

Poulsbo Event and Recreation Center

Kitsap Public Facilities Board of Directors

April 29, 2024



Tonight's presentation will cover:

- 1.0 Looking back as we move forward –
Feasibility Report
- 2.0 City Council Considerations & Commitment
- 3.0 Proposed Funding ILA



1.0 Looking Back

Kitsap Public Facilities District (KPFDD)

- The Washington State Legislature in 2017 extended the period the state's PFD could receive tax rebate funding until 2041.
- In 2018, the KPFDD announced call for projects.
- The proposed projects need to meet definition of RCW 35.57.020:
 - 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.
 - Provide economic impact
 - 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)).



Kitsap Public Facilities District (KPF) Funding Process

- PERC Concept was presented
- to KPF in 2018/19:
 - Two turf multiuse fields
 - Event and Recreation Center
 - Complementary uses



1.0

Looking Back

KPF Identified Funding Framework (2018):

- 1st Phase: Project Concept to Project Feasibility
 - 2nd Phase: Project Development and Preliminary Plan
 - 3rd Phase: Final Project Plan, Funding ILA and Contractor Selection
- 1st and 2nd Phase is the **Feasibility Study Process**



1.0 Looking Back

Kitsap Public Facilities District (KPF) Funding

- City 2018/19 Application followed KPF) Framework Phase 1, and specifically identified need to evaluate land-bearing capacity and market demand.
- PERC ILA #1 funded Phase 1: “**Project Concept to Project Feasibility**” for \$243,900 approved December 2019
 - Attachment A to this ILA included feasibility analysis work description



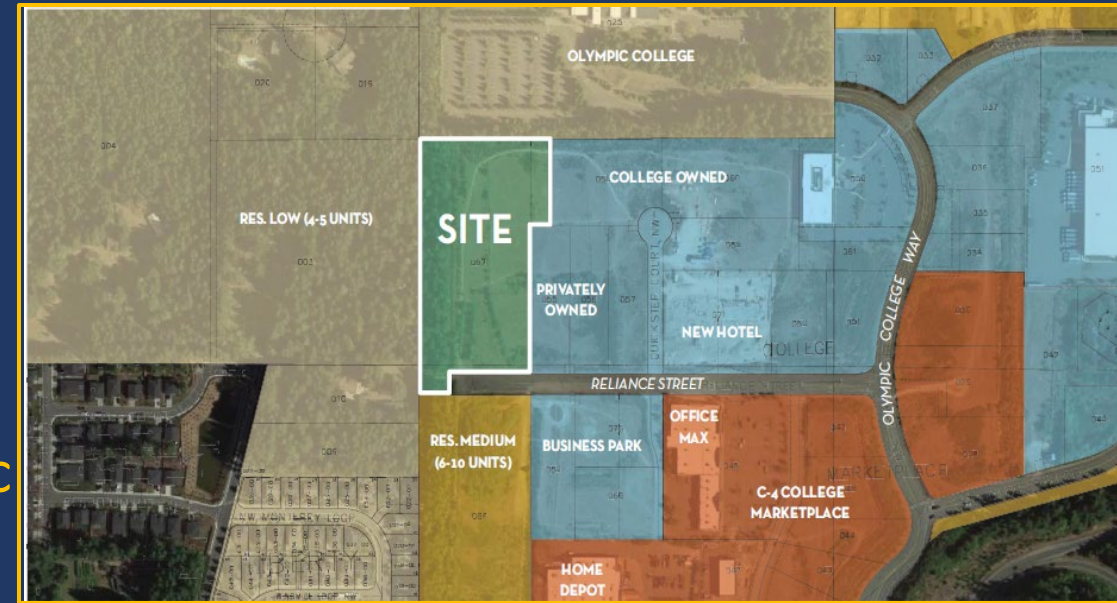
- 1.0 Feasibility Report Summary ←
- 2.0 City Council Considerations & Commitment
- 3.0 Proposed Funding ILA



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.



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.



Feasibility Study

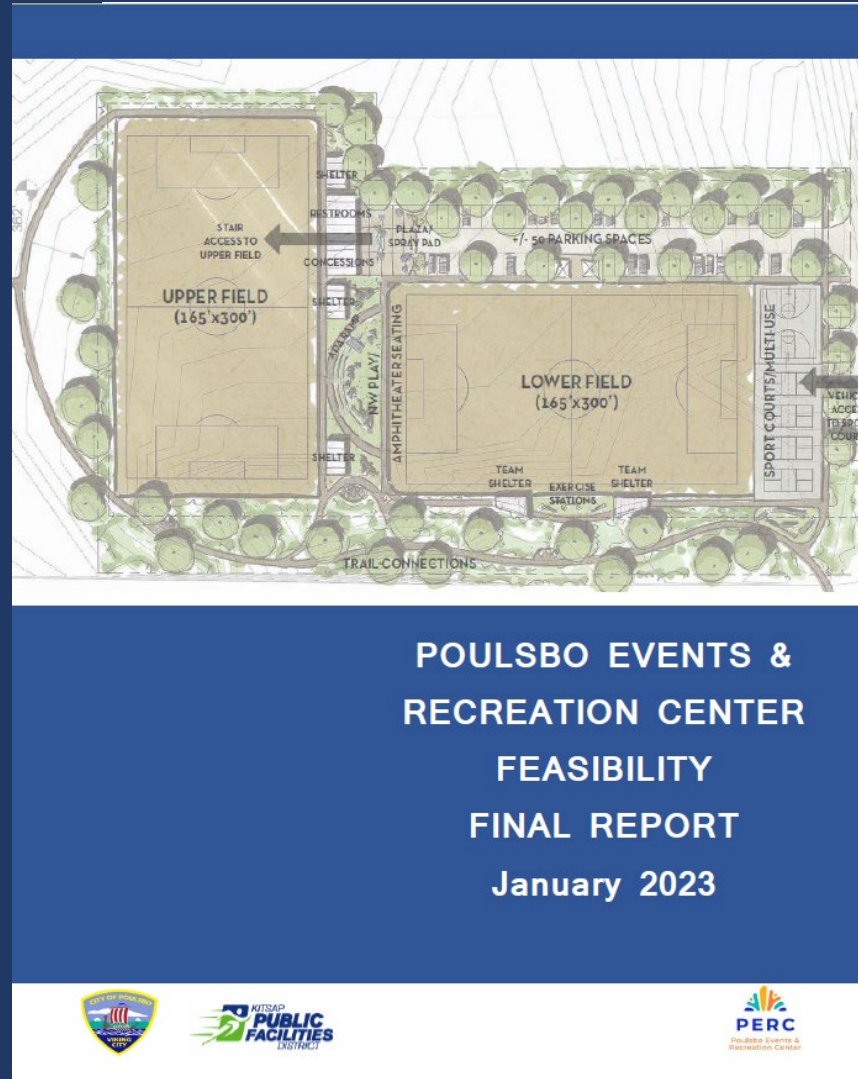
What is the purpose of a feasibility study?:

- A feasibility study is not a decision. It is a tool that informs decision-making of the likely success of a capital project using a set of criteria.
- In determining feasibility, the PERC report used four criteria to determine whether it is feasible:
 - **Market** Feasibility
 - **Site** Feasibility
 - **Operational** Feasibility, and
 - **Financial** Feasibility.



PERC Feasibility Report

Released
1/23/23



The PERC Feasibility
Report is:

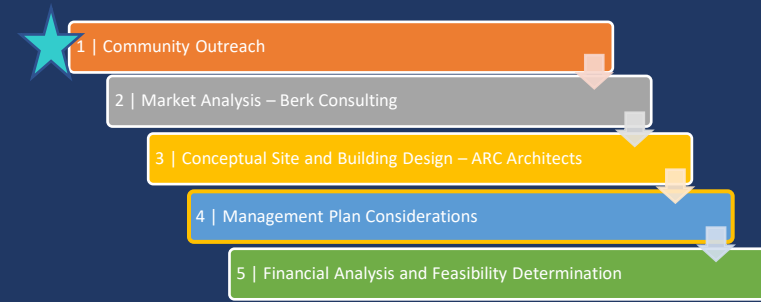
- Compilation of technical analysis and design by five professional consultant firms
- Framed by input from community and steering committee
- Nine sections
- 20 appendices



1.0 Feasibility Study

PERC Feasibility Report Process





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**.



1.0 Feasibility Study

1 | Community Outreach

Community Steering Committee:

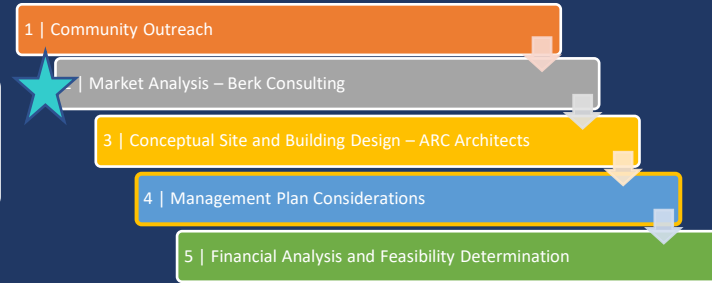
- Steering Committee met eight times between January 2021 - March 30, 2023.
- Reviewed and commented on consultant work including Market Report and Site Options.
- CSC at its March 30, 2023 meeting, **unanimously support the feasibility study.**



1.0 Feasibility Study

Market Feasibility

2 | Market Analysis – BERK Consulting



BERK Consulting was retained to prepare a market analysis:

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



2 | Market Analysis – BERK Consulting

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

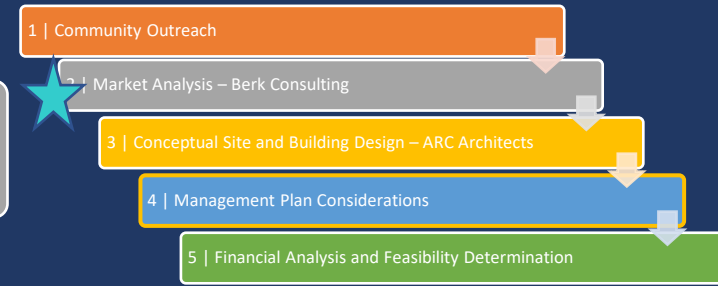
BERK Market Analysis Conclusions:

- Community members are **strongly interested** in the PERC
- As a KPFD project, PERC needs to draw outside visitors as a **regional destination**
- PERC **will not be able to meet everyone's interests** and needs to focus on few key components

1.0
Feasibility
Study

Market Feasibility





2 | Market Analysis – BERK Consulting

1.0 Feasibility Study Market Feasibility

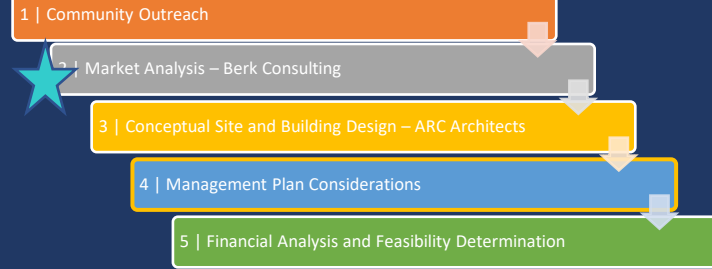
BERK Market Analysis Conclusions:

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



2 | Market Analysis – BERK Consulting



1.0 Feasibility Study

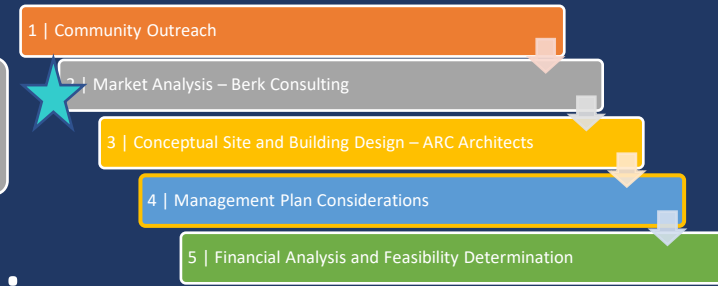
Market Feasibility

BERK Market Analysis Conclusions:

Tournament Fields:

- PERC needs **two fields** to be competitive facility
- Combined with NK and CK fields, a suite of fields would result in a regional and state **tournament destination**.
- **Meets the requirement** of a PFD special event/sporting facility





2 | Market Analysis – BERK Consulting

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

1.0
Feasibility
Study

Market
Feasibility



3 | Conceptual Site and Building Design – ARC Architects

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

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

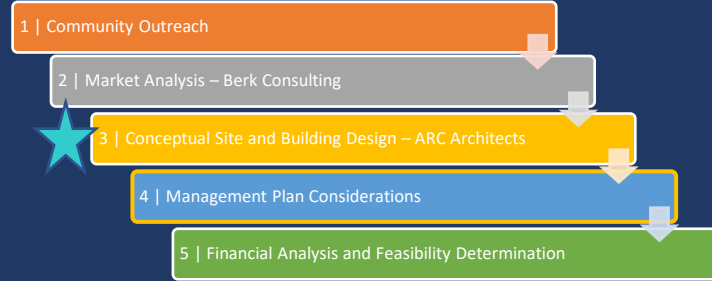
1.0 Feasibility Study

Site Feasibility

- 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



3 | Conceptual Site and Building Design – ARC Architects



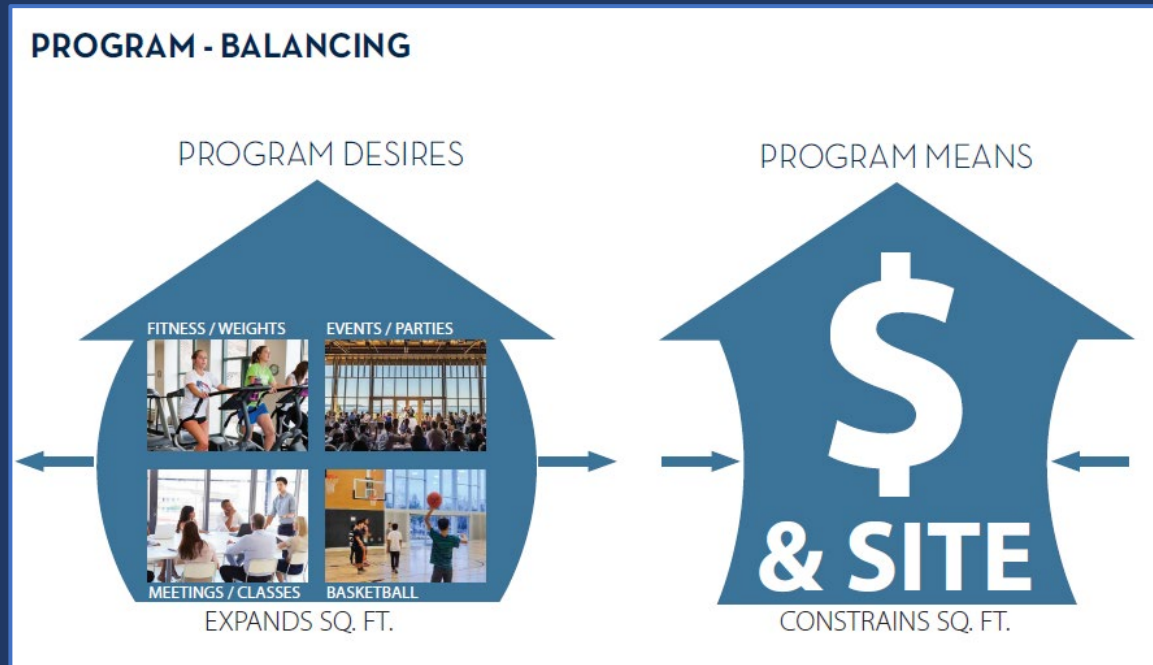
Site Options through Community

Steering Committee Meetings: July 15, 2021 Meeting

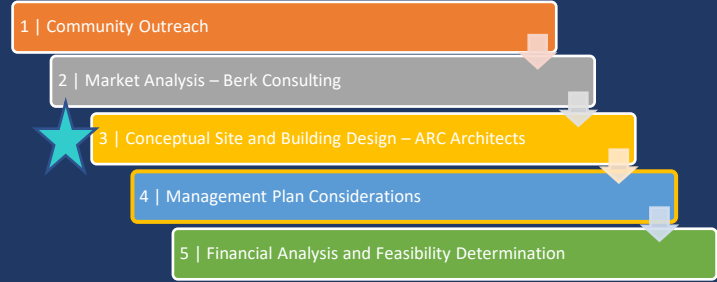
- ARC highlights that PERC final uses will be balancing desired uses to site availability and costs

1.0
Feasibility
Study

Site Feasibility



3 | Conceptual Site and Building Design – ARC Architects



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

- Three site options presented:



1.0
Feasibility
Study
Site Feasibility



3 | Conceptual Site and Building Design – ARC Architects

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

Steering Committee Meetings: Sept. 9, 2021 Meeting

1.0
Feasibility
Study

Site Feasibility



3 | Conceptual Site and Building Design— ARC Architects

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



1.0 Feasibility Study

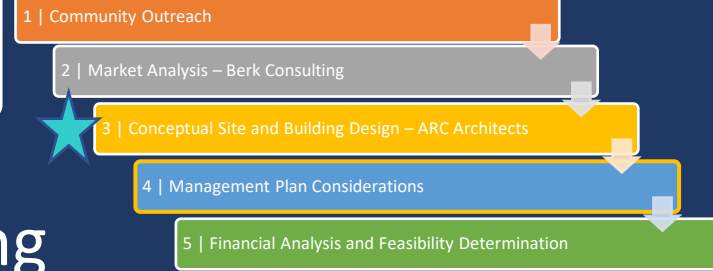
Site Feasibility

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

- Site Development, Fields and Outdoor Recreation: \$11.7M
- Event and Recreation Center \$20M
- Outdoor Aquatic Facility: \$7-10M
- **Total Estimated Cost: \$42M (2021 \$)**



3 | Conceptual Site and Building Design— ARC Architects



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

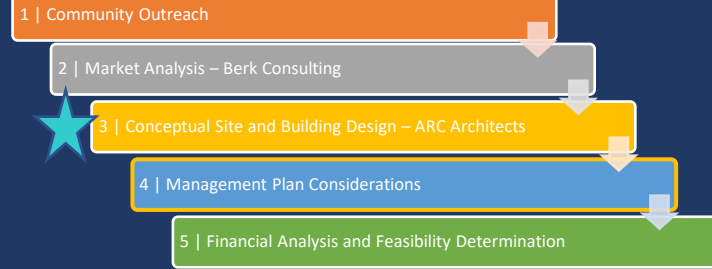
1.0 Feasibility Study

Site Feasibility

- Concern about loss of tournament fields
- Cost is eye popping.
- Will potential land acquisition allow for the PERC elements to be phased and stand alone?
- What is the financial strategy?
- 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?
- **Can the PERC be phased?**



3 | Conceptual Site and Building Design – ARC Architects

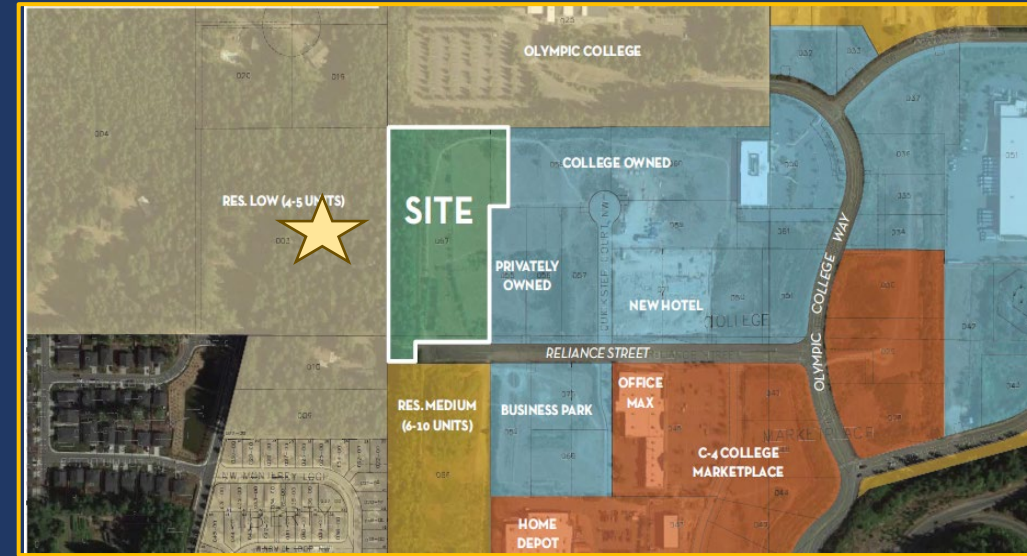


After November 9, 2021 meeting:

1.0 Feasibility Study

Site Feasibility

- Site Feasibility – would need additional land for all elements
- City pursued 9 acre land acquisition due diligence efforts – concluded Spring 2022



1.0 Feasibility Study

Considerations

What is Feasible?

The following was evaluated:

- **Market Feasibility** – Berk Consulting: which component was found to be market feasible?
 - Two Tournament Fields
- **Site Feasibility** – what can fit on the current site?
 - Two fields or one field with a building
- **Initial intent** of property donation to City?
 - Two sports fields
- **KPFD** –
 - What is the KPFD's expectation of a PERC project?
 - What is the likely **KPFD financial contribution** to the PERC?
 - \$10-12M



1.0
Feasibility
Study

Phased
Approach

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



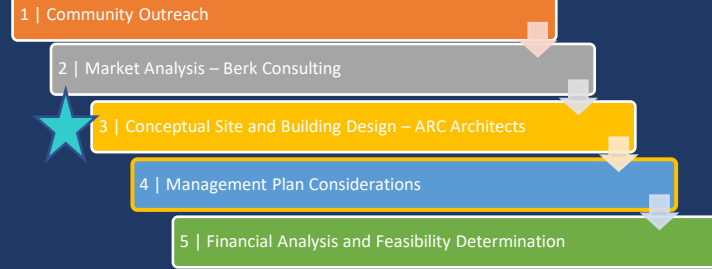
1.0 Feasibility Study

Phasing

- **Phasing Capital Projects** is a common and reasonable approach to public facilities:
 - Phasing identified by both the **Community Steering Committee** and **Poulsbo City Council** as the desirable approach
 - **Continues to forward the 2018/2019 concept** – no element has dropped out
 - Allows time to determine **funding** for each phase of a multi-million dollar project
 - Phased approach allows each phase to be **stand alone**
 - City's and KPFD **current financial capacity** can support moving forward Phase 1 now
 - City phases all of its larger capital projects



3 | Conceptual Site and Building Design – ARC Architects



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

1.0
Feasibility
Study

Phasing



Phase 1 Conceptual Site Plan

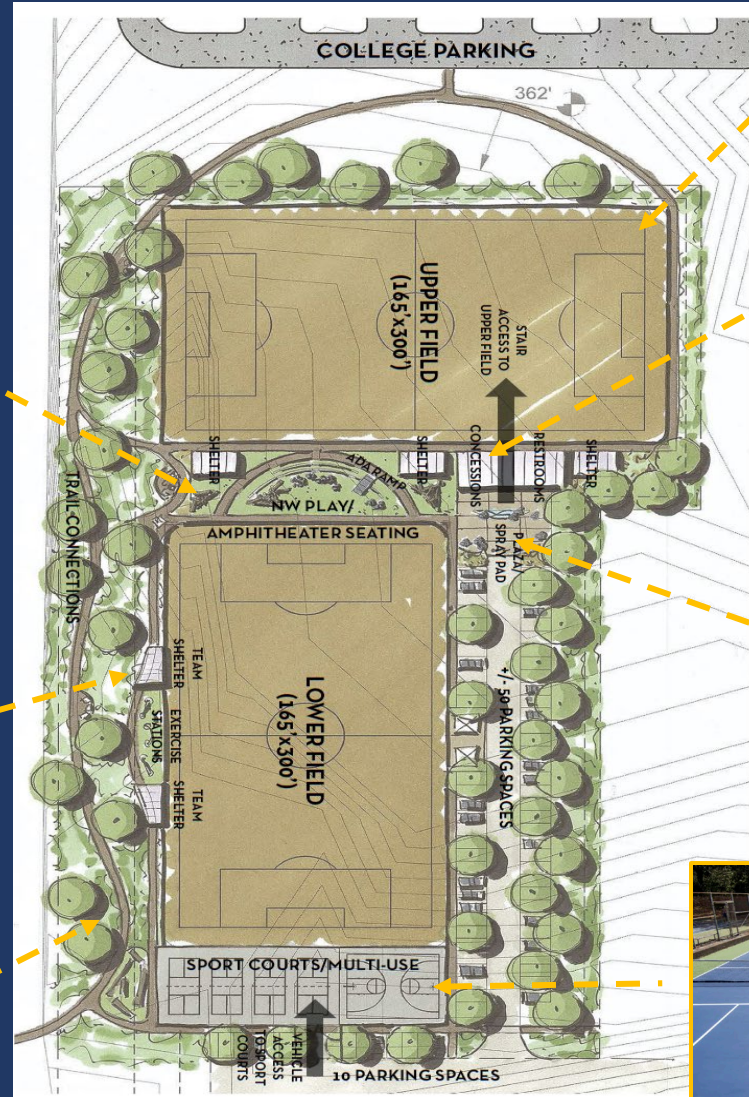
PNW inspired playground located between fields for families attending tournaments, while taking advantage of naturally-tiered seating



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



Seating along walking path



Two lighted and turf-ed multi-use tournament fields



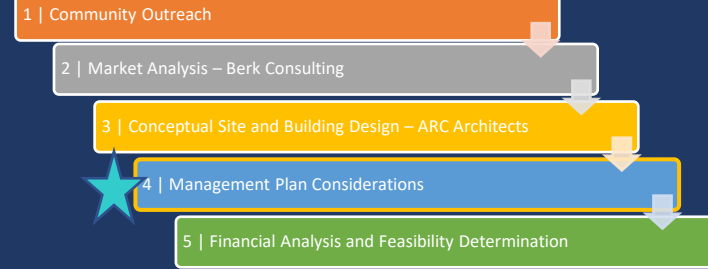
Concessions for sports tournaments

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:

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



5 | Financial Analysis and Feasibility Determination

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

1.0 Feasibility Study

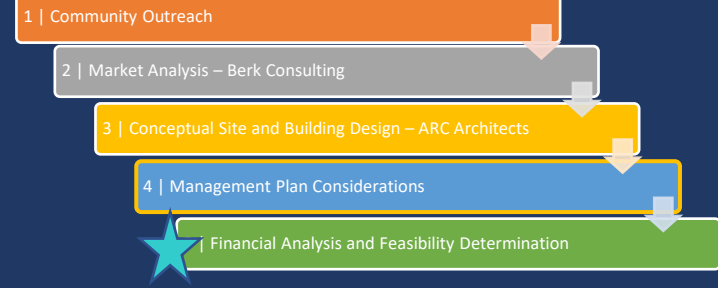
Financial Feasibility

Preliminary Construction Cost Estimate

- Phase 1 Site Development, Fields and Outdoor Recreation: \$11.7M
 - 67/33 funding split (RCW 82.14.390(5))
- Phase 2 Event and Recreation Center: \$20M
- Phase 3 Outdoor Aquatic Facility: \$7-10M



Is the PERC is Feasible?



- 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:
 - Both the KPFD and City have the financial capability to fund Phase 1 at this time

Feasibility Study Conclusion



Tonight's Workshop Agenda

- 1.0 Feasibility Study Summary
- 2.0 City Council Considerations and Commitment
- 3.0 Proposed Funding ILA



April 19, 2023: Does Council wish to move forward with the PERC?

- 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
 - Begin working with KPFD
 - Include in biennium capital budget

At conclusion of meeting, **City Council supported the phased approach**, agreed moving forward with Phase 1 with KPFD, and agreed on Phase 2 community recreation building with OC and WWU as potential partners.

2.0 Council Considerations



2.0 Council Considerations

Other City Council actions in 2023:

- 2nd PERC Workshop – August 16, 2023
- Capital Facilities Budget Discussions:
 - September 13th, October 4th
- Approved Resolution 2023-11 – November 1, 2023
- Adopt City Biennial budget – December 13, 2023



2.0 Phase 2 Considerations

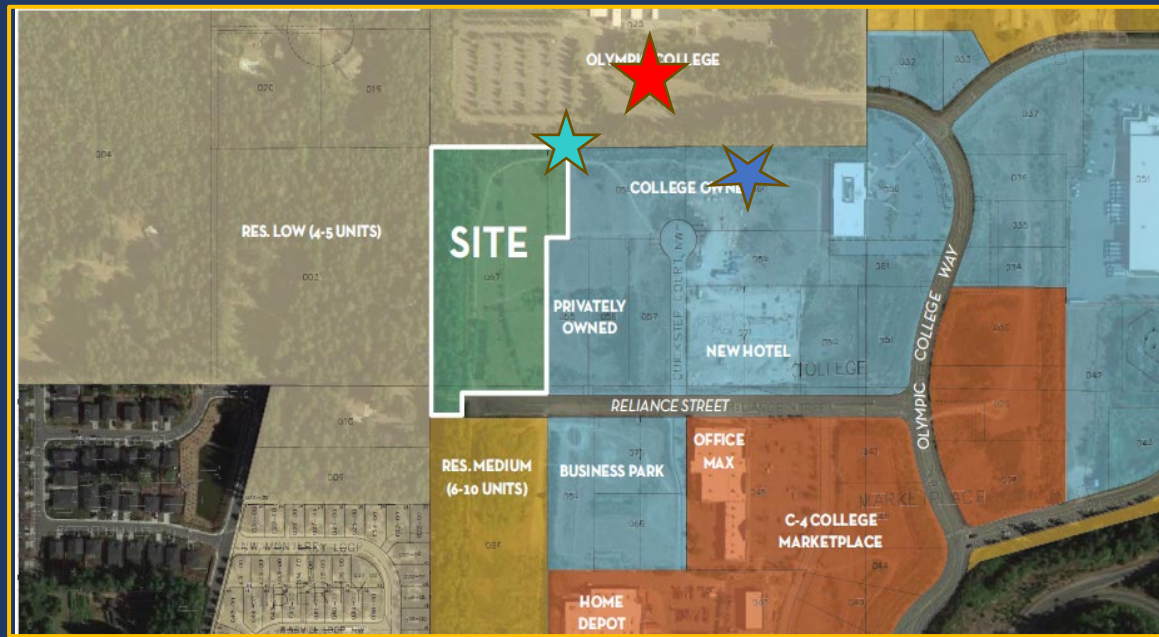
Phase 2: Event and Recreation Center

- Based upon market feasibility, additional testing would be required for the special events facility
 - Clearwater Casino is significant competition
- Community input and steering committee desired **recreation and community** programming for a Phase 2
- Financial feasibility by the KPFD appeared to be maximized with the tournament fields
- City Council remains committed to Phase 2; need partners-
 - April 19, 2023 workshop
 - Nov. 1, 2023 Resolution
- Members of City, OC and WWU:
 - Toured YMCA of UW/Tacoma – November 20, 2023
 - Discussed partnerships for Phase 2 – April 23, 2024



2.0 Phase 2

Considerations



- ★ Olympic College – has funding and is currently planning the expansion of current health care programs (seven) and addition of ten new programs. Add a 60-80,000 square foot health science building that would include primary care clinic, classrooms, multi-disciplinary simulation and labor environments, and office spaces.
- ★ WWU – has funding and is currently planning to construct a new building where they can expand their current programming, including new cyber security range, and addition of new programs, including master level.
- ★ Phase 2- can it be incorporated with campus expansion planning?



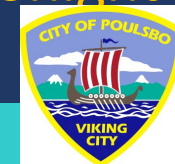
Tonight's Workshop Agenda

- 1.0 Feasibility Study Summary
- 2.0 City Council Considerations & Commitment
- 3.0 **Proposed Funding ILA** ←



3.0 Proposed Funding ILA

- Early January 2024, met with KPFD to discuss framework of ILA
- City provided first draft of funding ILA to KPFD Director end of January 2024
- KPFD, Attorneys and Staff continued to reviewed and revise, collaboratively working through concerns
- Financial Advisors consulted
- KPFD Executive Committee reviewed
- Understood first funding ILA for the KPFD: wanted to get the details right
- Final version ready for full KPFD Board review tonight



3.0 Proposed Funding ILA

Highlights of ILA:

- PERC Regional Multi-Use Fields updated project cost estimate of \$13M for 2025 dollars
- Maximum \$10.278M for KPFD, inclusive of interest amortized over 16 years
- Three attachments that provide specific details:
 - Task 1: \$1.5M to hire PS&E consultant and get to bid
 - Task 2: \$100,000 for financing and bond issuance costs
 - Task 3: \$11.4M construction costs
 - Amortized Estimated Payments 2024-2046



3.0 Proposed Funding ILA

Anticipated Timeline:

- Funding ILA – May 2024
- PS&E Consultant Contract – May 2024
- 30/60/90 Design Drawings – June 2024- January 2025
- Permitting – September-October 2024
- Financing Structure – September –December 2024
- Release Bid Documents – January 2025
- Select Construction Contractor – February 2025
- Issue Bonds – March-April 2025
- Break Ground – May/June 2025



3.0 Proposed Funding ILA

- Thank you for partnership and proud to be here tonight with the real opportunity to break ground on the first KPFDD project from the 2018 call for projects, in 2025.
- The City of Poulsbo respectfully requests the KPFDD Board approve of the proposed ILA.



Thank you!

