



PORT of OLYMPIA
Serving All of Thurston County
Special Commission Meeting
Tuesday, Feb. 20, 2024
4:30 PM

Percival Plaza - Olympics Room
626 Columbia Street NW
Olympia, WA 98501

The meeting agenda is available on the Port's website as of Feb. 13, 2024.
<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/86129130581>

or Telephone: 1 253 215 8782

Webinar ID: 861 2913 0581

| NOTICE OF SPECIAL MEETING |

AGENDA

- A. Call to Order
- B. Approval of Agenda
- C. Economic Development Corporation Annual Meeting: Tad Kopf, Director of Finance
- D. Adjourn

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.

COVER MEMO

Briefing Date/Time: February 20, 2024

Staff Contact/Title: Tad Kopf, Director of Finance, 360.528.8043
tadk@portolympia.com

Subject: Port of Olympia Economic Development Corporation
History and Financial Presentation for 2022-23

Purpose: Information Only Decision Needed

Background/Overview:

Brief history of Port of Olympia Economic Development Corporation (EDC), purpose and future value

Documents Attached:

Power Point Presentation with 2022 and 2023 Financials

Summary & Financial Impact:

None

Options with Pros & Cons:

Discuss value of continuation of Corporation

Staff Recommendation:

Pending feedback possible dissolution of EDC

Commission Recommendation:

Pending

Next Steps/Timeframe: Next steps dependent on feedback and Commissioner input



PORT of OLYMPIA
Serving All of Thurston County

Economic Development Corporation (EDC) History, Review, Annual Meeting and Financial Report


Tad Kopf
Director of Finance
Feb. 20, 2024

1

Presentation Type

Action Requested

- Election of EDC officers
 - President
 - Vice President
 - Secretary
- 2022 and 2023 financial reporting and adoption



2

2

2

Agenda

- Call to Order
- Approve agenda
- Brief history of the Economic Development Corporation
- Recent changes to structure and adopted Resolutions
- Election of EDC officers
 - President, Vice President, Secretary
- Presentation and proposed adoption of EDC financials for 2022 and 2023
- EDC today, and recommendations
- Adjourn

3



3

Port of Olympia Economic Development Corporation (EDC)

History and Purpose

- Created in 1983
- Board of Directors
- Purpose – Economic Development through Industrial Development Revenue Bonds (IDRB)
- IDRB – Federal IRS program
- Only used for Small Cities Program since early 2000's



4



4

Port of Olympia EDC

History and Purpose

- March 2022, adopted Resolution 2022-04, removing the EDC involvement from the Small Cities Program and moved it directly under the Port Commission
- May 22, 2023, adopted Resolution 2023-02, establishing that the EDC Board of Directors be composed of all members of the Port Commission



5



5

Port of Olympia EDC

Proposed Actions

- Election of Officers- Commissioner Iyall
 - President, Vice President and Secretary

6



6

| Port of Olympia Economic Development Corporation Income Statement Years Ending September 30, 2023 and 2022 | | |
|--|-----------------|-----------------|
| | <u>2023</u> | <u>2022</u> |
| Investment Income | \$ 35 | \$ 24 |
| Expenses | | |
| EDC Expenses | \$ 0 | \$ 0 |
| Administrative Fees | 0 | 0 |
| Total Operating Expenses | <u>0</u> | <u>0</u> |
| Net Gain (Loss) | <u>\$ 35</u> | <u>\$ 24</u> |
| Port of Olympia Economic Development Corporation Balance Sheet Years Ending September 30, 2023 and 2022 | | |
| | <u>2023</u> | <u>2022</u> |
| Assets | | |
| Cash | <u>\$ 2,880</u> | <u>\$ 2,845</u> |
| Total Assets | <u>\$ 2,880</u> | <u>\$ 2,845</u> |
| Equity | | |
| Beginning Equity | \$ 2,845 | \$ 2,821 |
| Current Period Net Income | <u>35</u> | <u>24</u> |
| 7 Total Equity | <u>\$ 2,880</u> | <u>\$ 2,845</u> |

Port of Olympia EDC

*Financial Reports
for 2022 and 2023*



7

| Port of Olympia EDC | | Notes to Financial Statement Years Ending September 30, 2023 and 2022 | |
|--|--|--|--|
| NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES | | | |
| Nature of Business – The Port of Olympia Economic Development Corporation was formed in December of 1982 by resolution of the Port Commission. This Corporation exists under the authority of and for purposes authorized by the legislature of the State of Washington through the Chapter 39.84.030 laws of 1981. | | | |
| The purpose of this Economic Development Corporation is to facilitate economic development and employment opportunities within the Port District by expediting the financing of industrial facilities with nonrecourse revenue bonds, in accordance with Congressional and Federal Internal Revenue Service Regulations. | | | |
| Entity – The Port of Olympia Economic Development Directors consist of all Port of Olympia Commissioners. Therefore, the activities of this Economic Development Corporation are fully controlled by the Port of Olympia Commission. | | | |
| 8 | | | |



8

Port of Olympia EDC

These financial statements of this Economic Development Corporation are presented separately from the financial statements of the Port of Olympia. However, In accordance with U.S. generally accepted accounting standards, as prescribed by the Governmental Accounting Standards Board (GASB), the financial position and results of operations of this Economic Development Corporation are blended into the financial statements of the Port of Olympia.

Basis of Accounting – Accounting records for the Port are maintained in accordance with methods prescribed by the State Auditor, and the Budgetary Accounting and Reporting System (BARS) for Port Districts is used in which revenues are recognized when earned and expenses are recognized when incurred.

NOTE 2 – CASH

The Port of Olympia Economic Development Corporation's deposits at year end were entirely covered by Federal depository insurance. There were no restrictions on cash held by the Port of Olympia Economic Development Corporation. All cash is maintained in highly liquid bank accounts and the carrying value of such cash is the same as market value

9



9

Port of Olympia EDC

NOTE 3 – RELATED ENTITIES

The Port of Olympia is considered to be a related party under U.S. generally accepted accounting principles due to the fact this economic Development Corporation's Board of Directors consists of Port Commissioner's.

The books and records of this Economic Development Corporation are maintained by the Port's accounting department. The Economic Development Corporation is charged a fee for these services. This fee is reflected as Administrative fees expense on the income statement. Total fees charged for these services during the years ended September 30, 2023 and 2022 were \$0, respectively. There were no outstanding amounts due to or from the Port of Olympia at year-end.

10



10

Port of Olympia EDC

Proposed Action

- Approve financial reports for 2022 and 2023 – Commissioners

11



11

Port of Olympia EDC

Future Discussion

- Discussion with NW Municipal Advisors and bond attorney Cynthia Weed
 - Since 2008 IDRb financing largely stopped
 - SEC changed regulations for IDRbs making this debt very hard to issue
 - With current interest rates today, IDRbs hold virtual junk status
 - Port's last IDRb was issued in 1999
- Recommend disbanding EDC
 - Can be recreated easily in future if circumstances change
 - Resolution language to dissolve found under RCW 39.84.030
 - Funds can be returned to the Port with no restrictions per RCW 39.84.170

12




12

Port of Olympia EDC

Questions?

13




13

Port of Olympia EDC

Proposed Action

Adjourn meeting

14



14