



August 28, 2025

Mayor Cassie Franklin  
City of Everett  
2930 Wetmore Ave, Suite 10-A  
Everett, WA 98201

Re: Engagement letter for Exploratory Period for Everett Outdoor Events Center Project

Dear Mayor Franklin,

The purpose of this engagement letter (this “Agreement”) is to define a limited exploratory scope of services to be performed by Public Facilities Group or a single purpose entity to be formed by Public Facilities Group (collectively, “PFG”), in connection with the development of the project known as the Everett Outdoor Event Center (the “Project”). The City of Everett (the “City”) issued Request for Proposal #2025-042 on May 16, 2025 for a non-profit facilitator or issuer of a financing structure similar to a 63-20 financing and delivery method (the “RFP”). PFG submitted its response to the RFP. The City has decided to engage PFG to facilitate exploration of PFG’s proposed financing and delivery method. If the City determines to use the method for the financing and development of the Project, then the City and PFG will execute an additional agreement or agreements for that purpose. Accordingly, the parties desire to execute this Agreement to memorialize the terms of the City’s engagement of PFG for the exploration of PFG’s proposed financing and delivery method.

## AGREEMENTS

**1. Exploratory Period.** The term of this Agreement (the “Exploratory Period”) will commence upon the mutual execution hereof and terminate upon the earliest of (a) the mutual of execution of the additional agreement(s) described above, (b) November 1, 2025, or (c) when either party has received written notice from the other terminating this Agreement. If the Exploratory Period will terminate pursuant to Clause (b) of this Section, the parties may elect, at each party’s discretion, to extend the Exploratory Period in writing for up to an additional ninety (90) days.

**2. Elements of PFG’s Proposed Financing and Delivery Method.** The elements of PFG’s proposed financing and delivery method under evaluation by the City during the Exploratory Period are anticipated to be as follows:

**A. Proposed Bond Financing.** Under PFG’s proposed financing and delivery method, financing for the Project would be anticipated to be from the proceeds of bonds similar to 63-20 bonds or from conduit bonds or other bonds (the “Bonds”), as determined by the City. Subject to financial market conditions, the proposal anticipates that PFG would facilitate efforts to finance construction, and possible property acquisition, of the Project through the issuance of the Bonds.

**B. Proposed Lease Structure.** Under PFG’s proposed financing and delivery method, the City would purchase the real property upon which the Project will be constructed (the “Site”) and ground lease the Site to PFG (the “Ground Lease”). PFG would then finance, develop, construct, and maintain the Project on the Site. PFG would lease (the “Financing Lease”) the completed Project to the City for use by the City and for subletting by the City to subtenants, including, without limitation, the Everett Aquasox and USL teams.

**C. Proposed Developer.** Under PFG’s proposed financing and delivery method, PFG proposes to engage Wright Runstad & Company (the “Developer”) to oversee and manage certain construction and development activities for the Project pursuant to a separate development management agreement (the “Development Agreement”), which would be between PFG and Developer, but would be subject to the City’s written approval, at its sole and absolute discretion.

**D. Proposed Scope of Services.** Under PFG’s proposed financing and delivery method, the services provided by PFG would include: (a) negotiating the Development Agreement with the Developer, (b) negotiating the contemplated Ground Lease and Financing Lease with the City, (c) negotiating a proposed guaranteed-maximum-price design-build agreement with Bayley Construction, the anticipated design-builder for the Project; (d) monitoring the pre-development costs incurred by the Developer in conjunction with the City and its advisors; (e) assisting with oversight of design professionals and preparation of plans for the Project; (f) procuring and facilitating the financing of the Project through the issuance of the Bonds as set forth in Section 2A; and (g) taking all such actions as may be reasonably required to advance the Project.

**E. Proposed PFG Fees**

**1 Proposed Bond Fee.** Under PFG’s proposed financing and delivery method, if the Bonds are issued, then, at closing, PFG would receive from the proceeds of the Bonds a fee in the amount of one percent (1%) of the aggregate proceeds of the Bonds.

**2 Proposed Asset Management Fee.** Under PFG’s proposed financing and delivery method, if and when the Financing Lease is executed, the City would pay monthly to PFG an asset management fee as part of its rent obligation, throughout the term of the Financing Lease. The monthly asset management fee would be calculated as one-twelfth of an amount equal to one percent (1%) of total annual rent payments under the Financing Lease.

**F. Proposed Payment of Pre-Development Costs.** Under PFG’s proposed financing and delivery method, payment of all costs, expenses, and fees incurred by Developer in connection with the evaluation, planning, design, permitting, and preparation of the Site for development of the Project, including, without limitation, third-party due diligence costs, professional services, governmental fees, studies, investigations, and any other costs reasonably related to preparing the Project for construction, whether or not the Project proceeds to construction (collectively, the “Pre-Development Costs”) would be the responsibility of the City.

**G. Proposed Payment of Fees Upon Termination.** Under PFG’s proposed financing and delivery method, even if the bond financing does not close, the City would pay the final payment application for Pre-Development Costs, together with reimbursement to PFG for its third-party professional fees (including reasonable attorneys’ fees and costs) related to the services provided pursuant to this Agreement. The City would only be required to pay the bond fee to PFG if the bond financing closes.

**H. Proposed IRMA Provision.** Under PFG’s proposed financing and delivery method, the City would retain a financial advisor as its independent registered municipal advisor. If the City determined to use PFG’s proposed financing and delivery method, then, in the parties’ agreements regarding such method, the City would state that it relies solely on that advisor, and will not rely on PFG, to provide advice on proposals from financial services firms concerning the issuance of municipal securities and municipal financial products, including the Bonds and investments of Bond proceeds and escrow investments.

**3. Scope of Services.** PFG will assist the City in evaluating PFG’s proposed financing and delivery method.

**4. Reimbursement to PFG for Exploratory Period Activities.** The City acknowledges that PFG will incur costs during the Exploratory Period. The City will reimburse without mark-up for third-party invoices actually paid by PFG related to the Project during the Exploratory Period up to a maximum total amount of \$40,000. All costs must be pre-approved in writing by the City’s Project Manager, Scott Pattison. The City may reject requests for reimbursement that are not so preapproved. PFG will provide back-up information for reimbursement requests as requested by the City.

**5. PFG is Not a Municipal Advisor.** The City has retained PFM Financial Advisors LLC (“PFM”) as its independent registered municipal advisor. During the Exploratory Period, including any extensions thereto, the City will rely solely on PFM, and will not rely on PFG, to provide advice on proposals from financial services firms concerning the issuance of municipal securities and municipal financial products, including the Bonds and investments of Bond proceeds and escrow investments.

**6. Counterparts/Amendments.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that this Agreement may be executed by electronic signature, including, without limitation, DocuSign or AdobeSign or other nationally recognized electronic



**Public Facilities Group**

signature platforms, and that such electronic signatures shall have the same force and effect as original wet ink signatures for all purposes.

**7. Entire Agreement.** This Agreement is the entire agreement between the parties with respect to the Exploratory Period, and supersedes all prior verbal or written agreements and understandings between the parties with respect to the items set forth herein.

**8. Other Provisions.** This Agreement may only be amended by a writing signed by the Mayor of the City and an authorized representative of PFG. PFG shall not discriminate against any employee, applicant for employment, or other person on the basis of race, color, religion, sex, age, disability, marital state, or national origin or other circumstance prohibited by applicable federal, state, or local law or ordinance. PFG shall comply with and shall not violate any applicable provisions of Chapter 49.60 RCW, Title VI of the Civil Rights Act of 1964, and all applicable federal, state, or local law or ordinance regarding non-discrimination. PFG shall immediately notify the City of any federal suspension or debarment or other action that excludes PFG from participation in Federal contracting. Exclusive venue for any lawsuit arising out of this Agreement shall be in the Superior Court of Snohomish County, Washington.

Very truly yours,

PUBLIC FACILITIES GROUP

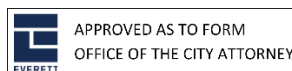
By Matthew A. Cooney  
Name: Matthew Cooney  
Title: Vice President  
Date: 09/02/2025

Agreed and acknowledged:

CITY OF EVERETT

By [Signature]  
Name: Cassie Franklin  
Title: Mayor  
Date: 09/02/2025

Attest:  
[Signature]  
Office of the City Clerk



# Engagement Letter Agreement - PFG\_City of Everett rev.SD

Final Audit Report

2025-09-03

Created:	2025-08-29
By:	Marista Jorve (mjorve@everettwa.gov)
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Agreement completed.

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