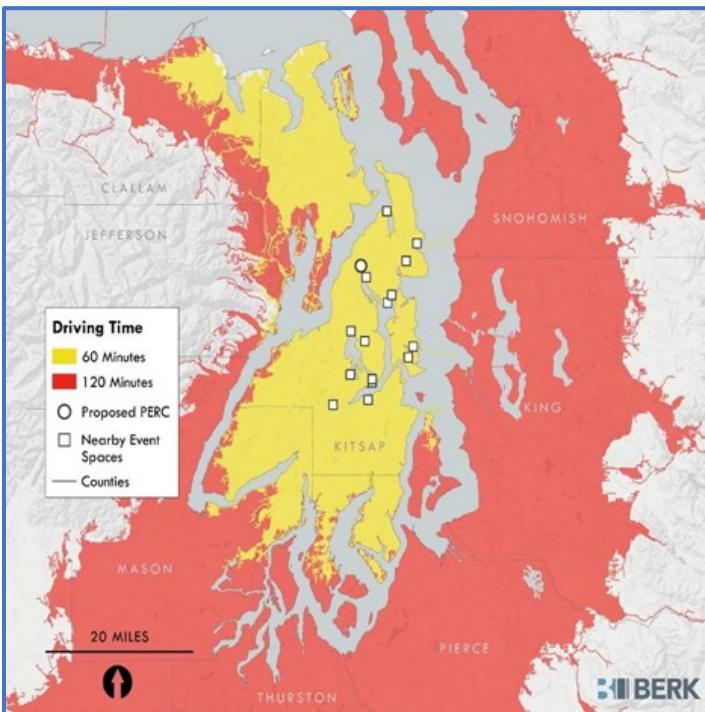
4.4.3 Event Spaces

Exhibit 4.4.3 map summarizes comparable event spaces in 60- and 120-minute drive time areas.

- There are a **variety of existing event spaces** for different types of uses – a conference center, hotel meeting space, golf course, senior center, and casino, among others.
- As an event space, the **PERC would experience more use as a flexible space designed for different purposes**, such as business trainings, meetings, social gatherings, weddings, and performing arts.
- The **Kitsap Conference Center** in Bremerton, around 18 miles from the PERC location, offers 17,000 sq. ft. of event space. The waterside facility is used for trade shows, conferences, weddings, social events, and reunions. The venue space holds up to 700 guests and offers easy access to Bremerton

hotels (the Hampton Inn and Suites and the Fairfield Inn and Suites) The space includes breakout spaces, onsite catering, event planning, and technology services.

Exhibit 4.4.3: Comparable Event Spaces in 60- and 120-minute Drive Time Area



The following facilities are mapped in Exhibit 4.4.3 (in alphabetic order):

- Bainbridge Island Museum of Art
- Baymont Inn & Suites
- Best Western Silverdale
- City of Bremerton Parks and Recreation
- Clearwater Casino Event Center
- Givens Community and Senior Center
- Gold Mountain Golf Course
- IslandWood
- Kiana Lodge
- Kitsap Conference Center
- Kitsap Sun Pavilion
- Port Gamble Wedding and Events
- Sons of Norway
- Village Green
- White Horse Golf Course

Sources: ESRI, 2021; BERK, 2021.

4.4 Key Opportunity and Risk Factors

Key opportunities and risks for each of these three components are summarized in Exhibit 4.4.1.

Table 4.4.1: PERC Opportunities and Risk Factors

| COMPONENT | OPPORTUNITIES | RISKS |
|--------------------------|--|---|
| Aquatics Center | <ul style="list-style-type: none"> • Strong community support • Potential partnerships • Warmwater pool with unique features | <ul style="list-style-type: none"> • Saturated market • Free and/or subsidized services are currently available to nearly 40% of the population • Expensive to construct and operate |
| Tournament Sports Fields | <ul style="list-style-type: none"> • Complements existing Strawberry Fields Facility • Partnership with NK and CK School Districts to offer suite of turf fields, and allow for tournament use and growth in local programs • Participating families tend to be accustomed to longer travel | <ul style="list-style-type: none"> • Existing large facilities throughout Western Washington would be competitive for regional events • Weaker demand for soccer in the 60-minute driving time area |

| | | |
|---------------|--|---|
| Events Center | <ul style="list-style-type: none"> • Flexible space leads to multiple use scenarios | <ul style="list-style-type: none"> • Competitive landscape • Difficult to gauge niche markets |
|---------------|--|---|

Source: BERK, 2021.

4.5 Market Demand Conclusions

Community members are strongly interested in the PERC. They are excited for this new facility and its potential to meet local user group needs and also bring visitors to the community. Local arts and recreation groups expressed that they would likely use the PERC, given appropriate cost, availability, and size.

The PERC needs to serve two purposes: 1) serve local residents as a resource for the City's parks and recreation programming, and 2) draw outside visitors to generate economic impact and generate revenues to help sustain the facility's operations. Legislative funding is more likely if the PERC can generate economic benefits for the region.

The community survey and interviews with local recreation and arts users provided information about local community interest in different components. ESRI ArcGIS market research analysis within drive-time areas shows the market potential for bringing people to the PERC.

The PERC will not be able to meet everyone's interests and demands, and it is important for the PERC to focus on a few key components. In order for the PERC to be a destination facility and bring in regional visitors, the PERC needs to invest in targeted facility components, rather than spreading too thinly across all areas. Below, BERK Consulting summarizes the market demand analysis from the community survey, interviews with local user groups, and drive-time area market analysis.

Aquatic Centers

There is strong community interest in an aquatic center. In an early survey, 83% of survey respondents indicated that they would like to do aquatic activities at the PERC.

Stakeholder interviews indicated that to attract outside users, the PERC needs to include a 50-meter pool or two 25-yard pools. Otherwise, the PERC may meet some community demand but will not bring in enough visitors and generate sufficient outside revenue. As a separate consideration from a pool, a 5,000 sq. ft. splash pad would draw regional visitors to Poulsbo to use the facility, though these are typically free.

Despite high demand for an aquatic center, this is a saturated market.

- Stakeholder input suggests that nearly 40% of the population has access to the Bangor Aquatic Center or Puget Sound Naval Shipyard, both of which provide free or subsidized services. These pools are in good condition, and it would be difficult for the PERC to compete with them due to the reduced costs for members at these facilities.
- Except for Haselwood Family YMCA, most pools in the surrounding area are cold lap pools, so the PERC could better differentiate itself as a warmwater family pool.
- Bainbridge Island Aquatic Center, around 13 miles from the PERC, is a destination facility for many families in Poulsbo. The facility offers two pools: a six lane 25-yard pool and a 360,000-gallon pool with a water slide, lazy river, sloped beach entry, tot pool, water features, toddler frog slide, one- and three-meter diving boards, and four 25-yard lap lanes. The facility also has a spa as well as steam and sauna rooms. It would be difficult for the PERC to compete with this center, so the PERC aquatics would need to differentiate itself with unique features that speak to the community's identity.

Additionally, aquatic centers are very expensive to build and maintain. The PERC would need to ensure that it can generate enough revenue to cover costs of operations and maintenance.

Tournament Sports Fields

Tournament sports fields at the PERC can bring in people from around the region for potential sports tournaments. These types of facility components have a longer drive time area market, because participating

families tend to be accustomed to longer travel. This means there could be more visitors to Poulsbo who might stay overnight and spend money on food and other services in the community.

- In the community survey, between 30-50% of respondents indicated that they would be interested in participating in soccer, ultimate frisbee, or baseball/softball at the PERC.
- Stakeholder interviews showed that in order for the PERC to draw visitors for soccer and lacrosse tournaments, the facility needs to include four fields, of which at least two are turf fields. The facility space should include enough parking, restrooms, lighting, fencing, and covered seating.

Hosting a tournament requires at least four to six fields. While the land at the PERC site will not accommodate four fields, **tournaments could combine sports fields** at the PERC with North Kitsap School District's Strawberry Fields and Central Kitsap School District's turf fields, that results in a **feasible tournament destination**.

- Additional interviews conducted in Fall 2022⁴ indicate that using multiple locations for a tournament is feasible and a common practice. The locations could be split by age group.
- The PERC in combination with school fields could accommodate regional tournaments, but large tournaments may look for locations with all fields together.
- Additional interviews with local sports clubs indicate a growing demand for soccer and lacrosse and suggest that with more fields they could grow their programs. Local soccer, lacrosse and flag football youth organization expressed strong interest in hosting tournaments at fields at the PERC.

Event Spaces

Flexible event spaces can be used for many different purposes, including meetings, business trainings, social gatherings, weddings, and some performing arts uses. In the community survey, around 30-50% of community members showed interest in various types of event space uses.

- Around half of Chamber of Commerce meeting attendees indicated that they would use the PERC and showed interest in a lounge area/reception area, dining area, auditorium, stage, and meeting spaces from all sizes. The **PERC's event spaces should be designed as adaptable multi-use facilities**.
- The event space market is also a competitive landscape, with a variety of event spaces in the potential market – conference centers, event centers, senior centers, golf centers, wedding venues, and more. It is also difficult to gauge niche markets to determine how much unmet demand there currently is and how the PERC could meet those needs.

⁴ When the PERC project was refined to a phased approach, see Sections 5.3 and 6.0, BERK Consulting was reengaged July 2022 to conduct additional research and interviews to validate the feasibility for turf fields usage and as a tournament destination. [Appendix 10.2.1](#) Final Market Analysis includes the additional research and interview results.

5.0 SITE CONCEPT

5.1 Introduction

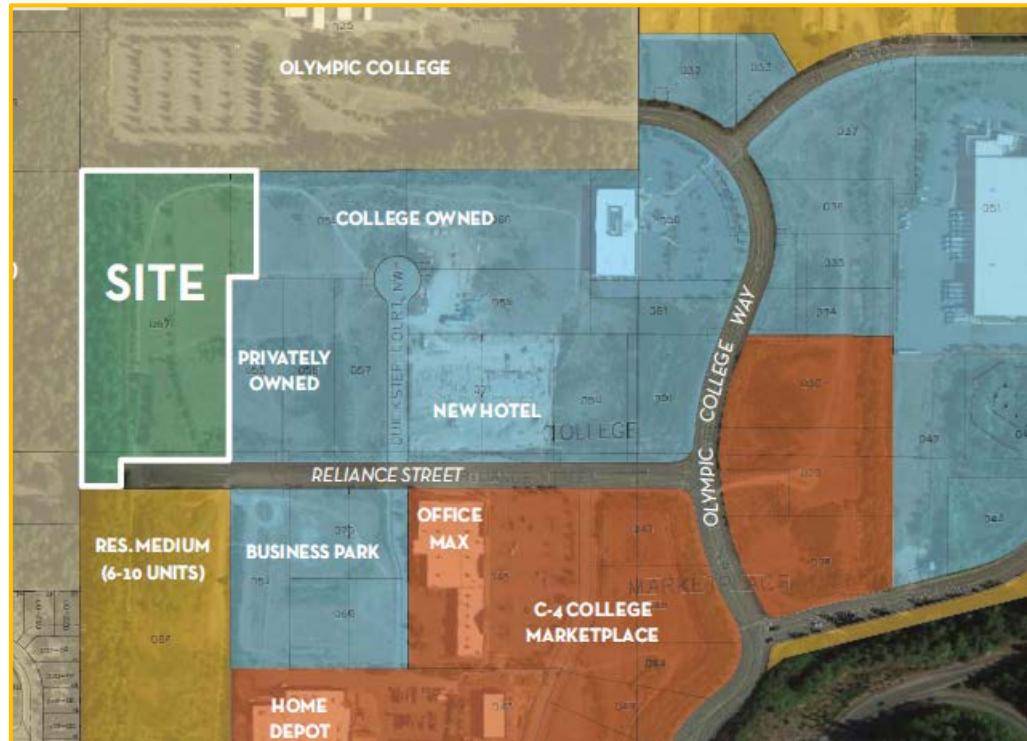
The City selected ARC Architects in collaboration with Bruce Dees & Associates Landscape Architects, to evaluate the feasibility of building sports fields along with indoor events and recreation center on the PERC site within College Marketplace. Specific program elements to be studied were informed from the Community Survey results, Market Analysis and from meetings conducted with the PERC Steering Committee. Site options were presented and evaluated in consultation with the PERC Steering Committee. The following summarizes the site concept process ARC and the PERC Steering Committee completed June-November 2021.

5.2 Site Options through the Community Steering Committee Meeting Process

5.2.1 June 10, 2021: PERC Steering Committee Meeting

The PERC Steering Committee was introduced to ARC Architects, who were selected through a competitive process. ARC's presentation began orienting the committee to the site location and configuration.

ARC consultant's highlighted that balancing the PERC desired uses and program costs, will be the upcoming process. This first meeting is to discuss the community's hopes and dreams for the PERC, before costs and site constraints are evaluated and applied. The ARC team summarized the community survey results on indoor recreation, outdoor recreation and events. The preliminary results of the market analysis conducted by BERK Consulting was also reviewed.



Source: ARC 2021

Exhibit 5.2.1 below is the programming ideas as an example of the three sources for programming ideas to the Steering Committee – Community Survey Results, BERK Study and ARC suggestions.

Exhibit 5.2.1 Programming Ideas from June 10, 2021 Meeting

ADDITIONAL INDOOR PROGRAMMING IDEAS

SURVEY ACTIVITIES

BERK STUDY

ARC SUGGESTIONS

| <u>EVENT/INDOOR USES:</u> | <u>EVENT/INDOOR USES:</u> | <u>EVENT/INDOOR USES:</u> |
|---|---|--|
| <ul style="list-style-type: none"> • Art Performances • Weddings • Banquets • Company/Holiday Parties • Award Ceremonies • Lecture Series • Trade Shows • Multi-day Events • Business Conference • Aquatics • Fitness Classes • Yoga/Pilates • Weight Training • Pickleball • Tennis • Basketball • Racquetball/Squash • Gymnastics • Volleyball | <ul style="list-style-type: none"> • Aquatic Recreation • Art Performances • Music/Theater • Business Conferences • Public Meetings • Lectures • Trade Shows • Weddings • Tournament Events • Community Meetings • Trainings • Business Parties/Retreats • Catering/Culinary • Cooking Classes • Gymnasium Sports • Classes | <ul style="list-style-type: none"> • Yoga / Pilates • Dance / Martial Arts • Teen Room • Tech Room • Lounge / Coffee Bar • Senior Room • Game Hall • Child Watch • Arts & Crafts Room • Other? |

Source: ARC 2021

OUTDOOR PROGRAMMING IDEAS

SURVEY ACTIVITIES

BERK STUDY

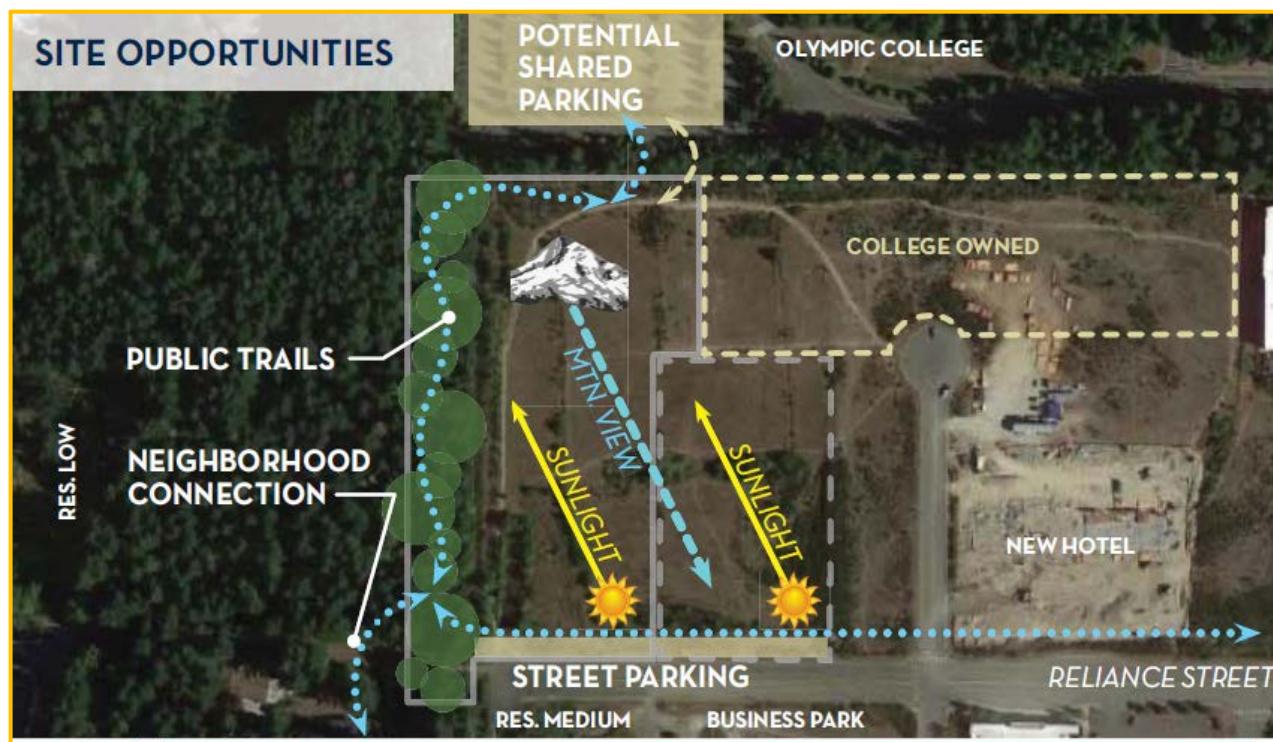
ARC SUGGESTIONS

| <u>OUTDOOR USES:</u> | <u>OUTDOOR USES:</u> | <u>OUTDOOR USES:</u> |
|--|---|--|
| <ul style="list-style-type: none"> • Walking / Running Trails • Soccer • Ultimate Frisbee • Baseball / Softball • Football • Lacrosse • Rugby | <ul style="list-style-type: none"> • Tournaments (day & night use) <i>Soccer</i> <i>Lacrosse</i> <i>Football</i> <i>Rugby</i> <i>Ultimate</i> <i>Softball</i> • Fitness Trails • Amphitheater • Plaza • Ancillary courts <i>Volleyball</i> <i>Tennis</i> | <ul style="list-style-type: none"> • Playground • Plaza • Water feature • Concessions • Picnic Area • Public Restrooms • Ancillary courts <i>Basketball</i> <i>Pickleball</i> |

Source: ARC 2021

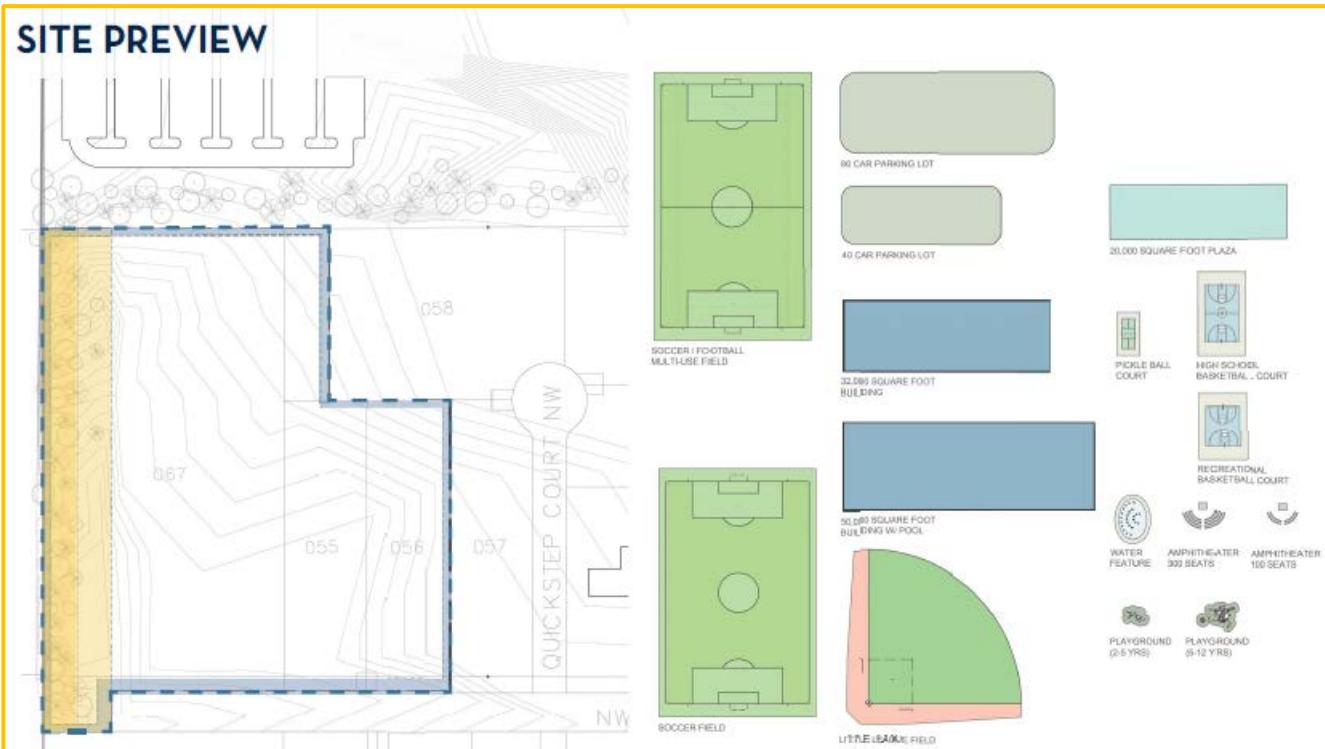
ARC concluded the meeting by discussing the PERC site opportunities as depicted below in Exhibit 5.2.2 and Exhibit 5.2.3, which depicts the site (with potential expansion identified at the time) and recreation element to scale, to illustrate the site constraints for all the desired program needs.

Exhibit 5.2.2 PERC Site Opportunities



Source: ARC 2021

Exhibit 5.2.3 PERC Site Preview with Potential Outdoor Recreation Elements



Source: ARC 2021

June 10, 2021 PERC Steering Committee member comments included:

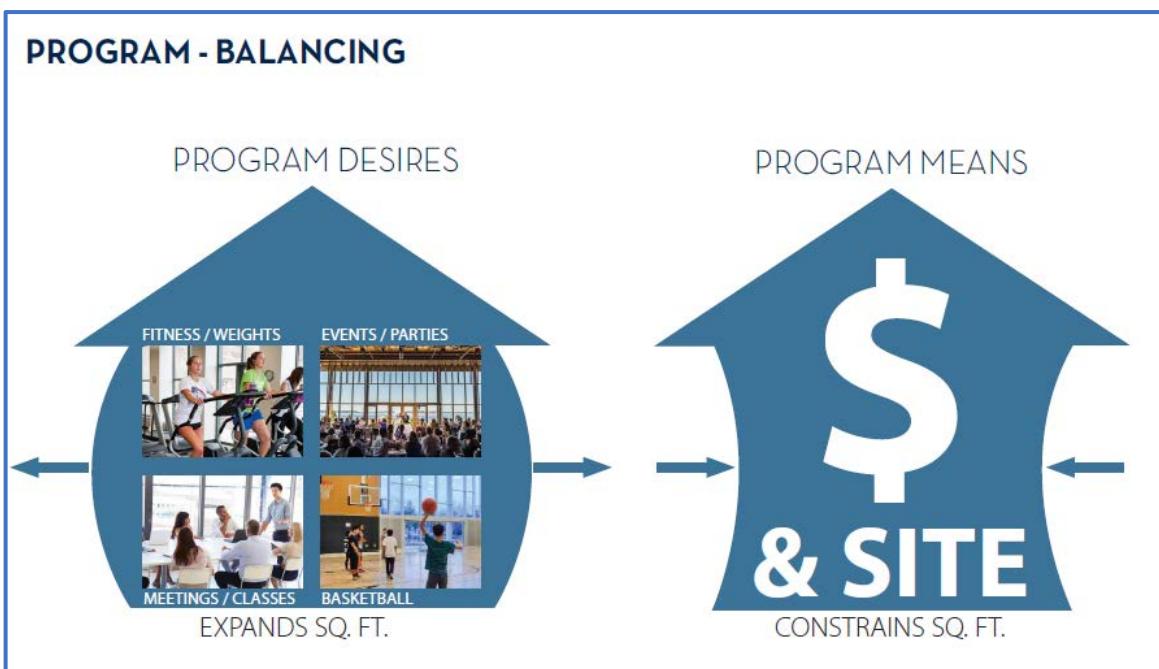
- Need to ensure event space capacity for small and large events.

- Find a ‘niche’ that cannot be achieved at other event spaces.
- Portable stage and collapsible seating should be considered to provide for performing arts.
- Is a gymnasium desirable, and can it be used as an event space?
- Is an indoor walking track important to include?
- Will parks and recreation programming be at the PERC?
- Concerns about cost estimates of an aquatic facility and long-term operating and maintenance costs; is there interest in an outdoor pool? They get closer to breaking even.
- Fields need to be multi-use for soccer, football, lacrosse, rugby, ultimate frisbee; is it possible to overlay softball and baseball?
- What about playgrounds, water feature, sports courts? Multiple outdoor spaces for public gatherings such as concerts, ceremonies, public art.
- Walking paths should connect to other areas of College Market Place.
- Question whether parking demand being underestimated.
- May not be enough room on the site for two tournament fields and building and all the other ideas discussed.
- There are a lot of desires and a finite parcel of land.

5.2.2 July 15, 2021: PERC Steering Committee Meeting

Members of ARC Architects and Bruce Dees Landscaping set the context of discussion at the July 15, 2021 Steering Committee meeting, by outlining that the PERC programming will ultimately be between balancing community desires with the constraints of the site and cost.

Exhibit 5.2.4: Diagram of Program Balance – Desires versus Means



Source: ARC 2021

ARC presented three Site Options to the PERC Steering Committee (Exhibit 5.2.5):

- **Option 1** – 2 fields, no building.
- **Option 2** – 1 field, 1 building oriented at the north end of the site.
- **Option 3** – 1 field, 1 building oriented at the south end of the site.

In addition, the one building has three size options. The building options were presented as such:

- **Small:** 29,000 square feet – Event Space (200 people), High School sized Gym, No Pool, Plaza, Playground, Parking, 1 field

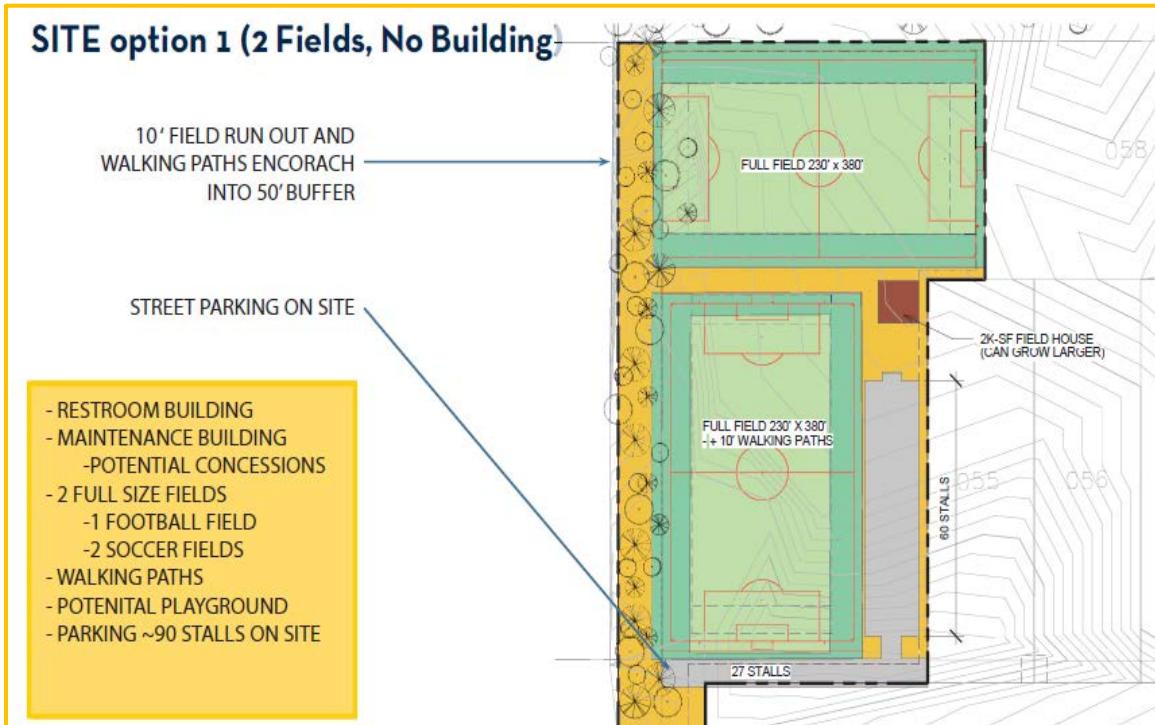
- **Medium:** 46,000 square feet – Event Space (300 people), HS Gym, Outdoor Pool, Plaza, Playground, Parking, 1 field
- **Large:** 70,000 square feet – Event Space (450 people), NBA Gym, Indoor Pool, Outdoor Pool, 2-story building, Plaza, Playground, Parking, 1 field, tight fit

Exhibit 5.2.5: PERC Site Three Options Overview



Source: ARC 2021

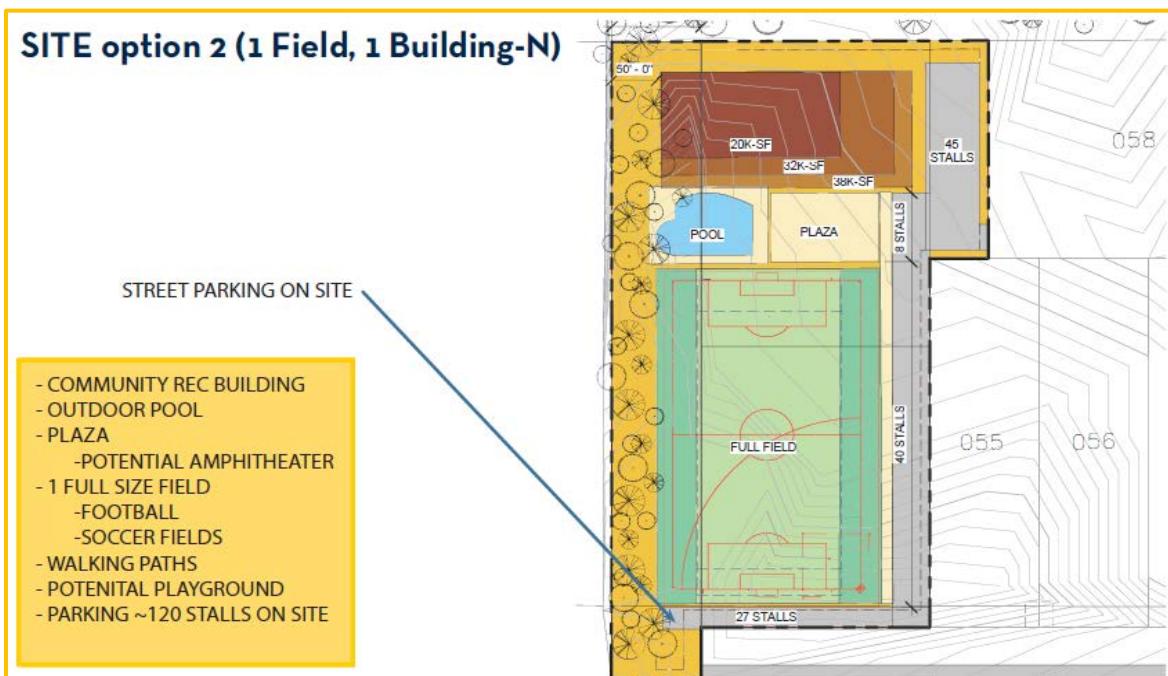
Exhibit 5.2.6: Site Option 1 – 2 Fields, No Building



Source: ARC 2021

Exhibit 5.2.7: Site Option 2 – 1 field, 1 building - North

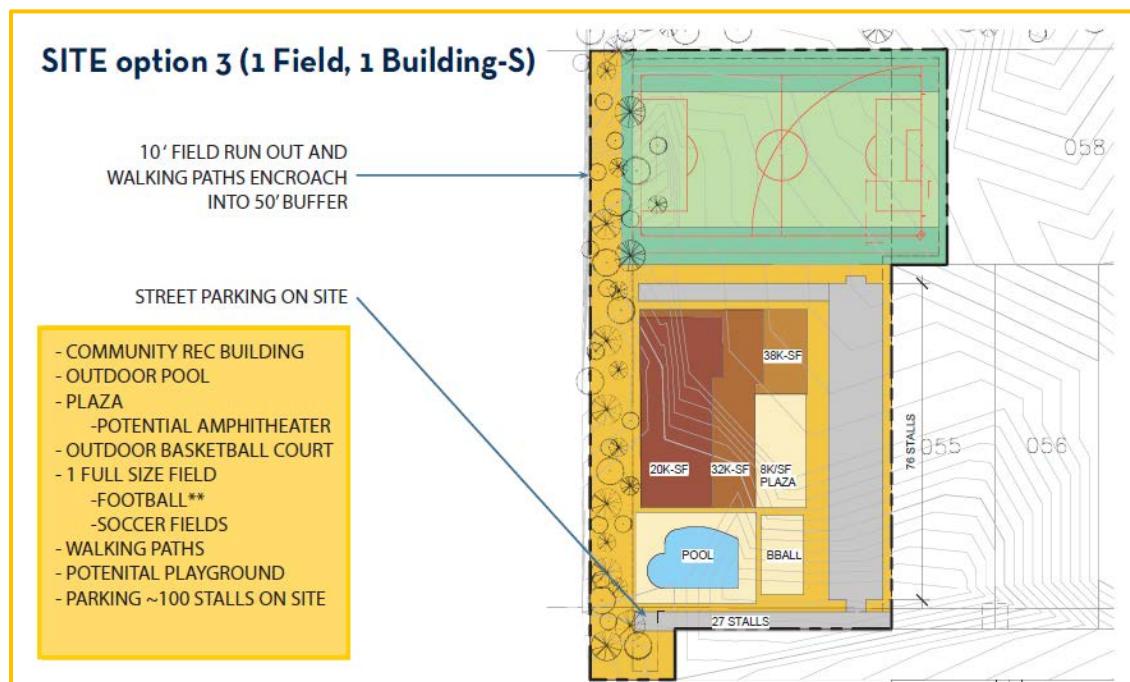
SITE option 2 (1 Field, 1 Building-N)



Source: ARC 2021

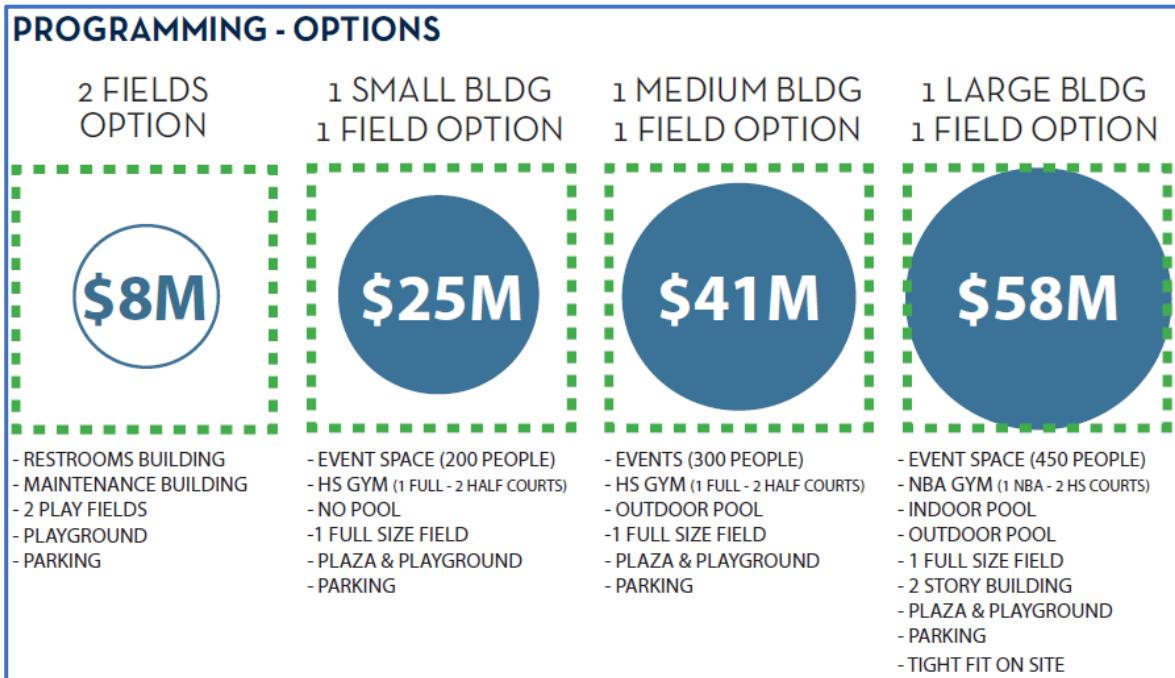
Exhibit 5.2.8: Site Option 3 – 1 field, 1 building – South

SITE option 3 (1 Field, 1 Building-S)



Source: ARC 2021

Exhibit 5.2.9: PERC - Three Options Preliminary Cost Estimates



Source: ARC 2021

Steering Committee Comments: At the conclusion of ARC's presentation of the site, building and program use options, and preliminary cost estimates, the PERC Steering Committee discussed the different options. In summary, the Steering Committee provided the following feedback to the PERC team:

- Option 3 is too large and expensive for the city. Medium size building seems more appropriate.
- Indoor pool would be most useful to the community but need to be realistic regarding the cost and maintenance. An outdoor pool would be recreational and a great amenity for families and could be revenue neutral.
- Gym should have an elevated walking track.
- Event space should be dividable. Need to consider how much the event spaces will be actually used versus will they sit empty?
- Will this be funded through a bond?
- Concern about underestimating parking demand.
- Consider additional outdoor elements, such as tennis, pickleball, basketball, amphitheater, walking/running path around site, splash pad.
- concern trying to be all things to all people, need to scale this down and do a few things really well rather than doing too much.
- Pool will be a big tax burden.
- not enough parking; event center can generate revenue; a gym is not conducive to an excellent event space; whatever it ends up being, the PERC needs to draw revenue and support community.
- Concern expressed about trying to be all things to all people with a constrained site size and uncertain financing.
- The PERC ultimately will need to generate enough revenue to support itself and provide economic development, while creating and supporting community.

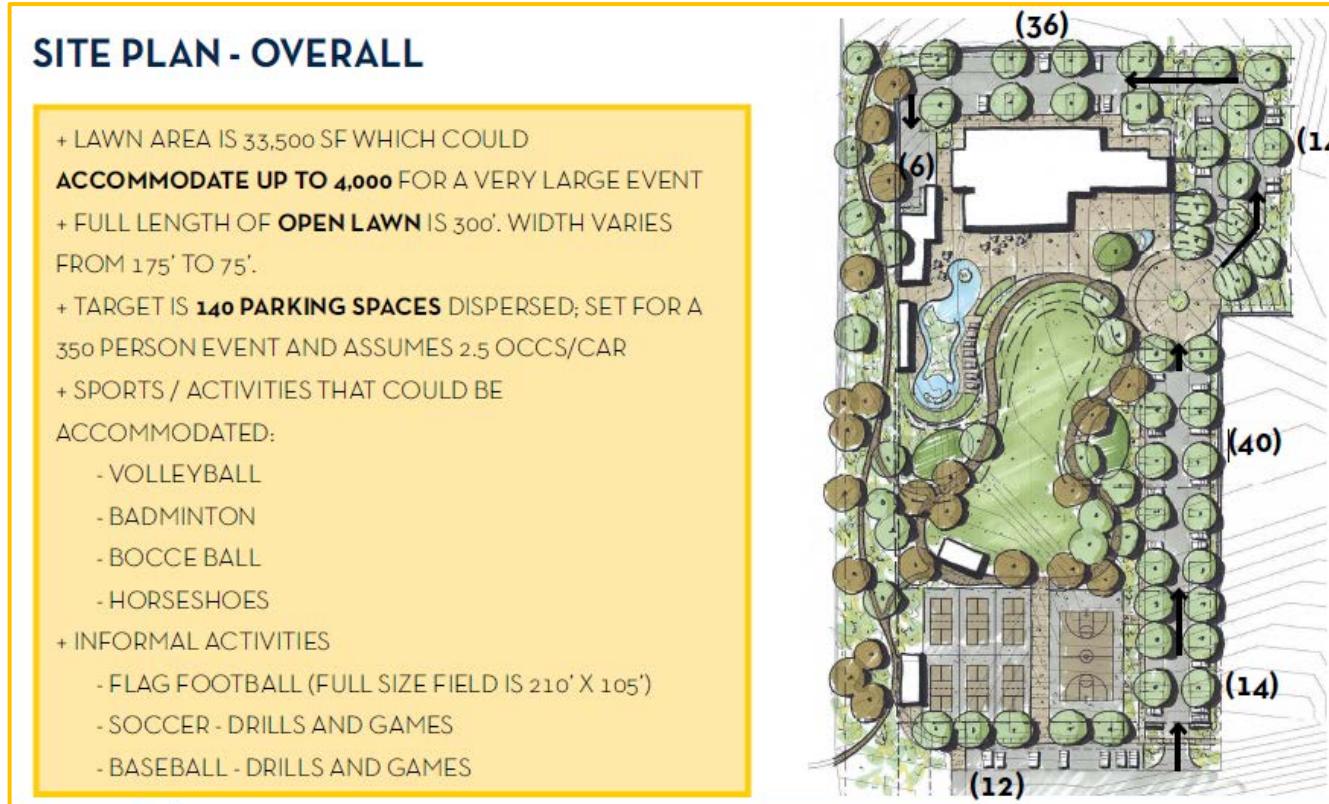
5.2.3 September 9, 2021: PERC Steering Committee Meeting

After the July 15, 2021 Steering Committee Meeting, the PERC team with ARC digested the comments from the various committee members. In addition, the draft Market Analysis report prepared by BERK Consulting was reviewed and considered.

A majority of Steering Committee members at the July 2021 meeting favored a medium size event center with outdoor recreational amenities. ARC and the PERC team presented a proposed PERC site plan and program focusing on an event center with outdoor recreation amenities and pool at the September 9, 2021 Steering Committee meeting for their consideration and discussion.

- An event building up to 350 people with a commercial kitchen, green room, dressing room, reception and administrative offices; and lower floor with additional classroom/meeting spaces, café/concessions and lounge.
- Outdoor recreation components included: plaza with water spray/play feature, playground, open green/informal field, amphitheater, walking trails, sports courts, outdoor recreation/family pool w/locker rooms and a lazy river, and on-site parking and circulation.
- A preliminary cost estimate of the event center, recreation amenities and outdoor aquatics was also presented.

Exhibit 5.2.11: September 9, 2021 PERC Conceptual Site Plan Option

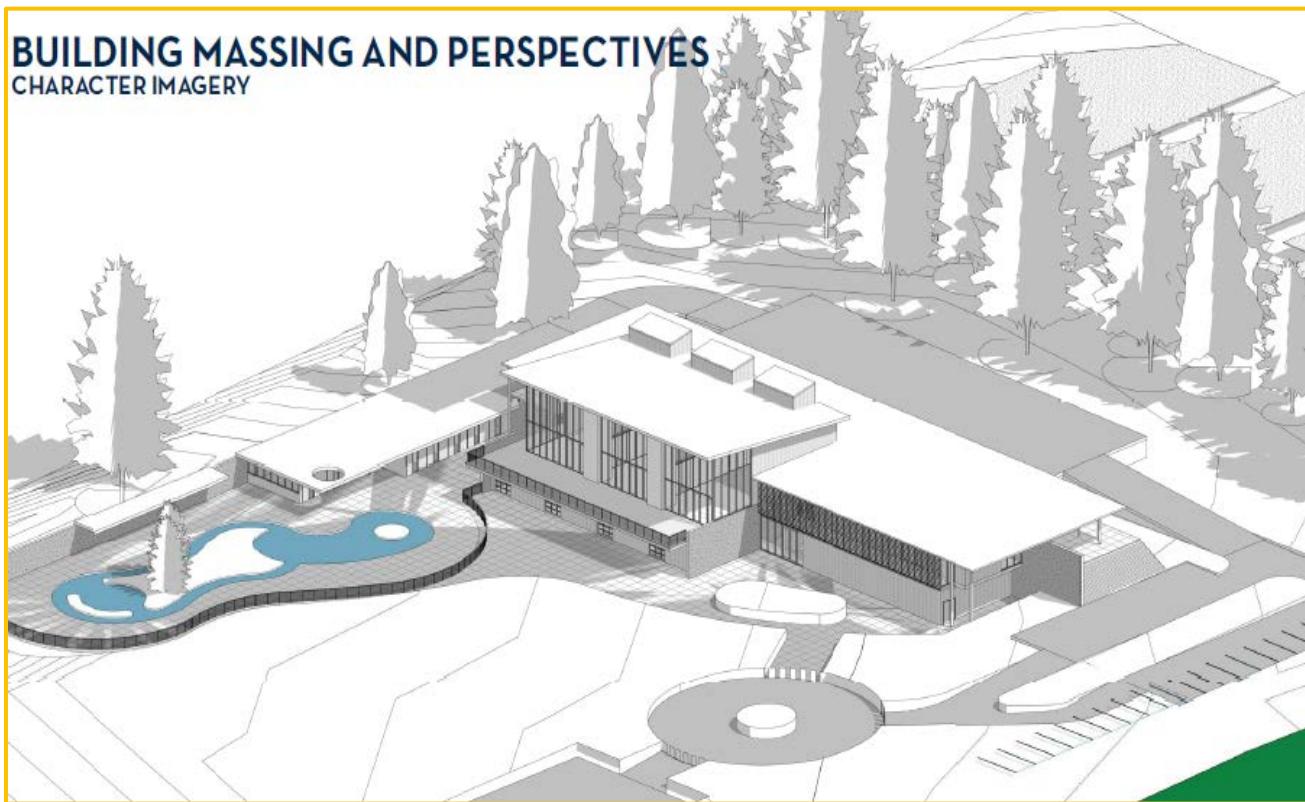


Source: ARC 2021

Exhibit 5.2.12: September 9, 2021 Proposed PERC Event Building Imagery and Floor Plans

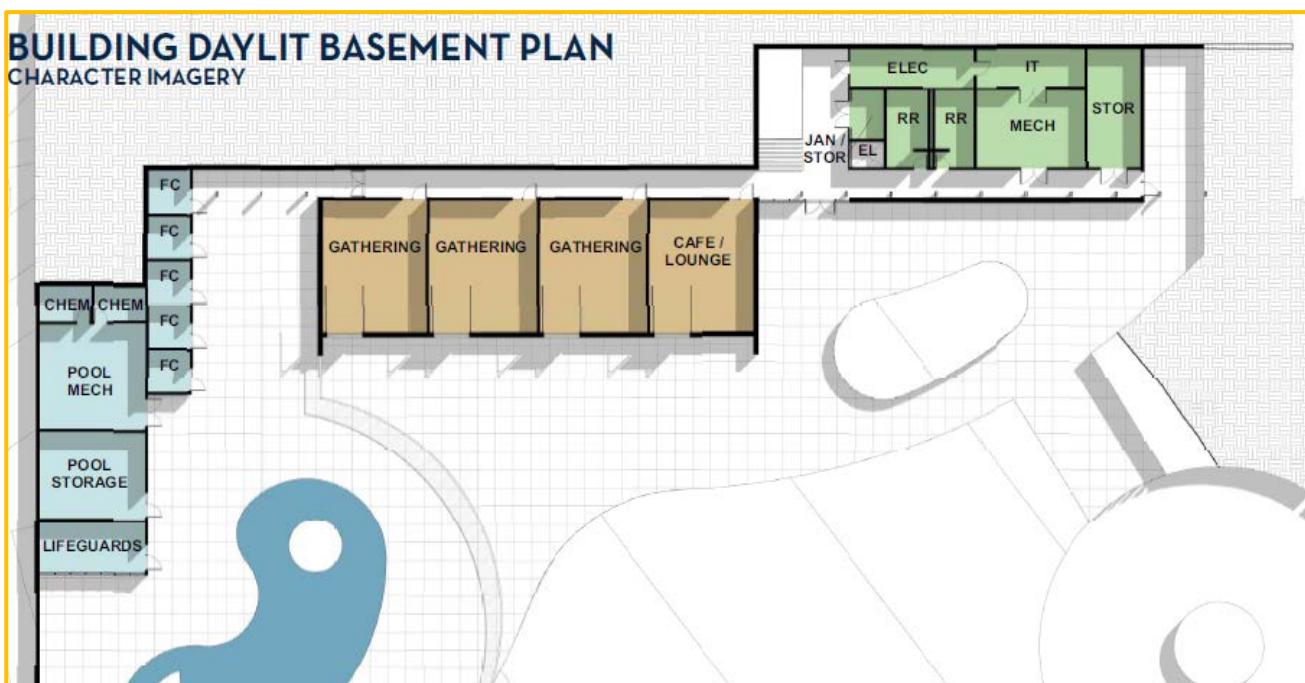
BUILDING MASSING AND PERSPECTIVES

CHARACTER IMAGERY



BUILDING DAYLIT BASEMENT PLAN

CHARACTER IMAGERY



BUILDING GROUND FLOOR PLAN

CHARACTER IMAGERY



Source: ARC, 2021

Exhibit 5.2.13: September 9, 2021 Preliminary PERC Cost Estimate

REVISED PROGRAM COSTS ESTIMATE - SUMMARY

BUILDING: \$11,300,000

SITE: \$5,700,000

TOTAL PROJECT COST: \$17,000,000



AQUATICS (BUILDING, POOL, & SITE): \$6,600,000

TOTAL COST INCLUDING AQUATICS: \$23,600,000



Source: ARC 2021

Steering Committee Comments: At the conclusion of ARC's presentation of the site, building and program use options, and preliminary cost estimates, the PERC Steering Committee discussed the different options. The Steering Committee was asked to provide their individual feedback; the following is the summarized feedback:

- Is this too aspirational? Can this be scalable or implemented in phases? The overall approach can be phased with the building as one, the pool as another, and the outdoor recreation components as a third?
- What is the fiscal viability of this option?
- Thumbs down on the loss of tournament fields. The PERC fields combined with Strawberry Fields at NKSD would handle tournaments and bring in people for a weekend.
- As configured seems like a reasonable compromise based on previous discussions. The pool maybe is something for the future. Splash pad is maybe more ideal and can be used longer without maintenance of a pool.
- This is a good compromise with the event center that can be a revenue generator, while also allowing for recreational opportunities for the community. It melds well with the college's campus.
- Has broad appeal and provides something for a group of people. Many of the elements were taken into consideration.
- The proposed approach compliments the OC building, it'll almost be like one campus. The outdoor areas will be great in summer and opportunities for indoor winter activities. The aquatics should be considered, even if it is phased.
- Nervous about the \$25M price tag.
- Outdoor space and amphitheater has availability for outdoor performances.
- Glad to see the performing arts was considered as part of the event center space, as there was a lot of interest in that in the survey as well. The outdoor pool is very unique.
- The multiple use concept for the site works. Consider the market analysis. Pools are very expensive and 40% of population can use the military facilities.
- There is a lot of potential for this alternative to support the students of OC and WWU.
- Skating rink during winter would be great activity for outdoor space.

5.2.4 November 9, 2021: PERC Steering Committee Meeting

The fifth and last PERC Steering Committee was held on November 9, 2021. The PERC team shared with the Steering Committee that since the last meeting, the City began to pursue the purchase of 9 acres adjacent to the PERC that, if successful, could expand the site and offer a phased approach to the project.

ARC provided an overview of the site plan from the September 9, 2021 meeting, and highlighted the outdoor recreation components, such as the outdoor pool, sports courts, entrance plaza, walking paths, and large grassy area. The event and recreation center building was presented with more refined building massing and architectural design.

Finally, ARC provided more specific cost estimates of all elements of the project – building, outdoor pool and outdoor recreation - to the Steering Committee.

Exhibit 5.2.14 PERC Conceptual Site Plan Sept. 9th Option



Exhibit 5.2.15: November 9, 2021 Proposed PERC Event Building Design

BUILDING MASSING AND PERSPECTIVES
CHARACTER IMAGERY



BUILDING MASSING AND PERSPECTIVES
CHARACTER IMAGERY



Source: ARC, 2021

ARC's financial subconsultant was engaged after the September 9th meeting to provide a full itemized cost estimate, taking square footages, amounts of walls, etc. and applied it to the construction cost market right now. The itemized project cost for the building, site improvement, outdoor recreation and pool escalated to 2023 dollars is **\$29.2M**.

Steering Committee Comments: At the conclusion of ARC's presentation of the building design and refined cost estimates, the PERC Steering Committee discussion ensued. Overall, many Steering Committee members expressed hesitation and concern about the cost of the project and how it was to be funded. The following is a summary of the committee's comments:

- Concern about the loss of tournament fields, which was part of the original proposal to the KFPD. There is a market for athletic fields. Can they be included?

- Concern about the cost of the total package, especially in light of many other needs the City has. The cost is eye popping. Does this meet the needs of the citizens of Poulsbo and their families?
- What are the recreational and community programming that will be provided at this site, or will it primarily be for events?
- The event building should be designed to accommodate flexible spaces that can be used by a variety of group sizes and the community, as well as be available to OC/WWU student use.
- Will the potential additional land allow the PERC elements to be stand-alone phases?
- What is the financial strategy? How will the City fund its operations? If this is going to a vote of the community, we need to answer these questions.
- There are other needs the City needs to finance. The proposed PERC will need its own independent funding source.
- Is a metropolitan park district a possible funding source?
- What is the future of the existing recreation center? Will it continue to be used with the PERC? This needs to be decided and communicated to the community.
- What impact will the cost of the PERC have on City residents, cognizant of other expenses and financial demands?

5.3 *Site Options post November 2021*

From the outset, the six-acre City owned site was identified as a challenging size to sufficiently locate two turf fields, a recreation/event building, and pool. In 2021, through a series of five meetings with the Community Steering Committee, ARC proposed various site configurations of two fields (Option 1), building with one field (Options 2 and 3), and building with no field and an outdoor pool and other amenities (Sept. 9th meeting option). The Steering Committee members provided important feedback on the important elements to be sited, cost of the project, and a phased approach to the development of all the PERC elements.

During November 2021-March 2022, the City PERC staff focused on the City Council authorized potential acquisition of adjacent 9 acres, that could adequately site all desired elements of the PERC and facilitate a phased development approach. Simultaneous to this acquisition effort, the PERC staff reached out to KPFD staff and Steering Committee members, who expressed candid concerns on the cost, event center focus and loss of tournament fields of the September 9th meeting option.

The result of these discussions, as well as the City's unsuccessful attempt to acquire additional property, was to reorganize the PERC project into phases that are reflective of the community's desires and could be funded and developed over time. Tournament fields were identified by the KPFM as a priority consistent with the City's initial proposal in 2018 (as well as the intended use from the original property mitigation), and therefore was set as the first phase of the PERC. Both the KPFM Board of Directors and Poulsbo City Council Community Services Committee were briefed on the phased approach.⁵

Beginning in July 2022, ARC was reengaged to bring Option 1 to conceptual site plan, incorporating as many of the outdoor recreation elements that were included in the September 9th conceptual site plan as possible. ARC provided the City Exhibit 6.2.2 which depicts the Fields First conceptual site plan and locates two lighted turf fields with bleachers, as well as an outdoor plaza with water spray/play feature, walking/running loop, full-size basketball court and four pickleball courts, concession building, restrooms, and multiple picnic and team shelters. The Phase 1 Fields First conceptual site plan is presented in Section 6.0.

With the project approach becoming phased, with the focus of tournament fields identified as first phase, the scope of this feasibility study narrowed. The draft management plan (Section 7.0) was informed by BERK Consulting, and the financial analysis (Section 8.0) was completed in coordination and consultation with the KPFM and City financial staff, officers, and bond counsel.

⁵ KPFM Board of Directors were briefed on the phased approach at their 3/28/22 and 7/25/22 meetings; City Council Community Services was briefed on the phased approach at its 6/08/22, 7/13/22 and 8/10/22 meetings; City Council was briefed during Committee comments at their 7/13/22 and 8/10/22 meetings, and a full update at their 12/14/22 meeting.

6.0 PHASED APPROACH

6.1 Three-Phased Approach

The PERC is presented in this Feasibility Report as a three-phased approach to a public recreation and event facility. The elements from the community survey and input from Steering Committee process are represented but will necessitate acquisition or of additional acreage and a defined long-term funding strategy.

The PERC phased approach is summarized as:

Phase 1: Tournament Fields w/outdoor recreation elements

- Two tournaments/multi-use fields will be provided at the current PERC site. When combined with the two fields at Strawberry Fields, four tournament-sized turf fields would be available in Poulsbo.
 - In order to improve the marketability for tournaments, the PERC team reached out to Central Kitsap School District, who also has a suite of four tournament-sized turf fields available. Together, eight multi-use fields within a 15-minute or less driving radius could be marketed to attract tournament play. A letter of interest from CKSD for a shared marketing approach is included in [Appendix 10.2.2](#).
- Desired outdoor recreational amenities will also be provided, designed to be integrated in the site to support and blend with the multi-use fields.

Phase 2: Event and Recreation Building (dependent on additional acreage)

- Flexible event/meeting space(s) and classrooms to host community events, recreational gym and programming, and supportive to the adjacent OC/WWU campus.
- Preferred building size to be determined at time of additional land acquisition and defined funding. A comparable facility size to consider is the 20,000 square foot Marvin Williams Recreation Center in Bremerton (<https://mwcenter.org/>), which houses a recreation gym, lobby, multiple meeting spaces, and kitchen.

Phase 3: Outdoor Recreation Pool (dependent on additional acreage)

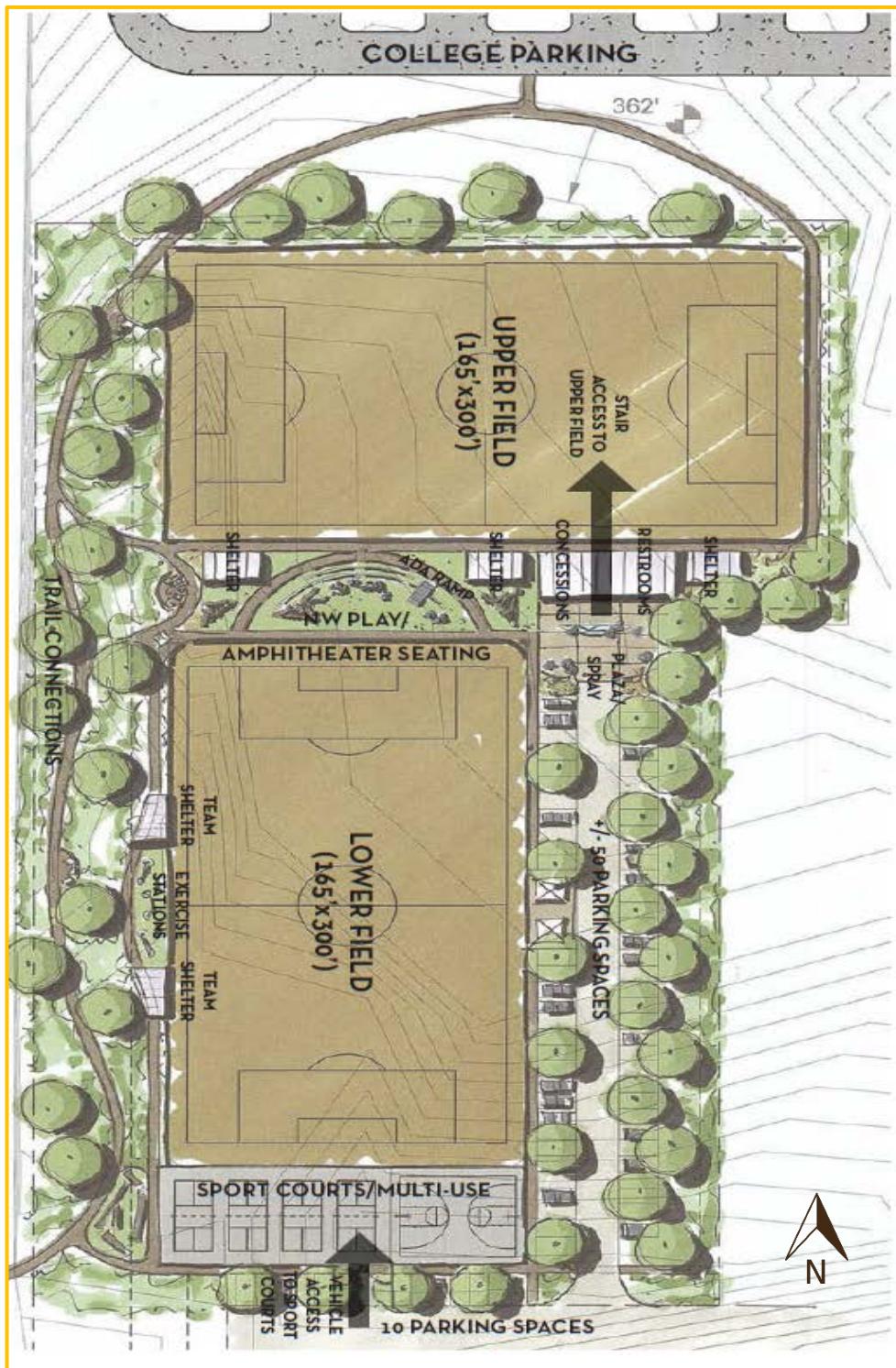
- Informed by the market analysis results on indoor aquatics' saturated market, and Steering Committee input, an outdoor recreation pool was identified as the preferred aquatic option.
- The outdoor warmwater recreation pool with resort-type features, such as cabanas, lazy river, play/splash features and lush landscaping were identified as options to set the PERC pool apart as a destination facility.

6.2 Phase 1 Fields First: Two Fields + Amenities

In July 2022, the City requested ARC develop a fuller “Fields First” site design (Option 1 from July 15, 2021 steering committee meeting) for two tournament multiuse sports fields, while incorporating as many as the outdoor recreation amenities that were identified in the community survey and discussed by the PERC Steering Committee, including walking paths, water spray pad, play structure, sports courts, and potentially other features.

ARC’s overall planning and design process for the Fields First design emphasized two tournament sized multiuse fields, while also providing for flexible design to support outdoor fitness and recreation, and community events. The design concept takes advantage of site grading needs to create terraced seating and play opportunities. A 50’ landscape buffer is required to be preserved along the west edge of the property, with additional landscaping to be provided for buffering adjacent properties.

Exhibit 6.2.2: Phase 1 Fields First Site Concept



Source: ARC, 2022

Exhibit 6.2.2: Phase 1 Fields First Site Concept w/Recreation Amenities Details



Source: ARC, 2022

The list below are preliminary recreation activities that could be located the PERC; the opportunity for additional or revisions remain.

- (2) Multi-use artificial turf sports fields with 300' x 165' boundaries, lighting, and perimeter fencing (6' height). Striping of the fields is identified for soccer, lacrosse and football.⁶
- (1) Recreational basketball court with 60' x 50' boundaries, basketball hoops, and perimeter fencing (6' height).
- (4) Pickleball courts with 20' x 44' boundaries, perimeter fencing (6' height), and movable nets.
- Nature playground – A children's play area will draw inspiration from the natural environment allowing for activities such as climbing on logs, nets, boulders and sliding down the adjacent hillside.
- Entry plaza – The entry plaza and water feature will welcome visitors to the park while providing a staging area for community events. An at-grade water feature could also allow an opportunity for children to engage with water.
- Terraced seating – The PERC design seeks to take advantage of the site grading requirements to provide a terraced seating area which defines the boundaries of the nature playground and overlooks the multi-use field to the south.
- Outdoor fire pit – An outdoor fire pit and seating area will create a casual gathering area for those visiting the PERC.
- Site furnishings – Benches and rest areas are proposed along the project's pathways and trails to provide seating and rest opportunities to park visitors.
- Shelters – A series of shelters (picnic and team) are proposed adjacent to the multi-use fields to protect park users from the elements while providing seating, gathering and staging areas.
- Restroom/Concession - A restroom and concessions building provides convenience to park-goers as well as a pump room location if a spray feature is added to the plaza. As shown, the building footprint makes up the grade between the two fields.

The grading design strives to balance the cut and fill to provide level (1% slope) sports fields and parking areas, creating a terraced site with the northern field set approximately 5' higher than the lower field. Along with leveling and terracing the site to support the sport fields and courts, ADA accessibility is a critical driver of the overall grading design.

The site study reviewed potential utility access and connections. Water flow and power availability will need to be confirmed.

- Stormwater - The stormwater management approach proposes to provide under drained sport fields along with a storm sewer system which will tie into the existing storm sewer running along NW Reliance Street.
- Site Power – Electrical lines and conduit will be pulled from NW Reliance Street with pedestals, cabinets and junction boxes provided to support the PERC's lighting and power needs. General site lighting, LED sports lighting and electrical receptacles to support events are anticipated.
- Water - Water line connections from NW Reliance Street will need to be provided for irrigation, domestic water, and fire protection.

The PERC parking strategy is a combination of on-site parking, on-street parking and shared parking agreements for events. A final parking layout will be developed in conjunction with the permit-ready site plan and include the required quantity of ADA parking stalls. A minimum of (3) ADA parking spaces and (5) bike parking spaces will be required. A fire truck turn around will need to be designed as a part of the plaza at the north end of the parking area.

⁶ Fields can also be consistently utilized for youth programs such as flag football, soccer, and sports camps through temporary site setup (cones, flagging, goals). This would allow each of the two larger fields to be split into 4-6 mini fields based on age and activity, effectively offering more options to our community. No restriping needed.

6.3 Phase 1 Fields First - Preliminary Cost Estimate

Preliminary cost estimate of PERC Phase 1 Fields First was provided ARC Architects and refined as necessary based on actual costs from similar projects, and City staff knowledge of capital project costs. Exhibit 6.3.1 sets forth the preliminary estimate in 2022 dollars.

Exhibit 6.3.1 Preliminary Cost Estimate

| PERC: Fields First Option | \$\$\$ | Primary Criteria |
|---|-------------|--|
| Site Prep and Mobilization | \$200,000 | |
| Site Earthwork and Grading | \$400,000 | |
| Retaining Walls | \$350,000 | modular block wall |
| Stormwater/Civil | \$500,000 | |
| Utilities | \$150,000 | |
| 2 Multi-use Turf Fields | \$2,200,000 | |
| Sports Courts | \$110,500 | 4 pickleball, 1 basketball – surface only |
| Field and Site Lighting | \$830,000 | |
| Pathway & Trails | \$180,000 | Asphalt within the project; soft surface in buffer |
| Plaza w/water feature | \$400,000 | |
| Parking/Sidewalks/Hardscape | \$520,000 | |
| Fencing, Screens and Backstops | \$200,000 | |
| Playground/Ampitheater | \$323,500 | Variety of age recreation amenities |
| Bleachers (x2) | \$30,000 | \$15,000 each (10 rows, seats 113) |
| Site Furnishings | \$60,000 | Benches, seats, firepit |
| Park Signage | \$17,500 | |
| Landscaping/Irrigation | \$215,000 | |
| Concessions and Restrooms Building | \$700,000 | Includes mechanical/pump house and storage rooms |
| Picnic Shelters (x3) | \$225,000 | \$75k each |
| Team Shelters (x2) | \$150,000 | \$75k each |
| Athletic Equipment and Storage | \$41,000 | 3 Storage sheds; on-site equipment |
| SubTotal | \$7,794,000 | |
| Soft Costs | \$2,338,200 | 30% (design&engineering, permitting, bid docs, sales tax, fees, project/construction management) |

| | | |
|--------------|---------------------|--|
| Contingency | \$1,558,800 | 20% (design contingency/reserves/construction contingency) |
| TOTAL | \$11,700,000 | |

7.0 MANAGEMENT AND MAINTENANCE CONSIDERATIONS

7.1 *Introduction – Phase 1 Fields First*

The management and maintenance considerations in this section represents a tool to understand the operations of PERC Phase 1 Fields First, including the costs and possible revenue generation. Phase 2 and 3 of the PERC when forwarded, will have separate management and maintenance evaluations.

The management considerations presented will transition to an operations plan when the PERC Fields First is underway and can be updated annually as program audits, usage profiles, event and rental statistics and overall financial outcomes are realized and evaluated.

BERK Consulting prepared a PERC Management Memo to assist the City with the planning for the operations of the facility, provides examples and input for various aspects of operations. The Management Memo is in [Appendix 10.4.1](#) and is informed by a review of comparable facilities, interviews with staff at these facilities, and interviews with several local recreation groups to understand potential local usage of PERC fields.

7.2 *Estimated Expenditures*

Expenditures are based on the maintenance and capital replacement of two lighted turf fields.

7.2.1 Turf Fields Maintenance

Exhibit 7.2.1 provides a range of estimated annual maintenance costs for two fields and the estimated cost of field replacement, as provided by BERK Consulting. The annual maintenance costs are based on using a contractor to perform the semi-annual grooming and turf redistribution; GMAX testing should be completed by an independent third party every three years⁷. Monthly maintenance includes turf sweeping on both fields.

The estimated annual operating cost of the semi-annual maintenance of the turf fields is \$5,300 to \$6,100 using a contracted service. The monthly turf sweeping could be conducted by City staff or user volunteers. A turf sweeper is usually included by the turf field vendor as part of the field purchase; the City should ensure that upon installation the proper turf sweeper is acquired.

A turf field should be replaced every ten to thirteen years. The lifespan of a turf field can be extended to the higher end of the range with consistent maintenance. The replacement cost would be less than initial building cost because the turf base infrastructure and drainage system is already in place.

Exhibit 7.2.1 Estimated Maintenance and Replacement Costs for PERC Two Turf Fields

| | Low | Medium | High |
|--|-----------|-------------|-------------|
| Annual Contracted Maintenance for two fields | \$5,300 | \$5,700 | \$6,100 |
| Field Replacement for two fields | \$700,000 | \$1,000,000 | \$1,300,000 |

Source: BERK Management Plan

7.2.2 Lighting Maintenance and Cost

Advances in lighting technology has made outdoor field lighting easier with LED source, increased durability, and improved control of light spill. The primary vendor for field lighting offers a 25-year parts and labor warranty, and the product offers 60,000-hour lamps, decreasing the need for lamp changes. Maintenance

⁷ GMAX testing measures the ability of the playing surface to absorb the shock from a collision, such as a player falling the surface.

costs for the outdoor lights is expected to be minimal, depending on the vendor and product chosen, and warranty offerings. Lighting cost is estimated at \$3-3.5 per hour to light one field (assuming \$0.10/kwh for electricity).

7.3 Estimated Revenue

7.3.1 Field Rentals

Two forms of primary revenue are anticipated: daily rentals for practice and tournaments.

Practice Rentals: To estimate the revenue generated from the proposed PERC fields, BERK Consulting evaluated stakeholder of local sports users interest in field reservations and typical rental fees for turf fields. It was estimated that the turf fields would be reserved for one to two hours a day, five to six days a week throughout the year, with usage going up in the summer season. The medium range estimates 726 hours of reservation per year, of which approximately 50% would require lights.

Tournament Rentals: Local sports clubs expressed interest in hosting tournaments in addition to weekly practices and games. Each tournament is usually one to two days. The local sports clubs expressed interest in hosting more and bigger tournaments in future years. Similar facilities hold upwards of ten tournaments a year.

Exhibit 7.3.1 Annual Usage Estimate for Proposed PERC

| | Low | Medium | High |
|---|-----|--------|------|
| Local Sports Teams Estimated Practice Hours | 581 | 726 | 871 |
| Local Sports Teams Estimated Tournament Days | 5 | 7 | 10 |
| Comparable Municipal Complexes Annual Tournament days | 10 | 20 | 35 |
| Estimated Light Hours | 290 | 363 | 436 |

Source: BERK Management Plan Memo

Other Rentals: There could be secondary opportunities for other revenue other than league practices and tournaments, such as specialty camps programmed by the City's Parks and Recreation or other sports organizations. Special events, such as outdoor concerts or markets could also utilize the PERC fields.

7.3.2 Practice and Tournament Rental Fees

Based upon comparable municipal and other field sites, BERK Consulting recommends the following rental rates:

- Field Rental Rate (per hour): \$40
- Tournament Fee (per day): \$475
- Lights Rental Rate (per hour): \$22

Exhibit 7.3.2 provides the proposed PERC rates in comparison to other comparable facilities. The rates below reflect youth rental; some fields charge a higher rate for adult rentals.

Exhibit 7.3.2 Comparison of Rental Rates

| Proposed PERC | | Kitsap County Parks (Gordon Fields) | Lynnwood Meadowdale Athletic Complex | Lacey Regional Athletic Complex | SOZO Sports of Central WA (Yakima) |
|------------------------|-------|--|--------------------------------------|---------------------------------|------------------------------------|
| Field Rental per hour | \$40 | \$40 | \$40 | \$40-\$46 | \$33.85-\$51 |
| Tournament Fee per day | \$475 | Hourly rate | \$480 | \$50 per hour, lights included | Hourly rate |
| | | | | | \$125/game |

| | | | | | | |
|------------------------|------|------|------|------|---------|------|
| Lights Rental per hour | \$22 | \$22 | \$22 | \$25 | \$22.50 | \$30 |
|------------------------|------|------|------|------|---------|------|

Source: BERK Management Plan Memo

Annual revenue estimates are provided in Exhibit 7.3.3. The medium revenue estimate is based upon the usage rates outlined above. The low revenue estimate assumes the PERC fields collect 20% less than estimated and the high revenue estimate assumes the fields collect 20% more than estimated. It is estimated the PERC will generate \$31,975 to \$49,150 in annual revenue.

Exhibit 7.3.3 Annual Revenue Estimates for Proposed PERC

| | Low | Medium | High |
|--------------------------------|----------|----------|----------|
| Practice Revenue (\$40/hour) | \$23,200 | \$29,000 | \$34,800 |
| Tournament Revenue (\$475/day) | \$2,375 | \$3,325 | \$4,750 |
| Lights Revenue (\$22/hour) | \$6,400 | \$7,900 | \$9,600 |
| Total | \$31,975 | \$40,225 | \$49,150 |

Source: BERK Management Plan Memo

7.3.4 Other Revenue Sources

Sponsorship: Advertising and sponsorship revenue could be realized from on-site identification and sale of permanent signage related to banners, fence signate, and other similar advertising opportunities. Advertising and sponsorship revenue could also be considered from founding partnership program where local businesses/individuals provide the facility with financial support and receive name recognition in various areas of the facility (i.e., field, entry plaza, team shelter).

Concession Booth Rental: In addition to charging a fee to rent the concessions booth, the City could consider charging a percentage of sales of on-site food and beverages.

Shelters Rental: Four shelters per field are programmed on the conceptual site plan to support field sports and use. Additional rental fee could be established for tournaments and practices either incorporated as part of the fields' hourly rate or as stand-alone fee.

Miscellaneous Equipment Rental: Equipment necessary to support league practices and tournaments, such as sports nets, fencing, could be established for tournaments and practices either incorporated as part of the field's hourly rate or as a stand-alone fee.

7.4 Expenditure/Revenue Analysis

Adequately planning for the turf fields' lifecycle is a critical aspect of sustaining an artificial turn field at a standard that is both safe and appealing for user groups. Exhibit 7.4.4 summarizes the estimated medium revenues and expenditures over a ten-year period. This projection assumes 3% annual inflation on the maintenance cost and a field lifespan of ten years.⁸ Fees and usage are held constant, assuming the City will not increase fees annually, but rather review them and adjust as necessary. Usage may increase over time as well. Turf fields are self-sustaining until time of turf replacement.

Consistent maintenance can extend the lifespan of the turf. Capital replacement reserve budgeting will be necessary to ensure the City has adequate capital when it is time for turf replacement. Other replacement revenue options include:

- Consistent schedule for user fees adjustment.
- Sponsorship revenue and other revenue sources are used solely for replacement reserves.

⁸ Field lifespan can extend up to and possibly past fifteen years with consistent maintenance

- Develop a fundraising strategy with primary user groups.
- Adjust projected revenues and expenditures based on actual maximized PERC usage fees.

Exhibit 7.4.1 Projected Revenues and Expenditures Using Medium Estimates

| Ten-Year Projection | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Revenue | | | | | | | | | | | |
| Field Rental Practice | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 | \$29,000 |
| Field Rental Tournament | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 | \$3,325 |
| Lights | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 | \$7,900 |
| Total | \$40,225 |
| Expenditures | | | | | | | | | | | |
| Field Maintenance | \$5,700 | \$5,871 | \$6,047 | \$6,229 | \$6,415 | \$6,608 | \$6,806 | \$7,010 | \$7,221 | \$7,437 | \$7,660 |
| Turf Rebuild | | | | | | | | | | | \$1,343,916 |
| Total | \$5,700 | \$5,871 | \$6,047 | \$6,229 | \$6,415 | \$6,608 | \$6,806 | \$7,010 | \$7,221 | \$7,437 | \$1,351,577 |
| Net Position | | | | | | | | | | | |
| Annual Net Position | \$34,525 | \$34,354 | \$34,178 | \$33,996 | \$33,810 | \$33,617 | \$33,419 | \$33,215 | \$33,004 | \$32,788 | (\$1,311,352) |
| Overall Net Position | \$34,525 | \$68,879 | \$103,057 | \$137,053 | \$170,863 | \$204,480 | \$237,899 | \$271,114 | \$304,118 | \$336,906 | (\$974,446) |

Source: BERK Management Plan Memo

7.5 Operations

7.5.1 City Staffing and Services

There will be an impact on City staff and services for all phases of the PERC, with Phase 1 increasing staffing duties.

City Staff: The following staffing is likely necessary for the safe operations of the PERC Fields. Phases 2 and 3 would have significant impact on city staffing needs and will need to be evaluated in detail as part of those phases' operations planning.

Public Works:

- Daily:
 - Empty garbage and walk grounds to pick up garbage
 - Clean restrooms once daily
- Tournament Weekends:
 - Multiple visits to the facility for restroom maintenance and garbage cleanup
 - Weekend and evening usage/games will create more overtime needs
- Other Maintenance:
 - Parking lot cleaning and maintenance
 - Landscaping maintenance
 - Plaza cleaning and maintenance
 - Restroom and shelter building maintenance
 - Sports courts cleaning and maintenance
 - Playground and walking paths maintenance
 - Splash pad cleaning and mechanical maintenance
 - Monthly turf sweeping may be done by Public Works, contractor or field users. Semi-annual maintenance will be with a contractor.
- Phase 1 maintenance and operations impacts to Public Works could be as much as .5-1 FTE especially during heavy field usage time.

Parks and Recreation:

- Field Scheduling and Management – online reservation software will still require staffing oversight; equipment rentals and shelter rentals (Parks and Recreation)

- On-site during Tournaments – comparable facilities recommend city staff be on-site during tournaments to assist with logistics, ensure compliance with field use, concessions, etc. (Parks and Recreation)
- Marketing – the City would need to establish a multi-year marketing plan for the PERC fields and the other nearby turf fields, packaging a suite of turf fields to market to sports organizations, leagues and others for tournament reservations. (Parks and Recreation)

Police:

- Security – daily drive-bys, weekends and during events (Police)

City Services and Supplies: The following City services are likely necessary for the operations of the PERC fields.

- Utilities – water service and fire flow will be necessary, as will sanitary sewer and power. Internet and other utilities to be determined at time of final design.
- Insurance – will be provided through the City's insurance provider Washington Cities Insurance Authority (WCIA).
- Maintenance equipment for monthly turf grooming is necessary and should be negotiated to be included with the purchase of turf.

Hours: Lighted fields can be rented year-round, and hours can extend into the evening. For example, City of Lacey's lighted fields hours of operation are M-Th 8 a.m.-11 p.m. and Fri-Sun: 8 a.m.-12 a.m. A primary benefit of lighted turf-fields is its ability to be used and rented year-round. As part of the development of an operations plan for the PERC Fields, hours of lighted field availability should be evaluated and identified; modification to the City's code regarding park hours may be advisable to ensure clarity for the PERC field year-round and evening usage.

7.5.2 Reservation Management

To manage reservations, an online software provides easy access for users to view field availability and make bookings when one is available. Other managers of turf field reservations use a first-come, first-served basis, where the jurisdiction works with several sports clubs work to accommodate those groups' with known schedules. Some publicly owned turf field complexes do not allow drop-in use or unscheduled team play. One municipal complex has full-time staff on site during the day and evenings when being used by groups.

It is common for a municipal complex to prioritize scheduling requests. For example, city or partner programs get priority, non-profit organizations get second priority, and private organizations get third priority. One complex noted during BERK interviews that when scheduling tournaments, it will diversify the use based on age groups and gender.

Ensuring equitable access to the fields was commented during the BERK interviews. The City should consider when establishing its reservation process to work with community groups to understand needs and accommodate as many as possible, rather than allowing one group to dominate the use of the fields; first-come, first-served also presents potential for some groups missing out on the opportunity.

Generally, organized team practices and games should be scheduled and not be drop-in. During peak sports season, unreserved time is generally limited to Sundays or daytime work hours during the week.

7.6 Marketing Guidance

In the Market Analysis, BERK Consulting summarizes marketing guidance based on interviews with representatives of peer facilities and input from Steering Committee members, to develop a market condition for the PERC to draw regional users and user fee revenue.

7.6.1 Building Awareness of Facility

- Networking is an important way to spread awareness about a new facility. Developing a steady crowd of users and being known in the community for what a facility offers takes time. Staff can join groups and organizations to spread the word.
- Start to build relationships with the hotel right away. The hotel and the PERC can help each other be successful.
- Engage in active marketing.
- Ensure that the facility is managed outside of regular business hours, including weekend nights.

7.6.2 Generating Local and Regional Use

- The facility needs to be available seven days a week. Separate the routinely scheduled uses from the one-time rental uses.
- The PERC will need a balance of community uses and revenue-generating purposes. Stakeholders shared a strong desire to keep the PERC a community gathering place that is accessible. The facility also needs to bring in businesses uses to generate enough revenue to sustain facility operations.
- In order to serve as economic driver and attract visitors from outside the community, the PERC must be large enough to host events and outdoor sports such as soccer tournaments, Ultimate Frisbee, and field sports.

7.6.3 Community Expectations

- PERC staff should mirror the community and represent a diversity of race, ethnicity, gender, age, and socioeconomic backgrounds, so that people feel welcome.
- If the City intends to pursue a municipal bond funding strategy, the City needs to communicate to voters how it will save them money. They might pay more now, but less later as the facility generates economic impacts for the city. Explain to taxpayers how bond funding for the facility will save them money.
- The project duration, including community surveys, facility design, and construction, could be four to five years – a long time to sustain public interest. When people are interested in a project, they want to see it moving along. If possible, tighten up the schedule.

8.0 FINANCIAL ANALYSIS

8.1 Introduction

The PERC is a three-phased approach to an event and recreation center. Phase 1 Fields First has a preliminary cost estimate of \$11.7 million. Preliminary cost estimates of Phase 2 Recreation/Event Building and Phase 3 Outdoor Pool components were included during the Steering Committee process: Recreation/Event Building (14,800 sf) Cost of \$11.3M and Aquatics Project Cost of \$6.9M. However, Phases 2 and 3 will move forward upon additional land usage or acquisition, refined programming and use determinations made, and short and long-term funding strategy identified. The cost estimate of Phase 2 and 3 will be updated if they are forwarded.

8.2 Phase 1 Fields First Funding

The Kitsap Public Facilities District has ranked the PERC second in its funding priorities. Upon the finding of feasibility of tournament fields of Phase 1 Fields First as determined in Section 9, the City and KPDF intend forward the project to final design and permitting, and construction through a new interlocal agreement. **The funding request to the KPDF by the City will be \$11.7 million.**

RCW 82.14.390(5)⁹ requires that the City provide a match of 33% of the project. This results in a project split of: City \$3.86M and KPFM \$7.84M. This statute also identifies sources that can contribute to the 33% as cash, in-kind contributions, land donation, or amounts from private sector partners.

During discussions between KPFM and City staff, it is noted that the preferred financing approach is for the City to provide bond financing (general obligation debt, see below for discussion on structure) for the PERC Phase 1 project, and the annual debt payments of \$11.7M would be structured as 67% KPFM payment and 33% City payment. This approach will be further discussed through the process of a second ILA to be drafted in first quarter 2023.

The City's \$3.86 portion can be modified through cash contributions, which can reduce the total amount to be financed. PERC Phase 1 contribution sources include:

- *Sale of City-owned property:* The City owns 8.31 acres known as "Klingel property" that is currently undeveloped, with the recent demolition of a structure. The City does not include this property as parkland, or otherwise has it identified in its comprehensive plan for public facilities. Therefore, the City could choose to offer this property for sale and earmark the proceeds towards the City's contribution.
- *Legislative earmark:* The City can request to its State Legislators, consideration of a legislative earmark for the PERC Phase 1 project that can contribute towards its contribution.
- *Grants:* The Washington State Recreation and Conservation Office offer several competitive grants opportunities that will be available to apply in 2024. There are other opportunities for grants from various public and private funding programs that specialize in sports facilities.
- *Fundraising:* Cash or in-kind contributions from public or private foundations can also contribute.

As identified in Exhibit 7.4.1 of this report, the PERC Phase 1 turf fields are self-supporting until time for replacement. However, this calculation was based upon 10-years, with rental rates unadjusted. There are additional considerations for turf field replacement:

- Consistent maintenance can extend the lifespan of the turf. It is reasonable for turf fields lifespan to extend past 10 years with planned and consistent maintenance. This includes monthly sweeping and annual grooming (see Section 7.2.1).
- The City's Parks and Recreation Department should develop an operations and maintenance plan, that includes capital replacement reserves budgeting. This should include a schedule for user fee adjustment. Assumptions set forth in Exhibit 7.4.1 should be adjusted on actual usage after an initial period of time. In addition, the assumptions used in Exhibit 7.4.1 did not include other indirect rental values such as special events, shelter rentals, concerts, etc. that the City could direct towards the turf capital replacement reserves.
- Partner with primary user groups to develop a fundraising strategy to contribute into the turf capital replacement reserves.
- The sale of naming rights and long-term sponsorships could be earmarked for turf capital replacement reserves.

⁹ (5) Moneys collected under this section may only be used for the purposes set forth in RCW [35.57.020](#) and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section; however, amounts generated from nonvoter approved taxes authorized under chapter [35.57](#) RCW or nonvoter approved taxes authorized under chapter [36.100](#) RCW do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

8.3 Long-Term Financing Options

A long-term strategy for funding the PERC phases 2 and 3 should be identified and pursued by the City. Several different funding sources may need to be utilized.

8.3.1 Bond Financing

Washington cities can incur several types of debt to pay for capital projects. Cities have authority issue general obligations payable from taxes, revenue obligations payable from the revenues of a particular enterprise or utility, and obligations payable from assessments. The obligation is usually in the form of bonds sold to the public via an underwriter, but the obligation can take other forms: bank lines of credit, bonds sold directly to an investor through a private placement, or financing leases, for example.

The debt can be structured as long-term bonds or short-term notes. Typically, bonds or notes are structured so that the interest paid to investors is tax-exempt under federal income tax laws. By issuing tax-exempt bonds or notes, cities can access capital financing at rates lower than the rates available to issuers of taxable obligations.

When structuring debt financing, factors to consider are: the source of repayment of the debt (taxes, revenues or assessments), the term over which the debt will be repaid, the investors to whom the obligation will be sold (to a particular bank or to the public, to the taxable bond market, or to the tax-exempt bond market), and debt limiting factors affects possible future debt.

The following provides a brief introduction to the capital financing methods available to Washington cities:

General Obligation Debt: General obligations are those obligations of a municipality to the payment of which the full faith and credit of the municipality is pledged. A general obligation is usually payable from property taxes, or at least from tax sources. Many types of obligations may be "general obligations" of a municipality, whether or not they are incurred through the issuance of a bond. General obligations may be incurred in the form of a registered warrant, conditional sale contract, lease or other instrument in which an unconditional and unlimited promise to pay is made.

Nonvoted General Obligation Bonds: Cities are allowed to issue nonvoted general obligation bonds (commonly known as councilmanic bonds) backed by the cities' taxing authority as long as all such outstanding obligations do not exceed 1½% of the value of the taxable property in the City. Such obligations are payable from regular property tax levies (subject to the maximum levy rate of \$3.60/\$1,000 of assessed value and the 101 % limitation discussed below). Included within this nonvoted debt capacity are any conditional sales contracts or financing leases that constitute "debt" under Washington law.

Voted General Obligation Bonds: Unlimited tax general obligation bonds are payable from property taxes in excess of regular tax levies. Cities may issue voted general obligation bonds in an amount, together with other outstanding voted and nonvoted debt, that does not exceed 2 ½ % of the value of the taxable property in the city. Cities have an additional 2 ½% of debt capacity for bonds issued for open space and park purposes and 2 ½% for utility purposes. An election must be held at which the total number of persons voting is not less than 40% of the total votes cast at the last preceding general election and at least 60% of those voting approves the bond proposition.

Levy Limits: Cities are allowed to levy regular property taxes of \$3.375 per \$1,000 of assessed valued of the taxable property in the city, and an additional, \$.225 per \$1,000 of assessed valued if not required to fund pension programs. A city may not levy its full \$3.60 per \$1,000, however, if regular property taxes exceed the levy limit factor in Chapter 84.55 RCW. Chapter 84.55 RCW limits the total dollar amount of regular property taxes levied by a taxing district without voter approval to the highest amount of such taxes levied in the three most recent years (adjusted to account for new construction, improvements, and state-assessed property), multiplied by a limit factor. Initiative 747 reduced the limit factor. Further, this maximum amount also includes other junior taxing districts, such as fire district or library district.

Because the levy limit applies to the total dollar amount levied rather than to levy rates, increases in the assessed value of property in the city (excluding new construction, improvements, and state-assessed property) that exceed 1% will result in decreased levy rates. If the 101% limit is preventing a city from levying the full \$3.60 per \$1,000, an election may be held to increase the regular property tax levy to a specified amount (not more than the \$3.60 limitation). A simple majority of the voters voting must approve the proposition. This is known as a “Levy Lid Lift.”

8.3.2 Park Districts

Washington state law allows for the creation of three types of authorized districts. Voters within an established service must approve a new taxing district, and an additional level of taxation is required within the established area. The Municipal Research and Services Center reports that each of three park district types are useful for different purposes with different characteristics as to governance structure, revenue authority and administrative powers:

- Park and Recreation Districts – Manage, control, improve, maintain, and acquire parks, parkways, boulevards, and recreational facilities. (RCW 36.69.010)
- Parks and Recreation Service Areas – Finance, acquire, construct, improve, maintain, or operate any park, senior citizen activities center, zoo, aquarium, and other recreational facilities defined in RCW 36.69.010, which shall be owned or leased, and administered by a city, town, or park and recreation service area. (RCW 36.68)
- Metropolitan Park Districts – Provide for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. (RCW 35.61.010).

Poulsbo Mayor Erickson and staff have evaluated the three types of authorized districts; the metropolitan park district structure has been chosen as the most appropriate district for Poulsbo to consider. A metropolitan park district can provide the City with long-term stable and sustainable funding as a separate funding source apart from the City General Fund, and presents the ability to provide additional bonding capacity, separate from the City's.

Metropolitan Park Districts (MPD):

Formation: There are two ways to initiate the formation of a park district, both of which require approval by majority of voters within the proposed district -

- By petition proposing creation of a MPD submitted to the county auditor of each county in which all or a portion of the proposed district is located that is signed by at least 15% of the registered voters residing in the area to be included within the proposed district. Where the petition is for creation of a district in more than one county, the petition shall be filed with the county auditor of the county having the greater area of the proposed district.
- By a resolution of the governing body or bodies within which the district is to be located.
 - When proposed by local government resolution, a ballot proposition authorizing the creation of a MPD shall be submitted by resolution to the voters of the area proposed to be included in the district at any general election, or at any special election which may be called for that purpose.
 - The ballot proposition shall be submitted if the governing body of each city in which all or a portion of the proposed district is located, and the legislative authority of each county in which all or a portion of the proposed district is located within the unincorporated portion of the county, each adopts a resolution submitting the proposition to create an MPD.
- Assuming the MPD formation would be presented through resolution of the City Council, the ballot measure can be presented on a general or special election and requires approval by a simple majority.

MPD Board: A MPD may be formed with a separately elected legislative body, or a city council may be designated to serve in an ex officio capacity as the board of metropolitan park commissioners if the district's boundaries are the same as the city's. Mayor Erickson is recommending a potential MPD boundary be

identical as the Poulsbo city limits, thereby designated the Poulsbo City Council as the MPD Board of Commissioners if formed.

MPD Taxing Authority: Two regular property tax levies available to fund MPDs –

- \$0.50 per \$1,000 assessed valuation (AV)
- \$0.25 per \$1,000 assessed valuation (AV)

They are considered one levy for the purposes of the levy limits in Ch. 84.55 RCW, but they have different rankings in the prorating statute. The levy is permanent, but a MPD is a junior taxing district subject to the \$5.90 limit (State cap on the overall levy rate collected by all local taxing districts together, which cannot exceed \$5.90). A MPD is also authorized to:

- Levy general tax in excess of its regular property tax levy or levies when authorized to do so at a special election.
- May issue general obligation debt in the amount equal to 2½% of their assessed valuation. Of this 2½%, ¼% may be nonvoted debt; the rest must be voted.
- Can petition city for LID improvements.
- May issue revenue bonds. Revenue debt is different general obligation in its method of repayment; revenue debit is guaranteed by the specific revenues generated by the issuer.
-

MPD Fiscal Administration: The County treasurer of the county within all of the MPD lies is the ex officio treasurer of the district. However, the district can designate someone else, if the board receives approval of the county treasurer. It would be the City's intent to designate the City's Finance Director as the MPD's fiscal administrator.

MPD Logistics: Some or all park services can fall under MPD responsibility. Once formed, the MPD and City would enter into an interlocal agreement to carry out the agreed upon services.

- Simple majority needed for approval (50%+1)
- SEPA review is not required
- Public hearing is not required for resolution
- Ballot requirements:
 - Approve or disapprove formation of MPD
 - Choose and describe the composition of the initial board
 - Choose name for the district
- The City of Poulsbo and the Poulsbo MPD would be separate local governments, with the same boundary.
- The City's Park and Recreation Commission would continue to advise the City Council on regulations, resolutions, plans, policies, projects, and proposals relating to the city park system, recreational facilities and open space. The MPD Board would make financial decisions for the MPD.

Appendices [10.5.1.A](#), [10.5.1.B](#) and [10.5.1.C](#) are resource documents regarding metropolitan park districts.

8.3.3 63-20 Financing

Under a 63-20 financing structure, tax-exempt bonds are issued by a non-profit corporation on behalf of a public agency, by following the requirements outlined in Revenue Procedure 82-26 of the U.S. Treasury. In a typical 63-20 financing, bonds are issued and applied to pay for the acquisition, construction and equipping of a public facility. Under the Revenue Procedure, 63-20 bond proceeds must be used for the acquisition or construction of real or personal property, to fund a reasonably required reserve fund, and to pay costs of insurance. Notably, proceeds may not be used for working capital.

The non-profit corporation causes the project to be designed and built, typically through a fixed-price contract with a private real estate development company. The real estate development company contracts with the architect and general contractor to deliver a building that meets the specifications set by the public agency.

- Security for the bonds is a stream of future rent payments for the public agency to the non-profit corporation under a lease agreement.
- Bonds issued with a 63-20 structure are not subject to the public agency's debt limit, as they are issued by a non-profit corporation. However, because of the lease obligation to the non-profit corporation, these obligations are reported on the public agency's CAFR.
- Title to the project is held by the non-profit corporation for the life of the bonds. Title to the project is transferred to the public agency when the debt is repaid (i.e. at lease maturity when bonds issued by the non-profit corporation are retired).
- The project is used by the public agency for governmental/public purposes under the lease, but the property may be operated and maintained either by the public agency, or by the non-profit corporation through a management firm. (IRS rules restrict the structure of any management contract.)
- Cost of issuance and on-going fees on 63-20 financing are significantly higher than those on conventional financings and the borrowing typically bears higher interest rates.
- At times, a 63-20 transaction may offer certain advantages to the public agency by allowing the agency to engage a private developer/manager who oversees the project, accepts certain construction risks and guarantees a fixed price. In some cases, the 63-20 structure can shorten the construction period and reduce the risk of cost increased.

See [Appendix 10.5.2](#) for more information on 63-20 financing structure.

8.3.4 State and Local Grants

There are several grant programs in Washington State that are available for recreation projects. Key aspects of the facility that should be targeted for grants are those that serve youth, teens, seniors, and families. Significant amounts of capital funding from this source is low, but it nevertheless could be pursued.

8.3.5 Other Capital Funding Sources

There are several other sources for funding to support PERC Phase 2 and 3 financing:

- Partnerships: There is the potential for partnerships to share the realization of PERC Phase 2 and 3, as well as the turf replacement reserves. Partnerships provide a mechanism to share the capital and operating impacts of new facilities more broadly. The level of partnerships, type and extent of support will likely vary depending on the partner and its potential role in the future PERC phases. Identifying and establishing partnerships and commitments as the future PERC phases forward, will be beneficial.
- Fundraising: A possible source of capital funding could come from a comprehensive fundraising campaign. A fundraising assessment, conducted by a professional fundraiser, would identify the potential for securing private gifts and assess the level of giving.
 - Foundation – A 501(c)3 foundation could be established for the project. This will provide a way to collect a variety of fundraising dollars, as well as equity partner payments for the project. This may also make the project eligible for a broader range of grant dollars as well.
 - Private foundation grants are a specialized and sometimes arduous endeavor, but it has a high potential for significant rewards.
 - Operational endowments could be sought to assist in the funding for ongoing maintenance and operations.

9.0 FEASIBILITY DETERMINATION

In determining feasibility, the question to answer is whether a project's various elements have the potential for success. There are four main elements utilized to determine whether a project is feasible: market feasibility, site feasibility, operational feasibility, and financial feasibility. The following provides the summary determination of each of the four feasibility elements:

Market Feasibility: BERK Consulting prepared a market analysis for the PERC elements of outdoor recreation, aquatics, and event center. The results are in Section 2 of this report and [Appendix 10.2.1](#). The market analysis result is there is a feasible market for tournament sized turf fields for rentals by local organizations and multi-day tournaments (especially in conjunction with a joint marketing effort with local school districts); there is not a market for indoor aquatics, especially cold-water lap pool, but there is a potential market for an outdoor resort/destination aquatic facility; and there may be a market for event center, depending on niche events and flexibility in space usage. The PERC Phase 1 Fields First has been determined to be feasible from a market perspective, **there is demand for consistent rentals, most likely six days a week, and as a tournament destination.** The market determination of tournament fields also meets the KPFM economic development feasibility criteria.

Site Feasibility: ARC Architects considered the site feasibility in their work on the PERC. From the outset, the six-acre City owned site was identified as a challenging size to sufficiently site turf fields, a recreation/event building and pool. ARC worked with the Community Steering Committee through a series of meetings, and proposed various site configurations of two fields, building with one field, and building with no field and an outdoor pool. When the City's effort to acquire additional land in order to provide sufficient area to site all the identified elements failed, the City refined the PERC into three phases. Tournament turf fields were expressed by KPFM as a priority which would have immediate financial feasibility. ARC refined the conceptual configuration of two fields and included as many outdoor elements previously identified as desirable. Exhibit 6.2.2 conceptual site plan of the PERC sites two lighted turf fields of sufficient size to support destination tournaments, as well as an outdoor plaza with water feature, walking paths, full-size basketball court and four pickleball courts, concessions, restrooms, and multiple picnic and team shelters. **There is site feasibility for the PERC Fields First at the current City-owned location.** Additional acreage or usage of additional/adjacent property will be necessary for site feasibility for Phases 2 and 3.

Operational Feasibility: BERK Consulting provided an analysis of the operational feasibility of the PERC Phase 1 Fields First, focusing on the turf fields operations, maintenance, and turf replacement needs. Section 7 presents these findings, as does [Appendix 10.4.1](#). PERC Phase 1 Fields First two lighted turf fields operational feasibility result is the revenue generated from the weekly rentals and conservative tournament estimate, provides sufficient revenue resources to be self-sustaining until turf field replacement is necessary. A turf fields capital replacement reserves will need to be established by the City, with a financing strategy identified that includes a variety of funding sources. **There is operational feasibility for the PERC Fields First with consistent maintenance and capital replacement reserves financing strategy.** An operational feasibility analysis will also be necessary when forwarding phases 2 and 3.

Financial Feasibility: The preliminary cost estimates for the PERC is \$11.7M for Phase 1 Fields First, \$11.3M for Phase 2 Recreation and Event Center and \$6.9M Outdoor Aquatics Facility. Section 8 identifies short and long-term financing strategies that could be applied to all phases of the PERC. Phase 1 Fields First is poised to move forward in 2023 with KPFM and City funding split identified on the preliminary cost estimate of \$11.7M: \$3.86M City and \$7.8M KPFM. It is anticipated that the City will issue debt for the full amount with the KPFM funding the debt payments for its portion, and the City fund the remainder. There are opportunities for the City to pursue other resources that can reduce its amount to be financed (as identified in Section 8.2). **There is financial feasibility for PERC Phase 1 Fields First to move forward in 2023.** However, a long-term financing strategy will be necessary for Phase 2 and Phase 3 to be realized, such as a metropolitan park district.

The PERC represents an ambitious and desired regional recreation and event facility for Poulsbo and the greater region. Combined, all three phases are preliminarily estimated at \$29.9M. The PERC has been organized into a phased approach to allow for the first phase to move forward in 2023, while the City continues to work on acquiring usage of additional land and establishing a long-term financing approach for phases two and three. **As this section summarizes, there is market, site, operational and financial feasibility for Phase 1 Fields First.**

10.0 APPENDICES

10.1 Community Engagement

- 10.1.1 Community Survey Fall 2020 Results
 - A. [Fall 2020 PERC Community Survey Summary Results](#)
 - B. [Fall 2020 PERC Community Survey Results](#)
- 10.1.2 Community Online Open House March 2021 Results
 - A. [March 2021 PERC Community Open House Questionnaire Results](#)
 - B. [March 2021 PERC Community Open House Online Comments](#)
- 10.1.3 [Community Steering Committee Roster](#)
- 10.1.4 Community Steering Committee Meeting Summaries
 - A. [PERC Steering Committee Meeting #1 – January 28, 2021](#)
 - B. [PERC Steering Committee Meeting #2 – June 10, 2021](#)
 - C. [PERC Steering Committee Meeting #3 – July 15, 2021](#)
 - D. [PERC Steering Committee Meeting #4 - September 9, 2021](#)
 - E. [PERC Steering Committee Meeting #5 – November 9, 2021](#)
- 10.1.5 Market Analysis Work Group Meeting Summaries
 - A. [PERC SC Market Analysis Work Group Meeting #1 – March 16, 2021](#)
 - B. [PERC SC Market Analysis Work Group Meeting #2 – June 17, 2021](#)

10.2 Market Analysis

- 10.2.1 [PERC Final Market Analysis, prepared by BERK Consulting; November 2022](#)
- 10.2.2 [Use of Central Kitsap School District Sporting Facilities for Tournaments, May 24, 2022](#)

10.3 Site Concept

- 10.3.1 [PERC Final Site Concept, prepared by ARC Architects; October 2022](#)

10.4 Management Plan

- 10.4.1 [PERC Management Plan Memo, prepared by BERK Consulting; November 2022](#)

10.5 Financial Analysis

- 10.5.1 Metropolitan Park District documents
 - A. [Memo on Metropolitan Park Districts, dated 3/9/2017 from Associate Planner Coleman](#)
 - B. [Bond Financing by Metropolitan Park Districts, from Foster Garvey](#)
 - C. [Park District Options Comparison Table, from Foster Garvey](#)
- 10.5.2 [63-20 Financing Structure, from MSRC](#)