PERC Feasibility Study Workshop

Poulsbo City Council

April 19, 2023

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

Tonight’s workshop will cover:

1.0 Feasibility Study Summary
2.0 Financial Considerations
3.0 Council Considerations and Discussion

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Feasibility Study –

KPFD Process

Kitsap Public Facilities District (KPFD) Funding

- KPFD is an independent municipal corporation managing Washington State sales tax rebate funds allocated to Kitsap County.
- It partners with other public entities to build public facilities for the benefit of the residents and to generate revenue through taxes and use fees.

1.0 Feasibility Study – KPFD Process

Kitsap Public Facilities District (KPFD) Funding

- The Washington State Legislature in 2017 extended the period the state's PFD could receive tax rebate funding until 2041.
- This created a new revenue opportunity that can fund bonds for new capital projects.
- In 2018, the KPFD Board of Directors announced call for projects.
- The proposed projects need to:
  - Provide economic impact
  - Benefit residents and communities of Kitsap County
  - Be greater than $10 million in value
  - Have matching funds from a public partner of no less than one-third of the project value. (RCW 82.14.390(5)).

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1.0 Feasibility Study – KPFD Process

Kitsap Public Facilities District (KPFD) Funding

- Projects were submitted to the KPFD in 2018 from:
  - Bainbridge Island Parks District
  - Central Kitsap School District
  - City of Bremerton
  - City of Port Orchard
  - City of Poulsbo
  - Kitsap County
  - Port of Bremerton
- Projects were presented to KPFD in March 2019
- KPFD Board ranked projects July 29, 2019
- PERC project was ranked second out of seven

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Kitsap Public Facilities District (KPFD) Funding

1.0 Feasibility Study –

KPFD Process

- PERC Concept was presented to KPFD as a public facility with:
  - Two tournament sized turf multiuse fields
  - Event and Recreation Center
  - Complementary uses
- Phased approach
- First step was Feasibility Determination

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1.0 Feasibility Study –

KPFD Process

Kitsap Public Facilities District (KPFD) Funding

An Interlocal Agreement was entered into between the KPFD and the City of Poulsbo

PERC ILA #1 funded Phase 1: "Project Concept to Project Feasibility" for $243,900 approved December 2019

Tonight's Workshop Agenda

1.0 Feasibility Study Summary

2.0 Financial Considerations

3.0 Council Considerations and Discussion

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Feasibility Study

What is the purpose of a feasibility study?:

In determining feasibility, there are four elements to determine whether a project is feasible:

- Market Feasibility
- Site Feasibility
- Operational Feasibility, and
- Financial Feasibility.

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PERC Feasibility Study

Released 1/23/23

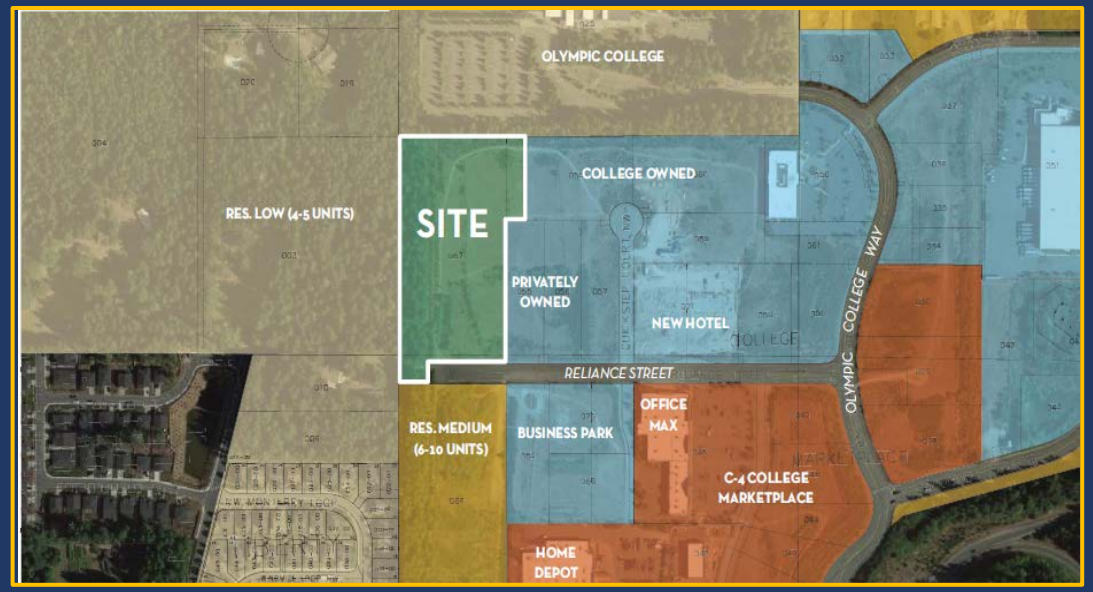
The PERC Feasibility Study is:

- Compilation of technical analysis and design by five professional consultant firms
- Framed by input from community and steering committee
- Nine sections
- 20 appendices

1.0 Feasibility Study

PERC Site

- 6 acres of undeveloped property located in NW corner of City within in College Market Place.
- Walking distance to Olympic College/WWU campus to north, 101-room Fairfield Hotel by Marriott, Home Depot/Walmart to the south
- New residential multifamily units to the northeast, east and south.



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1.0 Feasibility Study

PERC Site

- Developer required park mitigation from Olhava Master Plan.
  - Sports fields identified in Olhava Master Plan as a planned use for the Park mitigation donation.
  - Community Park donation included in Olhava Final EIS and Olhava Developer's Agreement.

- Sports fields have been included on the City's 6-year Capital Improvement Program (CIP) beginning in 2000 ("Olhava Ballfields") and continues today.

- Property officially deeded to City in 2009.

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Poulsbo Regional Park Need based on Planned LOS

1.0 Feasibility Study

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

- PERC is identified as a new regional park in the 2023 City PROS Plan. The 2036 LOS Park Acreage needs is 5.80 acres; the PERC meets this need.
- The Park LOS analysis will be updated as part of the 2024 Comprehensive Plan Period Update; the PERC will remain an important project for meeting Regional Park LOS.

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1.0 Feasibility Study

PERC Feasibility Report Process

1 | Community Outreach

2 | Market Analysis – Berk Consulting

3 | Conceptual Site and Building Design – ARC Architects

4 | Management Plan Considerations

5 | Financial Analysis and Feasibility Determination

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1 | Community Outreach

1.0 Feasibility Study

- Community engagement kicked off PERC feasibility study.
- Outreach efforts included community survey, open house, community steering committee, project website, and public presentations.

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1 | Community Outreach

1.0 Feasibility Study

Survey results and community comments support a facility with both indoor and outdoor recreation opportunities:

- Top indoor activity preference was aquatics.
- Top outdoor activity was walking trails.
- Top recreational programming preference was adult classes.
- Top event center preference was performing arts.

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1 | Community Outreach
2 | Market Analysis – Berk Consulting
3 | Conceptual Site and Building Design – ARC Architects
4 | Management Plan Considerations
5 | Financial Analysis and Feasibility Determination

1 | Community Outreach

1.0 Feasibility Study

Community Steering Committee:

- Steering Committee met seven times between January – November 2021, and eighth time on March 30, 2023.
- Reviewed and commented on consultant work including BERK Consulting Market Report and Site and Programming by ARC Architects and Bruce Dees Landscaping Architects.
- CSC at its March 30, 2023 meeting, unanimously support the feasibility study.

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

BERK Consulting was retained to prepare a market analysis:

- Understand the local and regional demand for potential PERC components:
  - Combined City-provided information
  - Market research and information from representatives of similar facilities
- Estimate the potential demand for indoor and outdoor recreation, meetings, and events.

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Market Demand Analysis - Methodology

1.0 Feasibility Study

Market Feasibility

- Demographic assessment of potential users based on drive-time catchment areas.
  - BERK conducted preliminary demand research on potential facility components, comparisons to similar facilities in region.

- BERK mapped potential market areas and estimated market demand based on drive times for: aquatic center, tournament sports fields, and event spaces.

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

Market Demand Analysis – Methodology

- BERK interviewed:
  - Peer facilities to understand trends
  - Interview local Arts, Sports and Recreation User Groups
  - Poulsbo Chamber of Commerce members
  - PERC Steering Committee members with expertise relevant to public facilities, parks and recreation planning.

- Based on drive-time analysis, interviews and community survey, BERK provided a market analysis that summarized the anticipated demand for key PERC components.

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

PERC Opportunities and Risk Factors:

- Aquatics Center

Opportunities	Risk Factors
Strong Community Support	Saturated Market (eight pools available within drive catchment area)
Potential Partnerships	Free and/or subsidized services are available to military active duty and retired at Bangor and PSNS pools
Warmwater pool with unique features	Expensive to construct and operate

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1.0 Feasibility Study

Market Feasibility

PERC Opportunities and Risk Factors:

- Tournament Fields

Opportunities	Risk Factors
Complements existing Strawberry Fields Facility	Existing large facilities throughout Western Washington (120+ drive catchment area)
Multiuse serving numerous sports groups (soccer, lacrosse, flag football, camps)	Weaker demand for soccer in the 60-minute driving time catchment area
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 accustomed to longer travel	

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

PERC Opportunities and Risk Factors:

- Events Center

Opportunities	Risk Factors
Flexible space leads to multiple use scenarios to support community needs	Competitive landscape (15 event spaces within driving catchment area)
	Difficult to gauge niche markets
Provide supportive and complementary spaces for adjacent OC/WWU	Takes many years of financial subsidization before in the 'black'

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

BERK Market Analysis Conclusions:

- Community members are strongly interested in the PERC
- As a KPFD project, PERC needs to serve two purposes:
  - Serve local residents
  - Draw outside visitors
- PERC will not be able to meet everyone's interests and needs to focus on few key components.

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

BERK Market Analysis Conclusions:

Aquatic Center:

- Strong community interest but is a saturated market.
- If pursued, would need to differentiate itself with unique features
- Expensive to build and maintain

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

BERK Market Analysis Conclusions:

Tournament Fields:

- Can bring people from around the region, and would meet the requirement of KPFD
- Combined with NK and CK fields, a suite of fields would result in a tournament destination.

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2 | Market Analysis – BERK Consulting

1.0 Feasibility Study

Market Feasibility

BERK Market Demand Conclusions:

Event Center:

- PERC event spaces need to be designed as adaptable multi-use facilities
- Event market space is competitive landscape
- PERC as event space would need further market testing to determine feasibility

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Section 4.0 of Feasibility Study

Feasibility Determination: What is market feasible?

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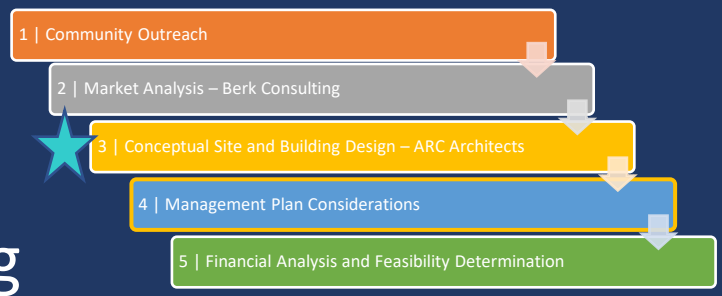
3 | Conceptual Site and Building Design– ARC Architects



1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: June 10, 2021 Meeting

- ARC highlights that PERC final uses will be balancing desired uses to site availability and costs
- ARC presented programming ideas and site analysis, identifying that the parcel is not large enough to site all identified components and requested input on preferred uses

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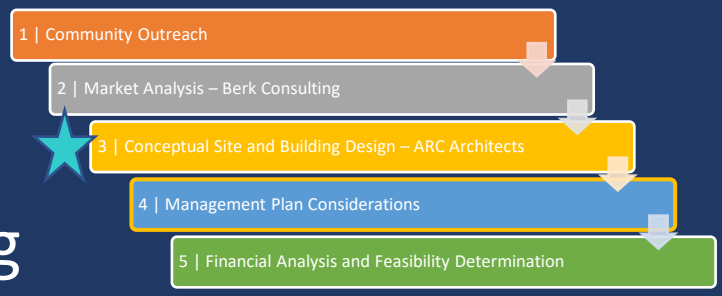

1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: June 10, 2021 Meeting

- Steering Committee Comments Sample:
  - Event/Rec Center:
    - Find niche cannot be achieved at other event spaces
    - Portable stage and collapsible seating
    - Gymnasium desirable?
    - Will parks and recreation programming be at PERC?
  - Fields:
    - Need to be multiuse for many sports
  - Aquatics:
    - Concern about costs of long-term operating and maintenance
    - Community would like to see it
  - A lot of desires and finite parcel of land

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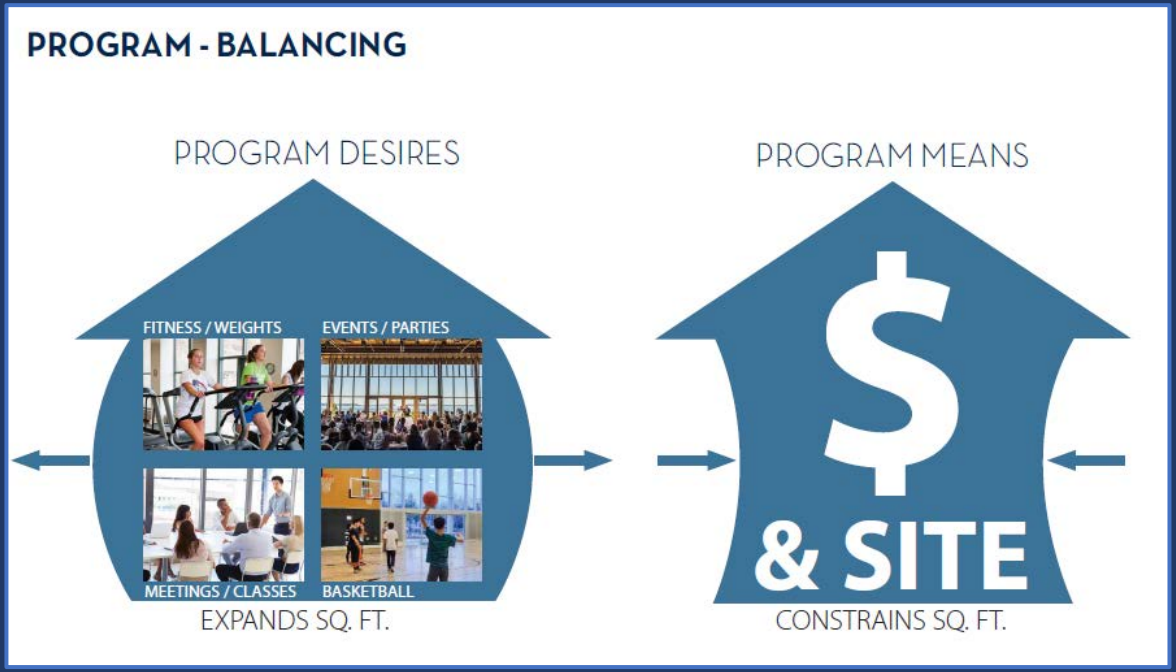

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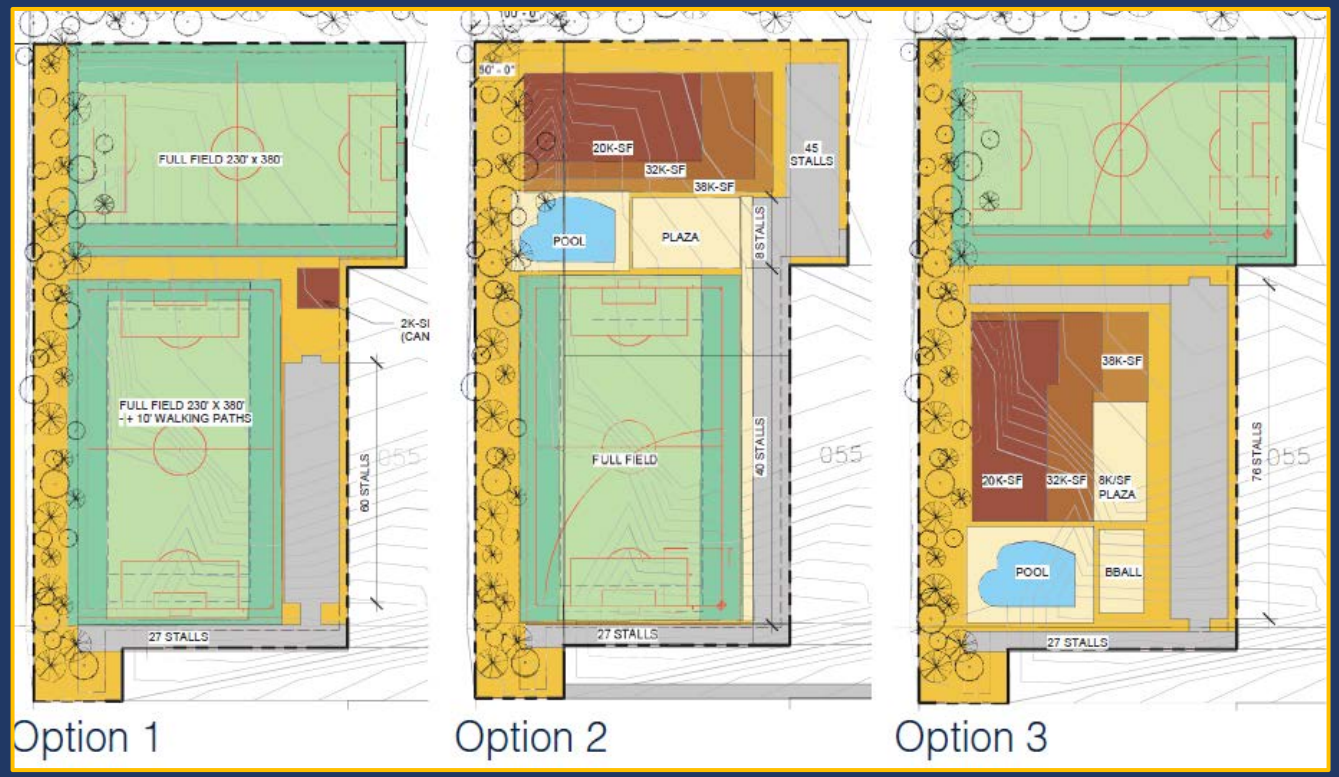
1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: July 15, 2021 Meeting

- ARC presented three site options:



PROGRAMMING - OPTIONS

2 FIELDS OPTION	1 SMALL BLDG 1 FIELD OPTION	1 MEDIUM BLDG 1 FIELD OPTION	1 LARGE BLDG 1 FIELD OPTION
$8M	$25M	$41M	$58M
- RESTROOMS BUILDING - MAINTENANCE BUILDING - 2 PLAY FIELDS - PLAYGROUND - PARKING	- EVENT SPACE (200 PEOPLE) - HS GYM (1 FULL - 2 HALF COURTS) - NO POOL -1 FULL SIZE FIELD - PLAZA & PLAYGROUND - PARKING	- EVENTS (300 PEOPLE) - HS GYM (1 FULL - 2 HALF COURTS) - OUTDOOR POOL -1 FULL SIZE FIELD - PLAZA & PLAYGROUND - PARKING	- EVENT SPACE (450 PEOPLE) - NBA GYM (1 NBA - 2 HS COURTS) - INDOOR POOL - OUTDOOR POOL - 1 FULL SIZE FIELD - 2 STORY BUILDING - PLAZA & PLAYGROUND - PARKING - TIGHT FIT ON SITE

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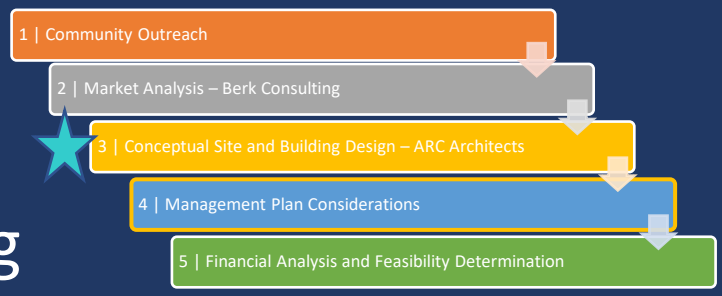


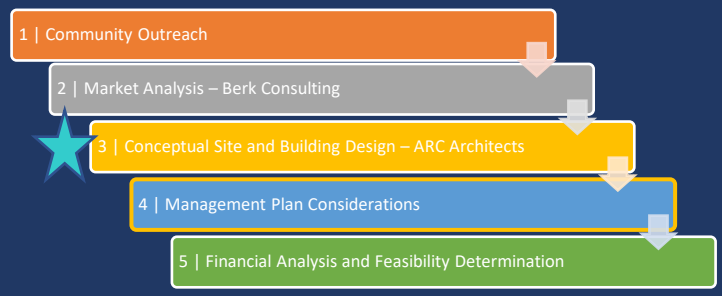
1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: July 15, 2021 Meeting

- Steering Committee Comments Sample:
  - Option 3 is too big and too expensive
  - Indoor pool would be nice, but need to be realistic regarding cost; outdoor pool might be feasible
  - Need to consider event space usage versus sitting empty
  - Outdoor elements, such as tennis, pickleball, amphitheater, walking/running path, splash pad should be included
  - Concern about being all things to all people; need to scale down
  - Concern about constrained site and uncertain financing

3 | Conceptual Site and Building Design– ARC Architects



1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: Sept. 9, 2021 Meeting

ARC presented a conceptual site plan that focuses on event center with outdoor recreation amenities and pool:

- Event space for up to 350 people with commercial kitchen, green room, dressing room, reception and administrative offices, classrooms, meeting spaces, lounge
- Outdoor recreation of plaza with water spray, playground, grassy area, amphitheater, walking trails, sports courts, resort-like outdoor pool w/locker rooms
- On-site parking and circulation

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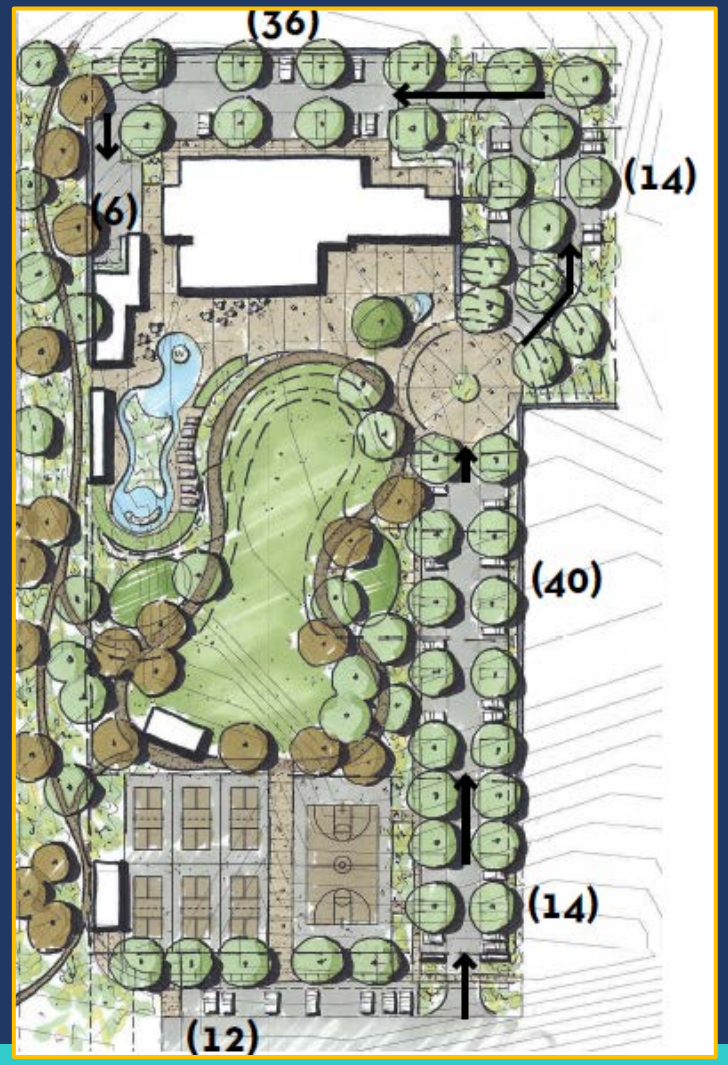
1.0 Feasibility Study

Site Feasibility

PERC Conceptual Site Plan Sept. 9th Option



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

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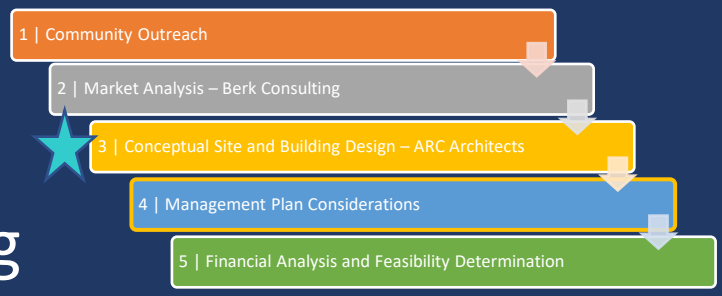

1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: Sept. 9, 2021 Meeting

- Steering Committee Comments Sample:
  - Is this too aspirational? Can this be implemented in phases?
  - Does not support loss of tournament fields
  - Reasonable compromise based on previous discussions
  - Outdoor space has availability for outdoor performances
  - Consider phasing pool component; splash pad is perhaps more ideal
  - Complementary to OC/WWU campus and supports students

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1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: Nov. 9, 2021 Meeting

ARC recapped Sept. 9th Conceptual Site Plan Option and provided updated building design and cost estimate by DCW Cost Estimator: $29.2 M

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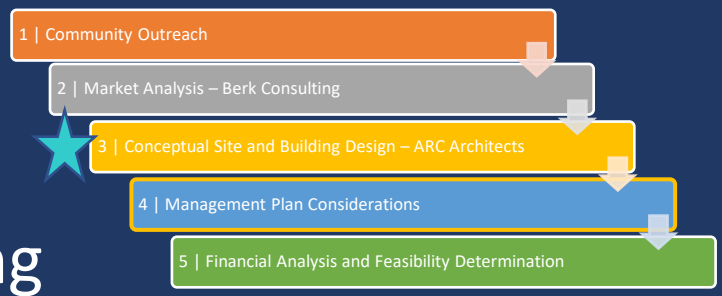

1.0 Feasibility Study

Site Feasibility

Site Options through Community Steering Committee Meetings: Nov. 9, 2021 Meeting

- Steering Committee Comments Sample:
  - Concern about loss of tournament fields
  - Cost is eye popping. Where is this in priorities of other City needs?
  - Will potential land acquisition allow for the PERC elements to be phased and stand alone?
  - What is the financial strategy? How will the City fund operations?
  - What are the recreational and community programming, or will it be primarily for events?
  - What impact will the cost of the PERC have on City residents?

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1.0 Feasibility Study

Site Feasibility

After November 9, 2021 meeting:

- Focused on 9 acre land acquisition due diligence efforts
- Based upon comments from Steering Committee, evaluated a phased approach.

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1.0 Feasibility Study

Phasing

Does phasing make the PERC feasible?

The following was considered:

- Market Feasibility – which component was found to be market feasible?
- Site Feasibility – what can fit on the current site?
- Initial intent of property donation to City
  - What was identified as park usage with the park mitigation?
- KPFD –
  - What is the KPFD's expectation of a PERC project?
  - What is the likely KPFD financial contribution to the PERC?

- Staff consulted with PERC consultants, city residents on the Steering Committee, KPFD Board Member and Executive Director, and Mayor on these five questions.

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PERC Poulsbo Events & Recreation Center

1.0 Feasibility Study

Phasing

Phase 1: Multi-use Tournament Fields

- Two turfed and lighted tournament fields, with outdoor recreational amenities, picnic/team shelters, bleachers, storage and parking at the current PERC site.
  - Consistent with Park Mitigation and City's CIP since 2020
  - Consistent with proposal to KPFD

Phase 2: Event and Recreation Center

- Center with indoor recreation gym and other indoor recreation with meeting and classrooms for events/meetings/classes and supportive of OC/WWU Campus

Phase 3: Outdoor Recreational Pool

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PERC Poulsbo Events & Recreation Center

1.0 Feasibility Study

Phasing

- Phasing identified by both the Community Steering Committee and Poulsbo City Council as a desirable approach
- Allows time to determine long-range funding strategy for construction and maintenance costs
- Phased approach would allow each to be funded and developed as stand-alone
- City's and KPFD current financial capacity can support moving forward Phase 1 now
- Steering Committee met 3/30/23 and unanimously agreed with the phased approach, with tournament fields as first phase.

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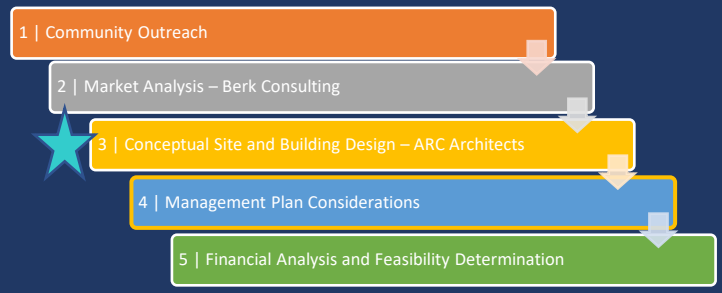

1.0 Feasibility Study

Phasing

PERC Option 1 Concept –

Phase 1: Tournament Fields

- Multi-use fields – soccer, lacrosse, football, ultimate frisbee, summer camps
- Not just fields: Incorporates outdoor recreation features from 9/9/2021 design*
  - Walking trails connecting to existing trails
  - Unique NW Playground
  - Splash Pad w/in plaza
  - Six Sports Courts
  - Outdoor concert and event space (markets, food trucks)
  - Seating areas

*with exception of aquatic center

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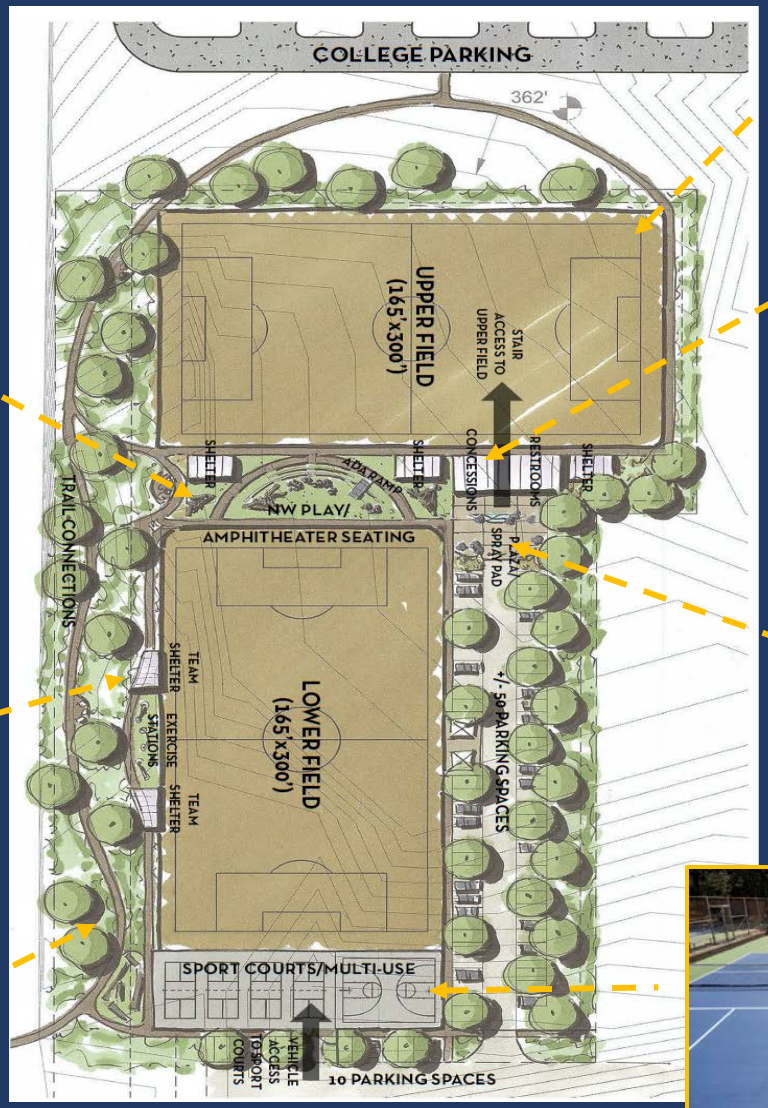
Phase 1 Conceptual Site Plan

PNW inspired playground located between fields for families attending tournaments, while taking advantage of naturally-tiered seating

Multiple picnic shelters to support tournaments, also provides an additional rental revenue source

Seating along walking path



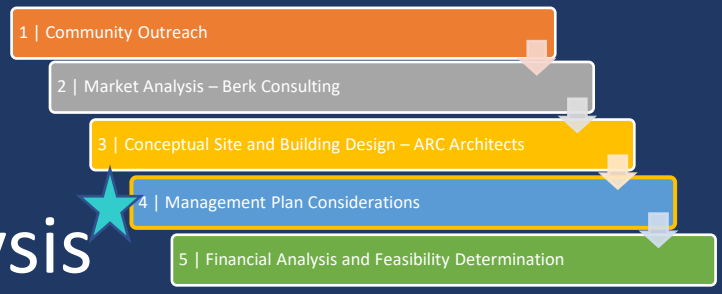
Two lighted and turfed multi-use tournament fields

Concessions for sports tournaments

Splash Pad w/in plaza

Sports Courts – 4 pickleball and full size basketball or 6 pickleball

4 | Management Plan Considerations



1.0 Feasibility Study

Operational Feasibility

Operational and Management analysis was completed by BERK Consulting for Phase 1 Fields

- It is a tool to understand operations, anticipated costs and revenue.
- Will transition to an operations plan if PERC Fields is realized.
- Updated annually by Parks and Recreation Department
  - Program audits
  - Usage profiles
  - Event and rental statistics
  - Actual financial outcomes

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations

1.0 Feasibility Study

Operational Feasibility

BERK Estimated Revenue:

Field Usage Estimate

Type of Rental	Low Hours Estimate	Medium Hours Estimate	High Hours Estimate
Local Sports Teams Estimate Practice Hours	581	726	871
Local Sports Teams Estimated Tournament Days	5	7	10
Comparable Municipal Complexes* Annual Tournament Day	10	20	35
Estimated Light Hours	290	363	436

*Comparable facilities interviewed:
Central Kitsap School District
Lacey Regional Athletic Center
Meadowdale Athletic Complex (Lynnwood)
Chesterley Park (Yakima)

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations

1.0 Feasibility Study

Operational Feasibility

BERK Estimated Revenue:

Field Rental Revenue

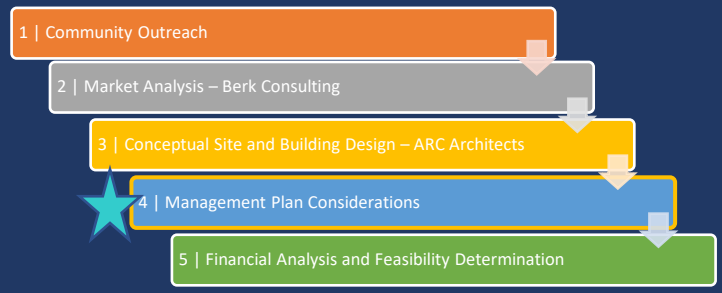
Type of Rental	Low Rental Rate	Medium Rental Rate	High Rental Rate
Practice Revenue $40/hour	$23,200	$29,000	$34,800
Tournament Revenue $475/day	$2,375	$3,325	$4,750
Lights Revenue $22/hour	$6,400	$7,900	$9,600
Total	**$31,975**	**$40,225**	**$49,150**

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations



1.0 Feasibility Study

Operational Feasibility

Other Expected Revenue:

- Sponsorships - on-site identification and signage
- Special events (markets, concerts, food trucks)
- Shelter rentals
- Concession booth rentals
- Equipment rentals
- Courts tournaments (6 pickleball courts supports tournaments)
- Specialty Camp rentals

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations

1.0 Feasibility Study

Operational Feasibility

BERK Estimated Maintenance Expenditures:

Type of Maintenance	Low Rate	Medium Rate	High Rate
Annual Maintenance for two fields by contractor	$5,300	$5,700	$6,100
Field Replacement for two fields	$700,000	$1,000,000	$1,300,000

KITSAP PUBLIC FACILITIES DISTRICT

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PERC Poulsbo Events & Recreation Center

1.0 Feasibility Study

Operational Feasibility

BERK Consulting Revenue/Expenditure – 10-year Projection – turf fields (medium)

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**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$40,225**	**$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)*

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

1.0 Feasibility Study

Operational Feasibility

BERK Consulting Revenue/Expenditure – 10-year Projection Summary – turf fields (medium)

	2023	2032	2033
Revenue Total* Practices, Tournaments, Lights	$40,225	$40,255	$40,225
Expenditures Total** Annual Field Maintenance Replace Turf Total	$5700	$7437	$7660 $1,343,916 $1,351,577
Annual Net Position Overall Net Position	$34,525	$32,788 $336,906	(1,311,352) ($974,446)

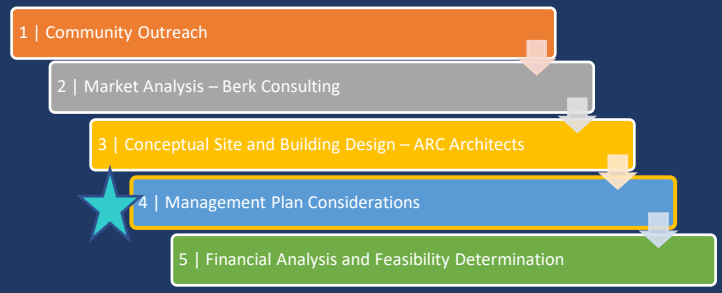
*Assumes no increase in rental rates over 10-year period
** Assumes 3% annual increase in annual maintenance costs

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations



1.0 Feasibility Study

Operational Feasibility

Adequately planning for turf fields' lifecycle is critical to be identified in operations plan:

- Fields are self sufficient until year 10
- Consistent schedule for user fee adjustments
- Rental, sponsorship and other revenue sources needs to be designated by Council for replacement reserves
- Develop fundraising strategy with primary user groups
- Adjust projected revenues and expenditures on actual maximized PERC usage fees

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

4 | Management Plan Considerations

Operations impacts on City Staff:

1.0 Feasibility Study

Operational Feasibility

City Department	Additional Duties
Parks and Recreation	• Field scheduling and management • Marketing of turf fields and sports courts for rentals/tournaments • On-site during tournaments to assist with logistics, concessions, compliance with field use
Public Works	• Daily duties are garbage and cleaning restrooms • Tournament weekends would generate multiple visits to ensure clean and safe facilities • Facility maintenance – parking lot, landscaping, plaza, buildings, sports courts, playground, walking paths, splash pad • Could add .5 FTE to park maintenance especially during heavy field usage time
Police	• Similar to current duties of patrolling city parks: daily drive-bys, weekends and during events; • Additional duties for larger special events possible
Finance	• Additional park budget management; turf replacement capital reserves accounting

Section 7.0 of Feasibility Study

Feasibility Question: What is operational feasible?

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

1.0 Feasibility Study

Financial Feasibility

Preliminary Construction Cost Estimate

- Phase 1 Site Development, Fields and Outdoor Recreation: $11.7M
- Phase 2 Event and Recreation Center (14,800 square feet): $11-20M
- Phase 3 Outdoor Aquatic Facility: $7-10M

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

5 | Financial Analysis and Feasibility Determination

1.0 Feasibility Study

Financial Feasibility

Site Development	$	Tournament Fields	$	Outdoor Rec	$
Site Prep and Mobilization	$200,000	2 Multiuse Fields	$2.2M	Sports Courts	$110,500
Site Earthwork and Grading	$400,000	Field and Site Lighting	$830,000	Pathways and Trails	$180,000
Retaining Walls	$350,000	Fencing, Screens and Backstops	$200,00	Plaza w/splash pad	$400,000
Stormwater/Civil	$500,000	Bleachers	$30,000	Playground Amphitheater	$323,500
Utilities	$150,000	Concessions/Restroom	$700,00	Site Furnishings	$60,000
Parking/Sidewalks/Hardscape	$520,000	Team Shelters x3	$150,000	Picnic Shelters x2	$225,000
Landscaping/Irrigation	$215,000	Equipment/Storage	$41,000		
Park Signage	$17,500				
Soft Costs (30% final design, engineering, permitting, sales tax, fees, PM)	$2,338,200				
Contingency (20% design and construction contingency)	$1,558,800			**Total**	**$11,700,000**

KPFD Funding Structure

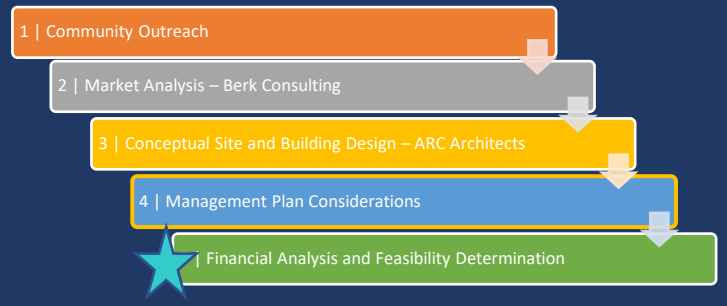
- Set by RCW 82.14.390(5)
- Phase 1 Fields:
  - 67/33 Funding Split - $11.7M
    - KPFD: $7.83M
    - City: $3.86M
- City's share can be modified through cash contributions, which can reduce the City's total amount

Section 8.0 of Feasibility Study

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center



Is PERC Phase 1 is Feasible?

Feasibility Study Conclusion

- There is **market feasibility** for PERC Phase 1:
  - BERK Consulting found demand for consistent rentals and as a tournament destination. The market determination of tournament fields also meets the KPFD economic development feasibility criteria.
- There is **site feasibility** for the PERC Phase 1:
  - ARC and Bruce Dees Landscape Architects prepared a conceptual site plan with two tournament fields and many outdoor recreational uses.
- There is **operational feasibility** for the PERC Phase 1:
  - With consistent maintenance and a designated capital replacement reserves financing strategy. Some staff duties will increase.
- There is **financial feasibility** for PERC Phase 1:
  - KPFD would fund 67% of the project and the City would fund 33%.

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

Tonight's Workshop Agenda

1.0 Feasibility Study Summary

2.0 Financial Considerations

3.0 Council Considerations and Discussion

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

2.0 Financial Considerations

Preliminary Cost Estimate: Phase 1

- 67/33 Funding Split - $11.7M
  - KPFD: $7.83M
  - City: $3.86M
- City's share can be reduced through:
  - Grants
  - Legislative earmark
  - Fundraising
  - Sale of City-owned property

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

2.0 Financial Considerations

Preliminary Cost Estimate: Phase 1

How to pay for City's share?

- Councilmatic Bond
  - Current approximate councilmatic bonding capacity: $32M
  - PERC only: ~$275,000 annual payment for 20 years on $3.5M
  - Combined into debt package with other project needs
- Voted Debt
  - PERC only: likely not pursue voted debt for Phase 1 (Phase 2 and 3 would need to be voted debt)
  - Combined into debt package with other project needs
- Voted Levy Lid Lift
  - If approved, would generate approximately $1.5-1.6M in annual revenue
- Voted Park District
  - If approved, could contribute to annual debt payment

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

2.0 Financial Considerations

- City Council Workshop May 3, 2023
  - Debt Priorization Workshop – PERC will be one of list of projects to discuss

- KPFD is prepared to fund $1.5M for the PERC's next step:
  - Final design
  - Site engineering and any architectural drawings
  - Permitting
  - Bid Ready Packet
  - Move to final design, and continue to work with Finance and KPFD for construction funding structure (ILA#3)

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

Tonight's Workshop Agenda

1.0 Feasibility Study Summary

2.0 Phased Approach Considerations

3.0 Council Considerations and Discussion

3.0 Council Considerations

Pros and Cons: Fields + Outdoor Rec

3.0 Council Considerations

PROS	CONS
Market Feasible	
Site Feasible	Tournament sized fields limits other uses on current site.
Operationally Feasible	Impacts on Parks, PW, Police and Finance Departments, as described in feasibility report. Replacement costs at 10 years will need to be addressed: operational planning and dedication of revenue to long-term maintenance needs would mitigate.
Financially Feasible	Councilmatic Bonding necessary
Can move forward now	
Meets PFD criteria - provides park to local community and can be a regional destination facility	

Pros and Cons: Event and Rec Center

3.0
Council
Considerations

PROS	CONS
Provides for new multi-use event/meeting space for community; could be designed to support performing arts	Market Feasibility - for event center unclear due to strong existing event center market
Provides new office and programming space for City Parks and Recreation	Operational Feasibility – would need further feasibility analysis to analyze staffing needs (both programming and maintenance), and building maintenance needs of new building
Complementary with OC/WWU in use and building design, creating a 'campus' like setting; could provide student union type amenities	Financial Feasibility – would need further feasibility analysis to determine when financial subsidization would taper; staffing and building maintenance costs Would exceed City's current financial capabilities – voted debt necessary

Pros and Cons: Aquatic facility

3.0
Council
Considerations

PROS	CONS
Strong community support	Market Feasibility - was unclear due to saturated market determination by BERK Consulting; outdoor resort-like needs further testing
Outdoor resort-like pool supported by Steering Committee	Operational Feasibility – would need further feasibility analysis to analyze staffing needs and maintenance needs of new pool
Would be a regional destination	Financial Feasibility – would need further feasibility analysis to determine when financial subsidization would taper; staffing and maintenance costs Would exceed City's current financial capabilities – voted debt necessary

3.0 Council Considerations

Does Council wish to move forward with the PERC?

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

3.0 Council Considerations

- If no, the feasibility process is complete.
- If yes, do you want to do all three phases together?
  - Re-engage consultants for operational feasibility
  - Pursue land acquisition
  - Update Cost Estimate $42M+
  - Voted Debt
- If yes to Phase 1, direct staff to begin drafting ILA #2 with KPFD:
  - If yes, KPFD is prepared to fund $1.5M for the PERC's next steps
  - If yes, Mayor will bring forward an agenda item in May (after Council May 3rd workshop) for a Council motion to direct staff to work with KPFD on ILA #2.

KITSAP PUBLIC FACILITIES DISTRICT

CITY OF POULSBO VIKING CITY

PERC Poulsbo Events & Recreation Center

Discussion

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