



KITSAP COUNTY BOARD OF COMMISSIONERS

Efficient, accessible and effective county services

March 17, 2017

To Whom It May Concern

Robert Gelder
DISTRICT 1

RE: Non-Binding, Non-Exclusive Letter of Intent for Purchase of Site at CK Community Campus

Charlotte Garrido
DISTRICT 2

Edward E. Wolfe
DISTRICT 3

The United States Veterans Administration (“VA”), through a Request for Lease Proposals (RFLP) #VA260-17-R-0176, has expressed interest in locating a new and expanded veterans’ clinic in Bremerton, Silverdale, and Port Orchard, Washington. With over 38,000 veterans residing in Kitsap County, the Kitsap Board of County Commissioners (Board) strongly supports expanded and enhanced community-based outpatient VA clinic services in Kitsap County.

The VA RFLP is seeking a full-serviced lease arrangement for a site and structure designed to VA facility and site specifications. The successful proposal must be located and accessible to transit and pedestrian amenities, community services, retail and other services.

The County, as owner of the Central Kitsap Community Campus “CK Community Campus” located on Silverdale Way in Silverdale, has been exploring the feasibility of a public-private joint venture to develop the Campus. A portion of this Campus may be a suitable, centralized location consideration for a new and expanded VA clinic as it is serviced by transit, sidewalks and is accessible to other services.

Prior to disposing of County real property, and consistent with chapter 4.142 Kitsap County Code (KCC), the Board must follow certain regulatory procedures, including a determination that the property is surplus, obtaining an appraisal of fair market value, issuing public notice of the Prospective sale of the property, and conducting a public hearing. The County is unable to complete these mandatory requirements within the March 28, 2017 deadline for responding to the VA’s RFLP.

As a result, the Board desires to encourage interested developers and investors to submit a proposal in response to the VA’s RFLP for a build-to-suit veterans’ clinic on a portion of the CK Community Campus by the RFLP March 28, 2017, deadline.

In an effort to meet the requirements of ownership outlined in the RFLP, the County will consider entering into the following non-binding, non-exclusive Letter of Intent (LOI) with Prospective developers and investment firms interested in submitting a proposal to the VA’s RFLP as more fully described below.

NON-BINDING, NON-EXCLUSIVE LETTER OF INTENT

_____ (Prospective Developer) and Kitsap County (the County) agree to this non-binding, non-exclusive LOI to enter into negotiations for the potential sale of a portion known as the former Silverdale Community Center site, legally described as THE SOUTH 198 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 17, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON;

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO KITSAP COUNTY UNDER AUDITOR'S FILE NO. 8409250055; ALSO EXCEPT THE EAST 30 FEET CONVEYED TO KITSAP COUNTY FOR KITSAP MALL BLVD. N.W. (CLEAR CREEK ROAD) UNDER AUDITOR'S FILE NO. 302055; AND EXCEPT THAT PORTION FOR SILVERDALE WAY ON THE EASTERLY SIDE THEREOF, Assessor's No. 172501-4-042-2009, at the CK Community Campus located at 9729 Silverdale Way NW, Silverdale, Kitsap County, Washington (the Property).

This LOI is not intended to be contractual in nature, and neither party shall be obligated to proceed in good faith or by another standard, whether reasonable or unreasonable, to enter into a binding Purchase Agreement based upon the terms set forth herein. A binding Purchase Agreement will only exist when the Purchase Agreement is executed by all parties.

The following numbered paragraphs of this non-binding, non-exclusive LOI (collectively "Non-binding Provisions") will reflect a mutual understanding and acknowledgement that the Non-binding Provisions are not intended to create or constitute any legally binding obligation between the County as a Prospective Seller and a Developer as a Prospective Buyer, and neither Prospective Buyer nor the County shall have any liability to the other party with respect to the Non-binding Provisions. Only when a fully integrated, Purchase Agreement, and other related documents, are prepared, authorized, executed, and delivered by and between all parties, would there be a binding agreement. If the Purchase Agreement is not prepared, authorized, executed or delivered for any reason, no party to this non-binding, non-exclusive LOI shall have any liability to any other party to the non-binding, non-exclusive LOI based upon, arising from, or relating to the Non-binding Provisions.

1. This non-binding, non-exclusive LOI will expire on _____, 2017.
2. Prospective Developer will be solely responsible for completing and submitting the RFLP by March 28, 2017. The Prospective Developer will submit a draft and final proposal for the RFLP to the County for review.
3. The County will obtain an appraisal of the Property in accordance with the requirements of ch. 4.142 KCC.
4. In accordance with ch. 4.142 KCC, the County will issue notice of a public hearing, and conduct such a hearing to consider whether the Property is surplus and should be disposed of.
5. After the hearing, if the Board determines that it is in the best interest of the County to dispose of the Property, the Board will declare the Property available for disposal and direct whether the disposal may be by direct sale, public sale, or lease, and will determine whether the property should be disposed of subject to covenants or restrictions, or both.
6. In accordance with ch. 3.56 KCC, the terms of the Purchase Agreement will be subject to County contract review procedures and final execution by the Board.
7. Prospective Developer and its agents, at Prospective Developer's sole expense and risk, may enter the Property at reasonable times, subject to the rights of, and after notice to the County, to conduct Prospective Developer's inspections concerning the Property.

Prospective Developer shall restore the property and improvements to the same condition they were in prior to inspection. Prospective Developer shall be solely responsible for all costs associated with Prospective Developer's inspections and Prospective Developer agrees to hold harmless, indemnify, and defend the County from all claims, actions, expenses, suits, liability, loss, expenses and damages, including reasonable costs and attorneys' fees in defense thereof, caused by or arising out of or relating to injury, sickness, disability or death to persons caused by entry onto or inspection of the Property by Prospective Developer or its Developer's agents.

8. If the above meets the approval of Prospective Developer, then Prospective Developer shall execute by signing where indicated below, and return a copy for review, consideration and possible execution by the County at the address indicated below. In addition to the name, address and qualifications of principal submitting the RFLP, the Prospective Developer shall include support documentation demonstrating financial capability to perform the terms of the RFLP proposal. The support documentation shall specify the Prospective Developer's organizational, financial structure and lead contact for the RFLP. The County has sole discretion to accept or reject an LOI submitted by any Prospective Developer.

Kitsap County Commissioners Office
Attn: Angie Silva, Senior Policy Analyst
614 Division St. MS-4
Port Orchard, WA 98366
Email: asilva@co.kitsap.wa.us

An electronic copy signed and dated by both parties will have the same effect as the original.

9. The County shall not be responsible for any costs or expenses incurred by any party, including but not limited to Prospective Developers, who submit RFLP proposals or this LOI to the County.

10. All LOI submittals and RFLP proposals to the County are subject to disclosure pursuant to Washington's Public Records Act.

Dated this ____ day of _____, 2017

PROSPECTIVE DEVELOPER

Printed Name

Authorized Signature

To Whom it May Concern
Letter of Intent for Development of CK Community Campus
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Dated this ____ day of _____, 2017

**BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON**

CHARLOTTE GARRIDO, Chair

ROBERT GELDER, Commissioner

Attest:

Dana Daniels

EDWARD E. WOLFE, Commissioner