

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: February 10, 2025

SUBJECT: Pubic Facilities District (PFD) Workshop

STATEMENT OF ISSUE:

Chapter [36.100](#) authorizes the county to create a public facilities district (PFD). This workshop is intended to discuss next steps in that process.

ANALYSIS:

This workshop provides an update on public aquatic facility efforts involving the county currently underway and discuss some considerations regarding the timing of forming a PFD.

The BoCC will review the proposed ordinance and timeline and provide feedback accordingly.

FISCAL IMPACT:

While it is still difficult to determine the exact fiscal impact, there will be costs associated with the PFD formation and process. The county's intention is that the actual costs for the construction, maintenance and operation of a public aquatic facility would be provided by the PFD – including but not limited to grant funding for design, private donations by Jefferson County Aquatic Association, and taxes (2/10ths of 1% sales tax, if approved by the voters).

Once created, the PFD will be a separate legal entity from the county. The financial impact by providing the overhead and administrative costs associated with the formation of the PFD – staff support, legal services, and financial planning will be expense of the PFD. An estimate of these PFD expenses is in Appendix E to the proposed ordinance.

The county and possibly the Chimacum School District will expend some resources related to securing the site at Chimacum Creek Elementary for the public aquatic facility prior to the formation of the PFD. These resources likely include work by the PAO in preparing necessary documents and work by the county on grant funding. It is not possible at this time to precisely quantify those expenses but we expect the expenses will not be financially material to the county.

RECOMMENDATION:

Consider formation of a PFD and provide feedback to staff as desired.

REVIEWED BY:



Mark McCauley, County Administrator



Date

STATE OF WASHINGTON
County of Jefferson

In the Matter of Creating a Countywide Public Facilities District for Jefferson County, Washington, including the City of Port Townsend, as Authorized by RCW [36.100](#) and Adopting a New Chapter 3.100 of the Jefferson County Code, “Public Facilities District.”

ORDINANCE NO. _____

WHEREAS, RCW [36.100.010](#)(1) authorizes the creation of a public facilities district (PFD) in any county with the boundaries of such district coextensive with the boundaries of the county; and

WHEREAS, RCW [36.100.010](#)(2) provides that such public facilities district shall be created upon adoption of a resolution providing for the creation of such district by the county legislative authority; and

WHEREAS, pursuant to RCW [36.100.030](#), public facilities districts are authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, and recreational facilities, together with contiguous parking facilities; and

WHEREAS, the creation of a public facilities district within Jefferson County will promote the best interests of the county and its residents by facilitating the potential future development of a public facility or public facilities that have the potential to promote economic development and community health and wellness, including but not limited to an aquatic and wellness facility; and

WHEREAS, in February 2023, Jefferson County, City of Port Townsend, Jefferson County Public Hospital District #2, Port Townsend School District, Port of Port Townsend, Jefferson County Aquatic Coalition, and the Olympic Peninsula YMCA formed a Steering Committee to undertake a planning effort and to support development of a proposed public aquatic facility; and

WHEREAS, the Steering Committee conducted a feasibility study, called the Healthier Together Center Feasibility Study, that resulted in a final report dated September 18, 2023, attached as **ATTACHMENT A** (Healthier Together Feasibility Study); and

WHEREAS, the Steering Committee’s final report recommended forming a county-wide public facilities district as part of the funding strategy; and

WHEREAS, the submission of the Healthier Together Feasibility Study and its recommendations generated additional interest in looking at sites for a public aquatic facility outside of the city limits of the City of Port Townsend and other project or construction approaches, which could change the proposed capital and operating costs of a public aquatic facility; and

WHEREAS, the county agreed to lead a new Healthier Together Task Force (HTTF) to review potential sites outside of the city limits of the City of Port Townsend and explore alternative construction methods that may reduce project costs; and

WHEREAS, the HTTF met twice a month between April and August 2024 and consisted of eight (8) community residents, including two appointments each from Commissioner Districts 1, 2, and 3, and two at-large members representing the Jefferson County Aquatic Coalition (JAC) chosen by the JAC President who reside outside the City of Port Townsend; and

WHEREAS, on August 27, 2024, the HTTF presented their separate Findings and Recommendations, attached as **ATTACHMENT B** (Task Force Findings & Recommendations), recommending the creation of a county-wide public facilities district (PFD) as one of the primary funding mechanisms necessary to support capital construction costs, as well as operations and maintenance for any potential public aquatic facility; and

WHEREAS, pursuant to City Council Resolution No. [24-033](#), on October 7, 2024, the City Council of the City of Port Townsend passed a resolution supporting a county-wide PFD; and

WHEREAS, the Jefferson County Board of County Commissioners (BoCC) have committed to developing tourism infrastructure and a potential year-round public aquatic facility not only achieves that goal, but it also can be built as an amenity that extends the shoulder seasons even into the winter months as a pool designed for year-round tourists will add amenities that complement the natural, but seasonal, amenities that draw most visitors currently; and

WHEREAS, scientific analysis of tourism infrastructure and facilities also supports that developing tourism facilities increases tourism. Mandi, *et al*, in the scientific paper from 2018, concludes:

Empirical research results in Croatia have demonstrated a statistically significant correlation between the stage of tourism development and a number of arrivals, overnights and state of the infrastructure, tourism infrastructure and recreational facilities. Moreover, positive coefficients suggest that growing demands and expectations regarding quality of all forms of infrastructure and facilities in examined destinations can be related to destinations position in TALC (Tourism Development in the Destination). Findings support conclusions made by Seetannah et al. (2011) proving tourism to be sensitive to and influenced by infrastructural development.

A. Mandi, Ž. Mrnjavac, L. Kordi: *Tourism Infrastructure, Recreational Facilities, and Tourism Development*, Vol. 24, No. 1, 2018, p. 57, attached as **ATTACHMENT C** (Tourism); and

WHEREAS, pursuant to RCW [36.100.025](#), Jefferson County has obtained an independent financial feasibility review for a county-wide PFD, which was submitted to the Washington Department of Commerce, attached as **ATTACHMENT D** (Independent Feasibility Review), satisfying the requirements of RCW [36.100.025](#)(1)(a); and

WHEREAS, the Independent Feasibility Review stated:

It is not the goal of this review to create, test or otherwise opine on the costs for capital or operations, but rather to identify costs specific to the formation of the PFD by the County. The PFD is expected to request a separate review that will focus on operating and capital costs, prior to the issuance of any debt, as required by RCW 36.100.025.

Susan Musselman LLC, *Independent Financial Feasibility Review Proposed PFD Formation by Jefferson County, Washington* (April 3, 2024), prepared for the Washington Department of Commerce, p. 3; and

WHEREAS, the Independent Feasibility Review also stated:

The potential costs to be incurred relative to the proposed formation of the PFD by Jefferson County are summarized as follows. Additional detail, integral to this review, is included in this report.

1. The PFD will need start-up funding to enable it to operate.
2. The PFD will need money to pay costs to undertake an election to seek approval for voter approved funding.
3. The PFD is likely to incur costs for additional studies, planning or review prior to seeking a vote on PFD-imposed taxes.
4. As proposed, the project requires significant fundraising for capital in addition to any capital financing by the PFD.
5. As proposed, the operational analysis indicates that the project will require an annual operating subsidy, which may be provided by the City.
6. The City is anticipated to incur costs related to the proposed PFD.
7. The County is anticipated to incur costs related to the proposed PFD.

Start-up and ongoing costs should be expected for any PFD. It will not be possible for the PFD to do meaningful work without a source of start-up funding as they are required to seek voter approval prior to receiving direct revenue. For many newly-formed PFDs, this cost is covered by the forming entity or other stakeholders.

Susan Musselman LLC, *Independent Financial Feasibility Review Proposed PFD Formation by Jefferson County, Washington* (April 3, 2024), prepared for the Washington Department of Commerce, p. 3; and

WHEREAS, the initial startup funding for the PFD, as recommended in the Independent Feasibility Review, has been obtained by private donations through the Jefferson Aquatic Coalition and may be utilized by the newly created PFD as outlined in

the county's initial PFD Budget Estimates in **ATTACHMENT E** (Initial PFD Budget Estimates); and

WHEREAS, after formation, and if there is voter approval for a sales tax, the PFD must request a separate review by the Washington Department of Commerce that will focus on operating and capital costs, prior to the issuance of any debt, as required by RCW [36.100.025](#)(1)(b); and

WHEREAS, the BoCC finds it is in the best interests of the county and residents to create the Jefferson County Public Facilities District (JCPFD), and that this step is necessary in moving the good work previously done by the Steering Committee, HTTF, and other community stakeholders forward towards a shared goal promoting community health, safety, and wellness; and

WHEREAS, the BoCC finds it is in the best interests of the county and residents to create the JCPFD now because partnering with the Chimacum School District (CSD) to place the proposed public aquatic facility on CSD would mutually benefit Jefferson County, the CSD, and the JCPFD by saving capital costs and promoting an immediately available grant funding opportunity; and

WHEREAS, the governing board of directors of any public facilities district shall comply with the requirements set forth in RCW [36.100.020](#);

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON, AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above "Whereas" clauses as Findings of Fact.

Section 2. JCPFD Created. The JCPFD is hereby created as authorized by, and subject to the provisions of chapter [36.100](#) RCW, as currently written or subsequently amended.

Section 3. Geographic Boundary of the JCPFD. The geographic boundary for the JCPFD is countywide, comprised of all of Jefferson County, including the City of Port Townsend.

Section 4. JCPFD's Powers and Authority. The JCPFD shall have all powers and authority conferred on such districts by statute, including but not limited to, RCW [36.100.010](#) and RCW [36.100.030](#). Without limiting the foregoing, the BoCC specifically acknowledges that such authority includes the JCPFD's authority to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate public facilities as defined in RCW [36.100.030](#), which can include an aquatic facility.

Section 5. Adoption of Chapter 3.100 Jefferson County Code (JCC). Chapter 3.100 JCC, attached as **ATTACHMENT F**, which regulates the JCPFD, is hereby adopted.

Section 6. JCPFD's Governing Board. The JCPFD shall be governed by a board of directors as provided for in RCW [36.100.020](#). Based on 2024 population estimates of the State of Washington Office of Financial Management, the largest (and only) city in Jefferson County has a population of less than forty percent of the total county population. The board of directors of the JCPFD shall therefore be established with seven members, who shall be appointed hereafter by the BoCC to reflect the interests of the unincorporated area of Jefferson County and the City of Port Townsend.

Section 7. JCPFD Eligible Projects. The JCPFD is authorized to develop and approve eligible projects as authorized by chapter [36.100](#) RCW as currently written or subsequently amended.

Section 8. Revenue. The JCPFD shall consider the implementation of the various revenue sources provided in chapter [36.100](#) RCW as currently written or subsequently amended. The JCPFD may pursue any and all funding options available under chapter [36.100](#) RCW and authorized by law.

Section 9. Severability. If any section, subsection, sentence, clause, or phrase of this resolution or its application to any person or circumstance is held invalid, the remainder of this resolution or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 10. SEPA Categorical Exemption. This ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800](#)(19).

Section 11. Effective Date. This ordinance shall take effect and be in full force immediately upon approval and adoption by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED AND ADOPTED this _____ day of _____ 2025.

SEAL:

JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS

Heidi Eisenhour, Chair

Greg Brotherton, Member

Heather Dudley-Nollette, Member

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date
Clerk of the Board

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

ATTACHMENT F

CHAPTER 3.100 JEFFERSON COUNTY CODE ESTABLISHING A JEFFERSON COUNTY PUBLIC FACILITIES DISTRICT

Sections:

3.100.010 Creation and purpose.

3.100.020 Board of directors.

3.100.030 Ex officio treasurer.

3.100.040 Powers, duties, and limitations.

3.100.050 Organization.

3.100.060 Liberal construction.

3.100.010 Creation and purpose.

- (1) Pursuant to chapter [36.100](#), the Jefferson County Public Facilities District Code is hereby created and shall be called the Jefferson County Public Facilities District (JCPFD) with its boundaries coextensive with the boundaries of Jefferson County, and with the powers and authority set forth in this chapter. The JCPFD is established for the purpose of pursuing the planning, financing, development, ownership, and operation of public facilities as defined by chapter [36.100](#) RCW, individually or in cooperation with any other public or private entity as allowed by law.
- (2) The JCPFD is a municipal corporation, an independent taxing “authority” within the meaning of Article VII, section 1 of the Washington State Constitution and a “taxing district” within the meaning of Article VII, section 2 of the Washington State Constitution.

3.100.020 Board of directors.

- (1) Compliance with RCW [36.100.020](#) Required. The JCPFD board of directors membership composition shall comply with RCW [36.100.020](#).
- (2) Number of Directors. Pursuant to RCW [36.100.020](#)(1)(c)(i), the JCPFD board of directors shall consist of seven members.
- (3) Appointment of Directors. The members of the JCPFD board of directors shall be appointed by the Jefferson County Board of Commissioners as follows:
 - (a) Five of the members shall be recommended by the Board of County Commissioners and shall be referred to as Position 1, Position 2 and Position 3, Position 4, and Position 5;
 - (b) Two of the members shall be recommended by the City of Port Townsend and shall be referred to as Position 6, and Position 7.

- (4) Four-Year Staggered Terms. The members shall serve four-year staggered terms, after the appointment of the initial members.
- (5) Terms of Initial Members.
 - (a) Positions 1, 3, 4 and 6 shall be appointed for four-year terms.
 - (b) Positions 2, 5, and 7 shall be appointed for two-year terms.
- (6) Board of Director Member Section Criteria. The Jefferson County Board of Commissioners shall appoint the members of the board of directors to reflect the interests of cities and towns in the county, as well as the unincorporated area of the county.
- (7) Representative of Lodging Industry on Board of Directors Required. Position 5 on the board of directors shall be representative of the lodging industry in the public facilities district before the public facilities district imposes the excise tax under RCW [36.100.040](#)(1).
- (8) Vacancies of Directors. A vacancy on the board of directors shall be filled in the same manner as the original appointment of the position was made and the person appointed to fill a vacancy shall serve for the remainder of the unexpired term of the office for the position to which they were appointed.
- (9) Removal of Directors Any member of the board of directors may be removed from office for any reason or for no reason by at least a two-thirds vote of the members of the legislative authority that appointed the director, or in the case where appointment of the member was not by a legislative authority, a two-thirds vote of the board of directors.

3.100.030 Ex officio treasurer.

Pursuant to RCW [36.100.100](#), the Jefferson County Treasurer is the ex officio treasurer of the JCPFD.

3.90.040 Powers, duties, and limitations.

The JCPFD shall have all of the powers, duties, and limitations as authorized by, and subject to, chapter [36.100](#) RCW as written or subsequently amended. These include but are not limited to:

- (1) To exercise those powers of a corporation for public purposes including, but not limited to, the power to hire employees, staff, to enter into contracts, and sue and be sued;
- (2) To plan, finance, acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate public facilities or Regional Centers;
- (3) To enter into interlocal agreements under chapter [39.34](#) RCW for the joint provision and operation of public facilities or Regional Centers, and the organization and operation of the JCPFD;

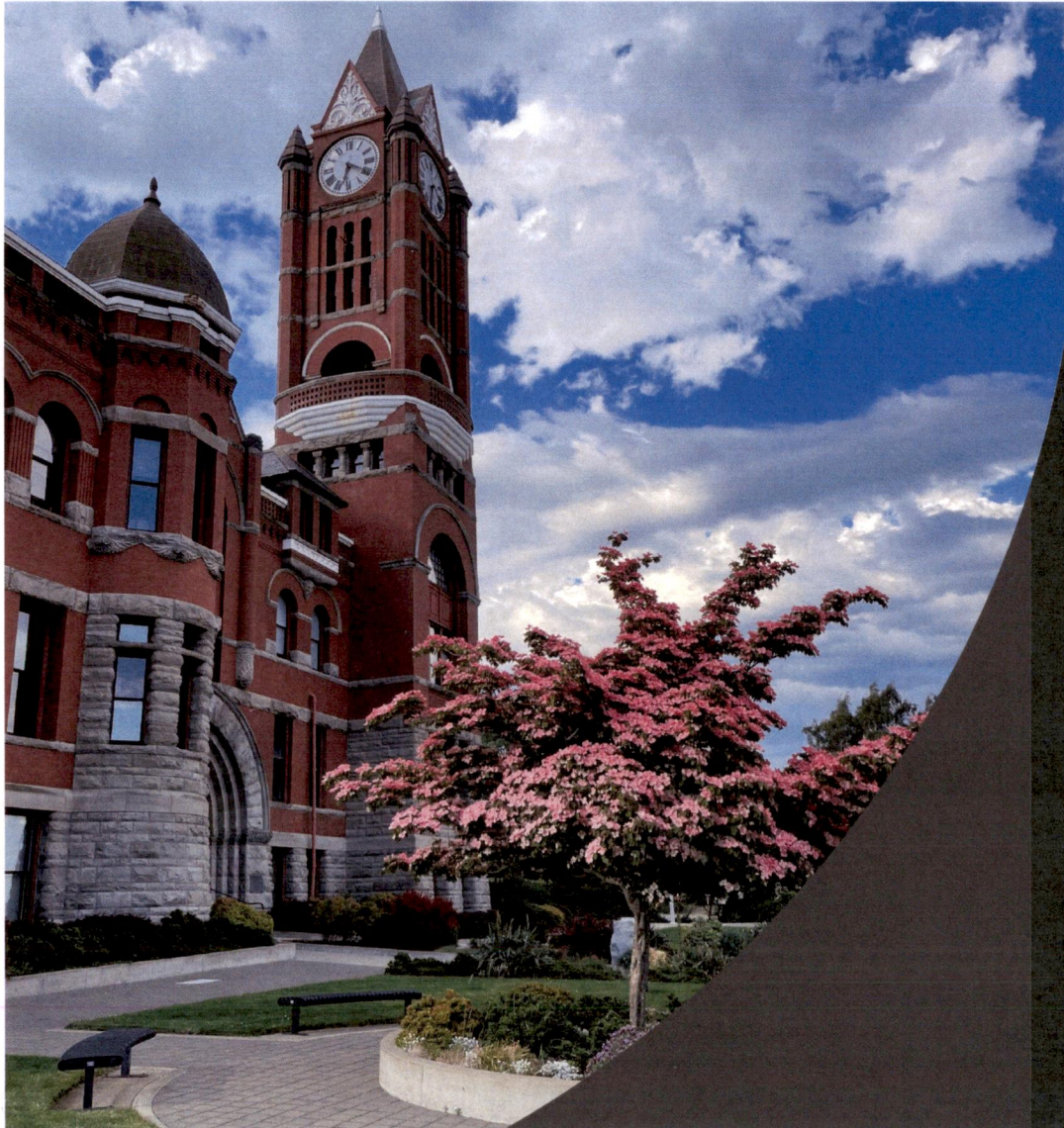
- (4) To contract with public or private entities for the operation or management of its public facilities;
- (5) To impose charges and fees for the use of its facilities, and may accept and use gifts, grants, and donations for the benefit of the JCPFD;
- (6) Except as specifically provided in an interlocal agreement between the JCPFD and Jefferson County, the JCPFD shall take no action that might impose liability upon Jefferson County or the City of Port Townsend. All liabilities incurred by the JCPFD shall be satisfied exclusively from the assets, credit, and properties of the JCPFD, and no creditor or other person shall have any right of action against or recourse to Jefferson County or the City of Port Townsend, their assets, credit, or services, on account of any debts, obligations, liabilities, or acts or omissions of the JCPFD;
- (7) The JCPFD shall prepare, maintain, and provide the Jefferson County administrator a financial and activities report not less than quarterly, and otherwise as directed by the Jefferson County board of commissioners; and
- (8) To engage in those activities specified in Chapter [36.100](#) RCW that are consistent with the establishing ordinance or any interlocal agreement the JCPFD enters into with Jefferson County.

3.90.050 Organization.

- (1) The JCPFD shall take final action on any decision of the JCPFD by a majority vote of the JCFD board of directors held in open session in full compliance with the Washington Public Meetings Act, chapter [42.30](#) RCW.
- (2) The JCPFD shall maintain rules of procedure and governance of its activities through its bylaws, which shall be adopted by the JCPFD board of directors within 60 days of formation of the JCPFD. The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the JCPFD, except the bylaws shall be consistent with the formation ordinance and any interlocal agreement entered into with Jefferson County.
- (3) The bylaws may be amended by the board of directors upon at least ten-days' notice and any action of the board of directors shall be taken at an open public meeting subject to the Washington Open Public Meetings Act, Chapter [42.30](#) RCW.

3.100.060 Liberal construction.

As authorized under chapter [36.100](#) RCW, this chapter shall be liberally construed to permit the accomplishment of its purposes.



*Public Facilities District
(PFD)
February 18, 2025*

Presented by Mark McCauley
Jefferson County Administrator

Agenda



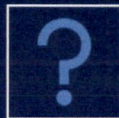
1. What is a PFD?



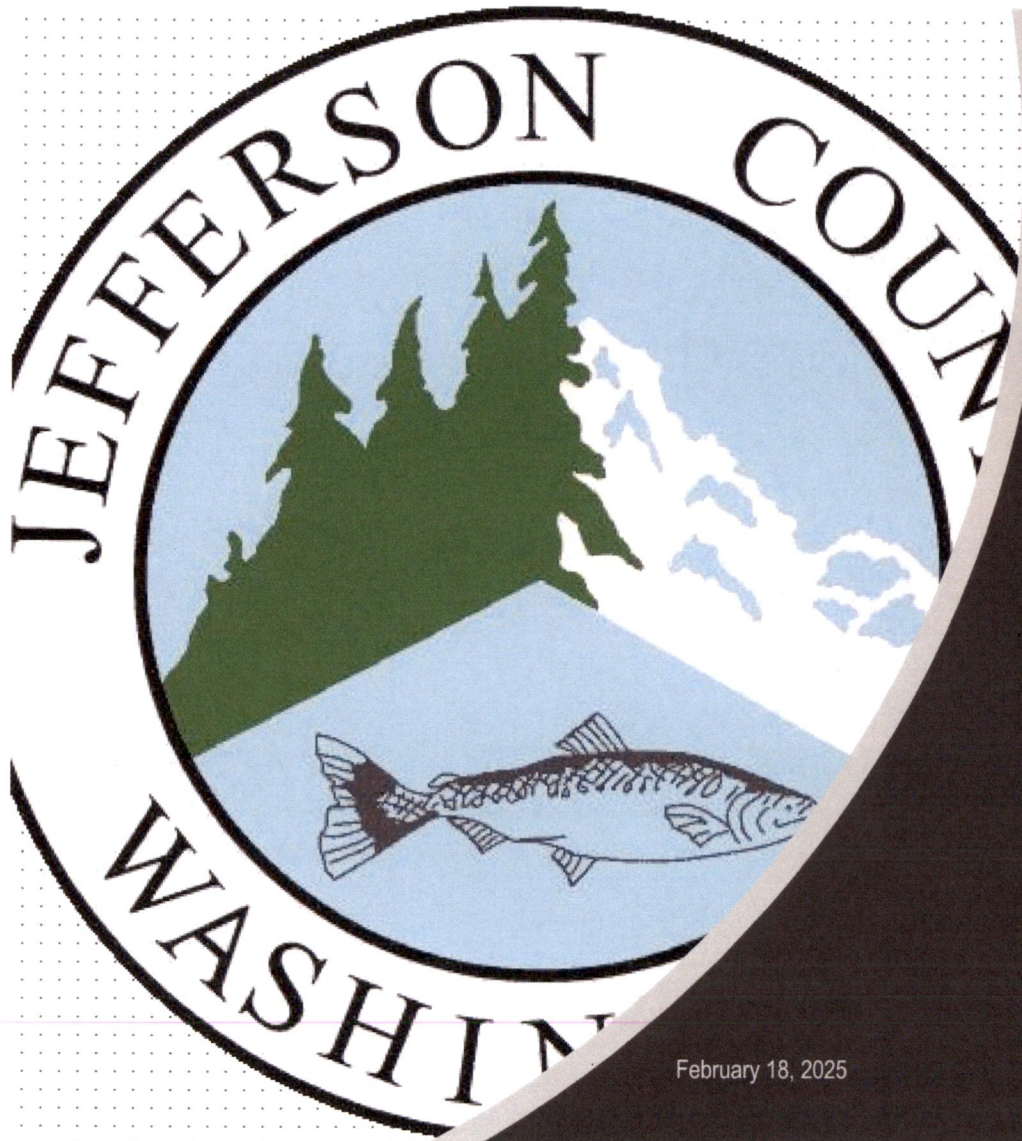
2. What are the benefits of a PFD?



3. Recommended Timeline



4. Discussion & Next Steps



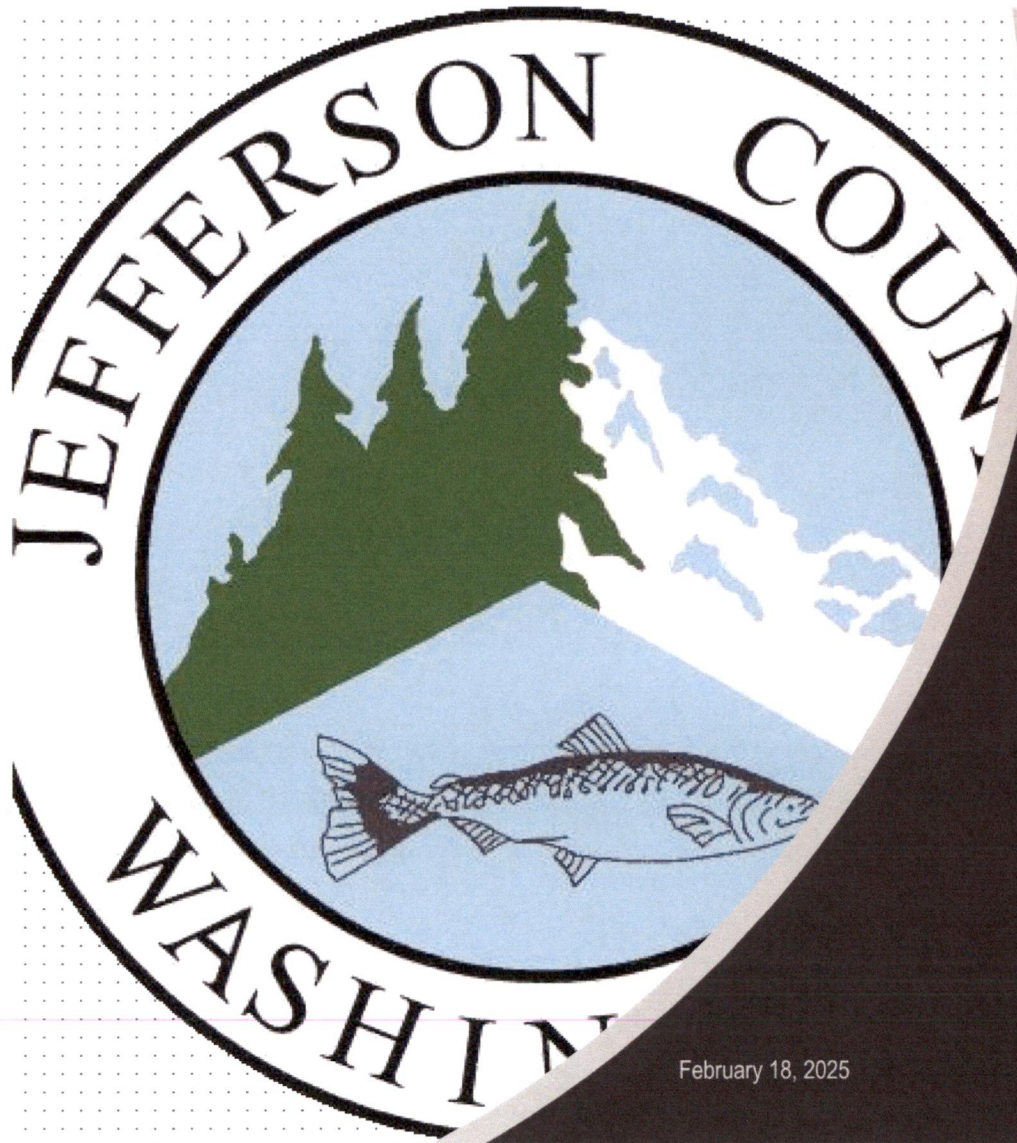
February 18, 2025

What is a PFD?



What is a PFD?

- Authorized by RCW [36.100](#)
- A public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.
- PFDs can acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more public facilities.
- Learn more at: [MRSC - Public Facilities Districts \(PFDs\)](#)



February 18, 2025

What are the
benefits of a
PFD?

What are the benefits to a PFD?



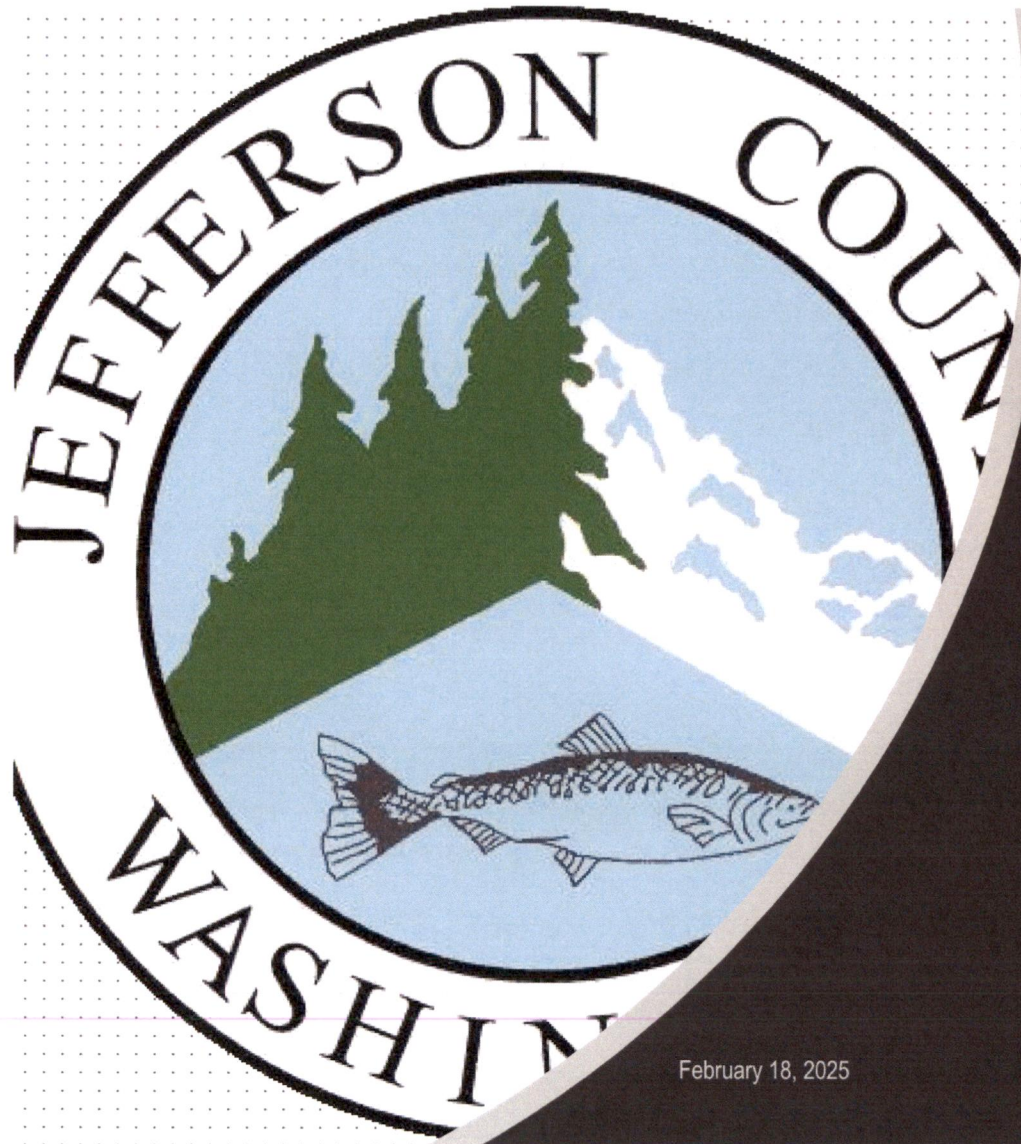
1. Funding

- Recommended by both the Healthier Together Steering Committee (2023) and County's Healthier Together Task Force (2024) as necessary for funding a new public aquatic facility;
 - Taxing authority to generate revenue to support a new public aquatic facility;

2. Best use of resources; clear path forward

Specific entity focused on, and accountable for, the public-private partnerships necessary to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate a new public aquatic facility; and,

- Governing board members will have time, talent, and expertise devoted to the completion (and on-going success) of this project.



February 18, 2025

Recommended Timeline

Recommended Timeline?



BoCC Workshop 02/18

Notice Hearing (Consent Agenda) 02/24/25

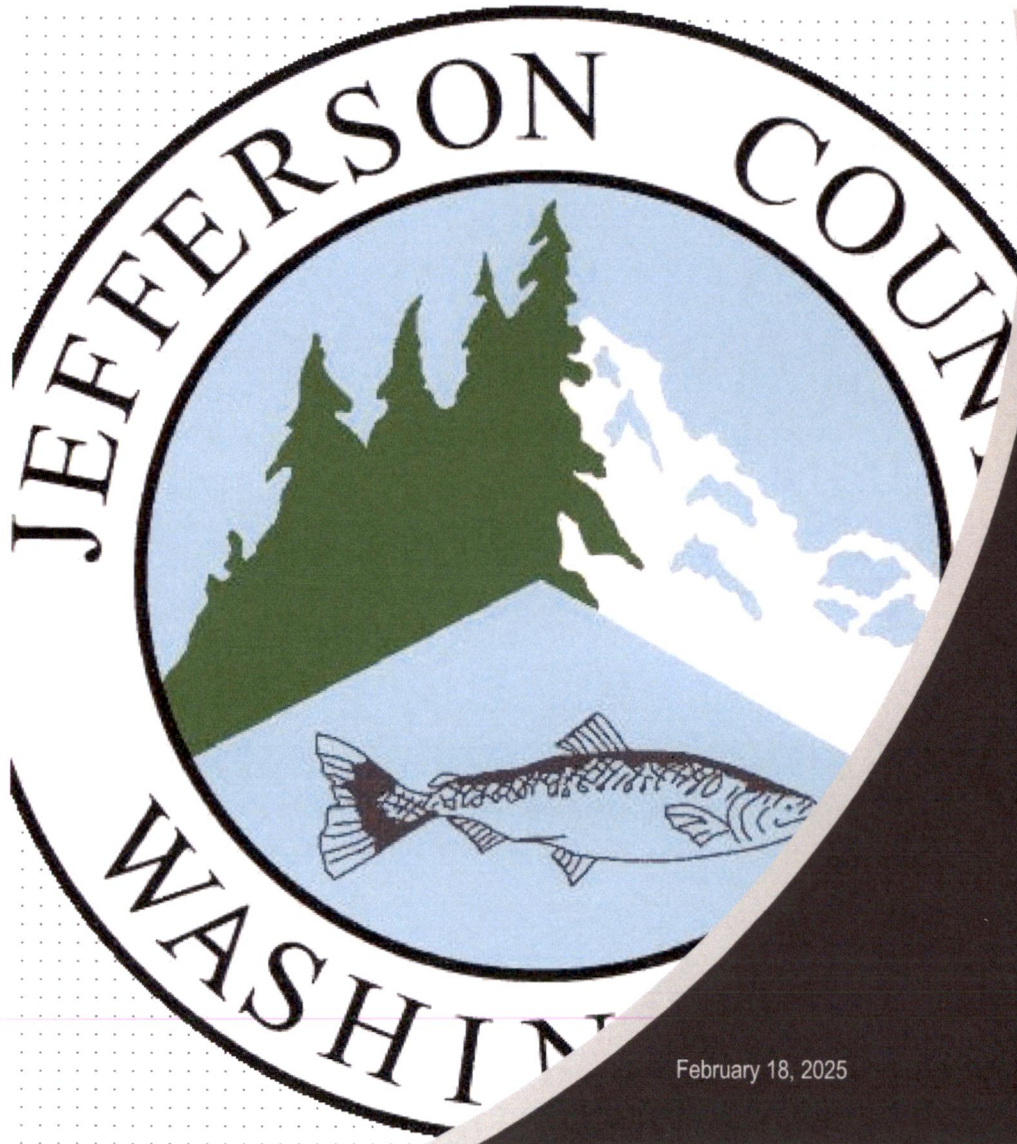
Publication 02/26/25

Public Hearing on Formation Ordinance 03/10/25

BoCC Appoints JCPFD Board Members

JCPFD Board Members hold their first meeting

JCPFD Board Adopts Bylaws



February 18, 2025

Discussion & Next Steps

Discussion & Next Steps – Summary



- Formation Ordinance Timeline
 - Hearing Notice 02/24/25
 - Publication 02/26/25
 - Public Hearing 03/10/25
- JCPFD Governing Board Appointed
 - RCW [36.100.020](#)
- PFD's Initial Meeting
 - ILA with JCPFD
 - Provide staff support
 - Bylaws for JCPFD Board Adopted (within 60 days of formation)
 - Rules of procedure and governance of its activities

Discussion & Next Steps – Summary



- Once formed, PFD will assess funding options and is required to obtain a 2nd feasibility review by Department of Commerce prior to issuance of any indebtedness (RCW [36.100.025\(1\)\(b\)](#)).
- If funding is obtained and project moves forward at Chimacum Creek Primary School Project Site Location, County & Chimacum School District will enter into a long-term lease agreement with the PFD.
- PFD will be responsible for the designing, planning, construction, maintenance, repair, financing, and operation of the public aquatic facility.



February 18, 2025

Questions?