



July 5th, 2023

Project No.	Project Name	Meeting
4885 -01	Healthier Together Center	Steering Committee Workshop 6

Attendees

<input checked="" type="checkbox"/> Carrie Hite – Dir. – Parks & Recreation Strategy	<input checked="" type="checkbox"/> Jim Kalvelage – Opsis Architecture
<input type="checkbox"/> John Mauro – City Manager	<input checked="" type="checkbox"/> Erica Dunn – Opsis Architecture
<input type="checkbox"/> Mark McCauley – County Administrator	<input checked="" type="checkbox"/> Chris Jones - Groundswell
<input checked="" type="checkbox"/> Mike Glenn – CEO Jefferson Healthcare	<input checked="" type="checkbox"/> Ken Ballard – Ballard*King
<input checked="" type="checkbox"/> Wendy Bart – Ex. Dir. YMCA Olympic Peninsula	<input checked="" type="checkbox"/> Morgan Shook - ECONorthwest
<input checked="" type="checkbox"/> Rich Childers – President JeffCo Aquatic Coalition	<input checked="" type="checkbox"/> Ryan Nachreiner – Water Technology, Inc.
<input checked="" type="checkbox"/> John Nowak – PT School District Board of Directors	
<input checked="" type="checkbox"/> Eron Berg – Ex. Dir. Port of Port Townsend	
<input checked="" type="checkbox"/> Kate Dean – District 1 County Commissioner	
<input type="checkbox"/> Linda Rosenbury – PTSD Superintendent	

Submitted By

Erica Dunn

Distribution

Carrie Hite

MEETING MINUTES

The following meeting minutes represent my understanding of the discussions and directions during the meeting. Attendees should communicate any revisions to Opsis Architecture (hereby Opsis).

Funding:

- o Recap:
 - o Base & Full Build Out – Range between options is roughly \$10M
 - o Current City Subsidy is \$300-450,000/year range
 - o Public Funding Vehicle options – MPD or PFD
- o MPD Governance – 3 options
 - o Unique district and own governance structure (can elect officials when putting MPD to vote)
 - o Wholly within one city or incorporated area in one county – sponsoring jurisdiction can act as ex officio
 - o Multiple cities or county areas – each legislative authority may appoint one member to board.
 - o Park district would be JUST for the aquatics. In ballot you would specify the extent of it.

- If service area of MPD doesn't extend south, may not need to incorporate upgrades to other county amenities
- MPD Funding Option:
 - May issue debt obligation to 2.5% of their assessed valuations
 - Only 0.25% may be non-voted. The majority of the required debt would need to be voted on and passed by 60% vote (super majority with at least 40% of previous election turning out)
 - Would likely need 2 votes but legal counsel might provide an option for structuring the votes to see if it's possible to both create the MPD and fund it in a single vote.
 - This would combine a simple majority vote with a super majority (60%) vote
 - Could put MPD at 0.25% in place for a period of time and save the money to pay for the building in cash.
- PFD Funding Options:
 - Typically used to operate Convention and Event centers (economic tourism) but state law adjusted to allow them for use with recreational facilities
 - Requires voter approval (simple majority) for the PFD
 - Requires an independent financial feasibility review (before the public vote)
 - Boundaries can be single city, multiple cities/towns, and unincorporated
 - Governance
 - Sponsoring jurisdiction appoints 3 members, and the governing board appoints 3 more members on recommendations of local organizations
 - Funding Available:
 - Can charge fees
 - Admissions tax up to 5% - ONLY for admission to the facility that the PFD manages
 - Parking charge only for the parking connected to the facility
 - 0.2% sales tax
 - May accept and expend gifts, grants, or donations.
 - Only 1 ballot measure needed to create the PFD entity and put taxes in place
 - Jefferson county already collects lodging tax – \$800,000 on 2% lodging tax in 2021 (separate from City of Port Townsend lodging tax). Lodging tax is only for buildings with over 40 units.
- Financial Summary:
 - \$1.6M(Base) to \$2.4M (Full Build Out) annual subsidy needed (in addition to city's current \$400,000 subsidy)
 - PFD only works at a County-Wide level – this would be one vote
 - City PFD can help lower the needed MPD rate but isn't sufficient alone.
 - MPD only option can support needed subsidy (capital and operational)
- Questions/Feedback
 - The City Lodging Tax could also be a source of funding
 - Only a County PFD can have a lodging tax county-wide.
 - Base option only needs \$1.6M and county-wide PFD would raise roughly \$1.4M
 - A PFD could be created based on the MPD Option 1 or 2 boundaries, but county-wide lodging tax is only available if the PFD is based on the entire county
 - Sales tax is variable and would need to be certain there is a back-stop in place in case of a recession. MPD would put the facility on a more sustainable footing in the long run.
 - County-wide PFD requires a single vote to create and fund it. County must put it on ballot.
 - PFD doesn't have a direct calculation for determining the direct costs to residents in the same way a property tax does with the MPD.
 - PFD is more desirable in some respects because doesn't impact other institutions that rely on a property tax levee vote.
 - What is the potential of doing an MPD now and future PFD to lower property tax dollars?
 - Could be confusing to voters or have voters lose trust in institutions.
- Steering Committee will make a recommendation to City Council or County Commissioners.

Operations:

- Based on operations and cost recovery, would recommend only Base and Full Build Out Option.
- Wendy recommends the full model if we want to cover our operating costs
- Concern over government competing with local businesses in Full-Build Out Option
 - Ken Ballard indicated seeing no evidence of this nationally. If anything it enhances the private side. Have seen NEW private facilities go in after a community center is built. Ken understands why the fear is there but have not seen it play out in reality.
- The Operational Plan does include some dollars for capital replacement.

Design Update:

- Site Plan Options can be reduced to two:
 - Base : Aquatics only
 - Base + Gym + Multi-Use space
- Additional parking on ReCyclery site not needed.

Cost Estimate:

- Cost Estimate Assumptions:
 - Contingency at 10% assuming a Target Value Design process
 - Escalation included to April 2025
 - Soft costs are an allowance of 33% of construction costs. DCW can work with the team to identify those costs to reduce uncertainty
- Cost Estimate completed for the Base option with a range of Add Alternates.
- Total project costs:
 - Base is \$37.1M.
 - Base + Gym = \$44.0M
 - Base +Gym+Multi-Use = \$45.9M
- The Base + Gym option doesn't save much money and reduces the overall cost recovery.
- Alternates:
 - The pickleball courts are relatively low in cost and may make sense to try and incorporate into the overall project.
- Current cost estimate is final estimate for this phase of the project but if Geotech report or other information impacts the estimate, DCW can make small updates to make sure it's aligned.

Open House 3:

- Want to include Steering Committee recommendations for:
 - Site
 - Program
- Want to include current thinking on funding approach as well as
 - Fundraising goal of 15% through grants, philanthropy, etc.
 - Current donations (property)
- Steering Committee will meet next Tuesday to finalize community survey questions and presentation

Project Calendar: Did not discuss

- Calendar extended to September for final recommendation to City Council and County Commissioners.
- Final Report will be completed by end of August.
- Assumes a possible voter approved initiative in February's special election.

Next Steps:

- Erica to share slides
- Erica to develop draft of Open House slideshow
- Open House 3 – July 12/13 and City Council Presentation – 7/17