Economic Development Corporation of Pierce County

Board Packet

September 19, 2025

EDCPC Board Meeting — Agenda

Friday, September 19, 2025 | 9:00 – 10:00 AM

Location: Virtual Only
Join Zoom Meeting
Meeting ID: 894 8817 8239
Passcode: 249916

1. **Call to Order** – Chair Becky Newton

2. **Roll Call & Confirmation of Quorum** – Maddie Merton

3. **Public Comment –** Maddie Merton

4. **Consent Agenda** – Becky Newton
   - Approval of Minutes – July 8, 2025, Board Meeting
   - Financial Reports – August 2025

5. **Board Roster Update** – Becky Newton
   - Review of current roster
   - Vacancies noted

6. **Action Item** – Adoption of Recommendation, Becky Newton
   - Staff Summary – Maddie Merton
   - Discussion – Board
   - Resolution 2025-01: Adopt [Preferred Option] and direct staff to:
     Prepare and transmit a Board memo and resolution to the Pierce County Council Clerk
     Coordinate study session/presentation with the appropriate Council committee
     Return to the Board with any required follow-ups or amendments

7. **Implementation Plan & Timeline** – Maddie Merton
   - Key milestones
   - Responsibility assignments
   - External coordination with Pierce County

8. **Other Business –** Becky Newton

9. **Adjourn** – Becky Newton

Resolution No. 2025-01

A Resolution of the Board of Directors of the Economic Development Corporation of Pierce County (EDCPC) adopting a preferred option for organizational financial sustainability and directing staff to transmit the resolution and supporting materials to Pierce County for consideration.

WHEREAS, the EDCPC provides critical economic development financing tools, including Industrial Development Revenue Bonds (IDRBs), in support of manufacturing, industrial, and community projects within Pierce County; and

WHEREAS, the Board of Directors has undertaken a review of the Corporation's long-term financial sustainability, including presentations on fiscal outlook, operational considerations, and legal constraints; and

WHEREAS, the Board held a Study Session on September 17, 2025, to review options, discuss implications, and identify a preferred path forward; and

WHEREAS, it is necessary to formally adopt a recommendation to be transmitted to Pierce County for further action and implementation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Economic Development Corporation of Pierce County as follows:

1. Adoption of Preferred Option. The Board hereby adopts [Preferred Option Title/Description] as the Corporation's recommended approach to address financial sustainability and ensure continued service to Pierce County businesses and residents.

2. Direction to Staff. The Board directs staff to:
   - Prepare and transmit this resolution, together with a supporting memo, to the Pierce County Council Clerk and the appropriate Council Committee for review and action;
   - Coordinate with Pierce County officials and financial advisors as needed to support Council deliberations; and
   - Return to the Board with updates, including any required amendments, within the established timeline.

3. Effective Date. This Resolution shall be effective immediately upon adoption.

ADOPTED by the Board of Directors of the Economic Development Corporation of Pierce County at its regular meeting held on September 19, 2025.

APPROVED:

Becky Newton, Chair

Attest:

Secretary

Bond Administrator

Date:

Economic Development Corporation of PC
Account Reconciliation
As of August 31, 2025
10200 - Regular Checking Account
Bank Statement Date: August 31, 2025

Beginning GL Balance		7,188.06
Add: Cash Receipts		
Less: Cash Disbursements		(1,106.60)
Add (Less) Other		
Ending GL Balance		6,081.46
Ending Bank Balance		6,081.46
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
Total outstanding checks		
Add (Less) Other		
Total other		
Unreconciled difference		0.00
Ending GL Balance		6,081.46

Economic Development Corporation of PC
Account Reconciliation
As of August 31, 2025
10400 - Money Market Savings
Bank Statement Date: August 31, 2025

Beginning GL Balance		7,180.48
Add: Cash Receipts		
Less: Cash Disbursements		(3,020.00)
Add (Less) Other		4.26
Ending GL Balance		4,164.74
Ending Bank Balance		4,164.74
Add back deposits in transit		
Total deposits in transit		
(Less) outstanding checks		
Total outstanding checks		
Add (Less) Other		
Total other		
Unreconciled difference		0.00
Ending GL Balance		4,164.74

Economic Development Corporation of PC
Balance Sheet
August 31, 2025

ASSETS

Current Assets		
Regular Checking Account	$ 6,081.46	
Money Market Savings	4,164.74	
Total Current Assets		**10,246.20**
Fixed Assets		
Equipment	6,444.88	
Accum. Depr. - Equipment	(6,444.88)	
Total Fixed Assets		**0.00**
Total Assets		**$ 10,246.20**

LIABILITIES AND FUND BALANCE

Current Liabilities		
Accounts Payable	$ -	
Total Current Liabilities		**0.00**
Total Liabilities		**0.00**
Fund Balance		
Fund Balance	15,378.01	
Net Income	(5,131.81)	
Total Fund Balance		**10,246.20**
Total Liabilities & Fund Balance		**$ 10,246.20**

Unaudited - For Management Purposes Only

Economic Development Corporation of PC
GL Account Activity Report
As of: August 31, 2025

Account Number	Account Description	Beginning Balance	Debit Change	Credit Change	Net Change	Ending Balance
10200	Regular Checking Account	7,188.06 $	0.00 ($	1,106.60) ($	1,106.60) $	6,081.46
10400	Money Market Savings	7,180.48	4.26	(3,020.00)	(3,015.74) $	4,164.74
15100	Equipment	6,444.88	0.00	0.00	0.00	6,444.88
17100	Accum. Depr. - Equipment	(6,444.88)	0.00	0.00	0.00	(6,444.88)
20000	Accounts Payable	0.00	0.00	0.00	0.00	0.00
39005	Fund Balance	(15,378.01)	0.00	0.00	0.00	(15,378.01)
40000	Bond Administration Fees	0.00	0.00	0.00	0.00	0.00
40400	Interest Income	(14.23)	0.00	(4.26)	(4.26)	(18.49)
62000	Bank Charges	50.00	70.00	0.00	70.00	120.00
63000	Directors & Officers Ins	0.00	0.00	0.00	0.00	0.00
66500	Office Supplies	0.00	0.00	0.00	0.00	0.00
69000	Professional Fees	973.70	1,056.60	0.00	1,056.60	2,030.30
70500	Staff Benefits	0.00	3,000.00	0.00	3,000.00	3,000.00
	Totals	0.00	4,130.86	(4,130.86)	0.00	0.00

Economic Development Corporation of PC
Income Statement
For the Two Months Ending August 31, 2025

	August 31, 2025	Year to Date
Revenues		
Bond Administration Fees	-	
Interest Income	4.26	18.49
Total Revenues	**4.26**	**18.49**
Expenses		
Bank Charges	70.00	120.00
Professional Fees	1,056.60	2,030.30
Staff Benefits	3,000.00	3,000.00
Total Expenses	**4,126.60**	**5,150.30**
Net Income	**($ 4,122.34)**	**($ 5,131.81)**

EDCPC

Economic Development Corporation of Pierce County

CHECKS ISSUED

July 1, 2025 - August 31, 2025

CHECKING

Request Date	Check #	Paid To	Amount	Description
7/23/2025	ACH	Vandeberg Johnson Gandara	$1,056.60	General Counsel
7/31/2025	ACH	KeyBank	$25.00	Bank Charge
8/31/2025	ACH	KeyBank	$25.00	Bank Charge
			$1,106.60	

SAVINGS

Request Date	Check #	Paid To	Amount	Description
8/13/2025	ACH	Economic Development Board	$3,000.00	First Half 2025
8/31/2025	ACH	KeyBank	$20.00	Bank Charge
			$3,020.00	

President

Date

Sponsored by: Councilmembers Rosie Ayala, Robyn Denson, and Jani Hitchen
Requested by: County Council

ORDINANCE NO. O2025-517s2

An Ordinance of the Pierce County Council Amending Section 2.56.050 of the Pierce County Code, "Board of Directors," to Update Provisions Related to Board Membership on the Economic Development Corporation of Pierce County.

Whereas, the Economic Development Corporation of Pierce County (EDCPC) was created in 1982 pursuant to the authority granted in Chapter 39.84 Revised Code of Washington (RCW) and is codified at Chapter 2.56 of the Pierce County Code (PCC); and

Whereas, the charter and bylaws of the EDCPC are approved by ordinance of the Pierce County Council; and

Whereas, PCC 2.56.050, relating to EDCPC board membership, has not been amended since 1985 and is in need of an update; **Now Therefore,**

BE IT ORDAINED by the Council of Pierce County:

Pierce County Council
930 Tacoma Ave S, Rm 1046
Tacoma, WA 98402

Section 1. Section 2.56.050 of the Pierce County Code, "Board of Directors," is hereby amended as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

PASSED this 12th day of August, 2025.

ATTEST:

Stephanie Call
Stephanie Call
Clerk to the Council

PIERCE COUNTY COUNCIL
Pierce County, Washington

Jani Hitchen
Jani Hitchen
Council Chair

Ryan N. Mello
Ryan N. Mello
Pierce County Executive
Approved X Vetoed ________, this 15th day of August, 2025.

Date of Publication of
Notice of Public Hearing: June 20, 2025

Effective Date of Ordinance: August 25, 2025

Pierce County Council
930 Tacoma Ave S, Rm 1046
Tacoma, WA 98402

2.56.050 Board of Directors.

A. A Board of Directors is established to govern the affairs of the Corporation. All corporate powers of the Corporation shall be exercised by or under the authority of, and the business, property and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may be otherwise provided in the Charter, the bylaws of the Corporation or the Act.

B. The number of Directors of the Board of Directors shall be ~~nine~~ twelve, eleven voting members and one non-voting member, until such number shall be changed by ordinance of the Pierce County Council.

C. No person shall be eligible to serve as a Director except a person who has been appointed as a Director by resolution of the County Council. Each Director so appointed shall serve a term of office not to exceed three years after September 15, 1985; provided, that a member ~~the Chair~~ of the Pierce County Council’s ~~Select Committee on~~ Economic and Infrastructure Development Committee shall serve as a Director ex officio.

~~The following directorships shall be vacated on September 15, 1985:~~

~~Chamber of Commerce Representative;~~

~~At Large Representative.~~

~~The following directorships shall be vacated on September 15, 1986:~~

~~Port of Tacoma Representative;~~

~~Small Cities Representative;~~

~~Labor Representative.~~

~~The following directorships shall be vacated on September 15, 1987:~~

~~City of Tacoma Representative;~~

~~Minority Representative;~~

~~Small Business Representative.~~

D. The following interest groups and individuals shall be represented on the Corporate Board of Directors:

1. Historically Economically Disinvested Representative or Washington State Office of Minority and Women's Business Enterprise (OMWBE) Certified Firm Representative ~~Minority Representative~~;
2. Small Business Representative (having 50 or fewer full-time equivalent employees);
3. A member ~~Chair~~ of the Pierce County Council’s ~~Select Committee on~~ Economic and Infrastructure Development Committee;
4. Port of Tacoma Representative;
5. City of Tacoma Representative;
6. City of Lakewood Representative;

7~~6~~. Small Cities Representative (having a population of 50,000 or fewer);

8~~7~~. Pierce County Organized Labor Representative, or designee;

9~~8~~. Tacoma-Pierce County Chamber of Commerce Representative;

10~~9~~. At Large Representative with priority for Complementary Sectors;~~.~~

11. Industrial/Manufacturing Center Representative (business representative or representative of a city zoned for industry/manufacturing);
12. The director, or designee, of Pierce County’s Economic Development Department shall be a non-voting member.

Pierce County Council
930 Tacoma Ave S, Rm 1046
Tacoma, WA 98402

To: Pierce County Council
From: Maddie Merton, Interim Bond Administrator
Date: September 5, 2025
Subject: **EDCPC Board of Directors – Updated Seats & Ordinance Reference – Pierce County Code 2.56.050 (as amended by Ordinance No. O2025-517s2)**

On August 25, 2025, the Pierce County Council approved Ordinance No. O2025-517s2, amending Pierce County Code 2.56.050, Board of Directors, governing the Economic Development Corporation of Pierce County (EDCPC). This ordinance represents the first substantive update to board membership provisions since 1985.

Ordinance Summary – Pierce County Code 2.56.050 (as amended by Ordinance No. 02025-517s2)
A. A Board of Directors is established to govern the affairs of the Corporation. All corporate powers of the Corporation shall be exercised by or under the authority of, and the business, property and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may be otherwise provided in the Charter, the bylaws of the Corporation or the Act.

B. The number of Directors of the Board of Directors shall be twelve (12), eleven (11) voting members and one (1) non-voting member, until such number shall be changed by ordinance of the Pierce County Council.

C. No person shall be eligible to serve as a Director except a person who has been appointed as a Director by resolution of the County Council. Each Director so appointed shall serve a term of office not to exceed three years; provided, that the Chair of the Pierce County Council's Select Committee on Economic and Infrastructure Development shall serve as a Director ex officio.

D. The following interest groups and individuals shall be represented on the Corporate Board of Directors:
1. *Historically Economically Disinvested Representative or Washington State Office of Minority and Women's Business Enterprise (OMWBE) Certified Firm Representative;*
2. *Small Business Representative (having 50 or fewer full-time equivalent employees);*
3. *Chair of the Pierce County Council's Select Committee on Economic and Infrastructure Development;*
4. *Port of Tacoma Representative;*
5. *City of Tacoma Representative;*
6. *City of Lakewood Representative;*
7. *Small Cities Representative (having a population of 50,000 or fewer);*
8. *Pierce County Organized Labor Representative, or designee;*
9. *Tacoma-Pierce County Chamber of Commerce Representative;*
10. *At-Large Representative with priority for Complementary Sectors;*
11. *Industrial/Manufacturing Center Representative (business representative or representative of a city zoned for industry/manufacturing);*
12. *The Director, or designee, of Pierce County's Economic Development Department (non-voting).*

EDCPC Board Membership (2025)

Bill Dickens – Economist, The Black Collective
Historically Economically Disinvested Representative or WA OMWBE-Certified Firm Representative
Term: 2 of 2 | Through September 1, 2027

VACANT - *Small Business Representative (50 or fewer full-time equivalent employees)*

CM Rosie Ayala – Director ex officio
Chair of the Pierce County Council's Select Committee on Economic & Infrastructure Development

Tyra Dieffenbach – Sr. Manager, Real Estate & Economic Development
Port of Tacoma
Term: 2 of 2 | Through September 30, 2028 **(pending re-appointment approval)**

Dierdre Patterson – Business & Economic Development Analyst
City of Tacoma
Term: 1 | January 1, 2025 – September 30, 2027

Becky Newton – Economic Development Manager
City of Lakewood
Term: 2 of 2 | Through September 1, 2027

CM Frank Boykin – Council Member, City of University Place
Small Cities Representative (having a population of 50,000 or fewer)
Term: 2 of 2 | Through September 1, 2027

Nathe Lawver – Secretary/Treasurer, Pierce County Central Labor Council
Pierce County Organized Labor Representative, or designee
Term: 1 | Through September 30, 2026

VACANT - *Tacoma-Pierce County Chamber of Commerce Representative*

VACANT - *At-Large Representative with priority for Complementary Sectors*

David Huang – CEO, SeaTac Packaging
Industrial/Manufacturing Center Representative (business representative or representative)
Term: 2 of 2 | Through September 30, 2028 **(pending re-appointment approval)**

Betty Baublits – Director
Pierce County Economic Development Department
Non-Voting Member

Staff Support

Maddie Merton – Interim Bond Administrator, Maddie@edbtacomapierce.org | Phone: 253.317.1903

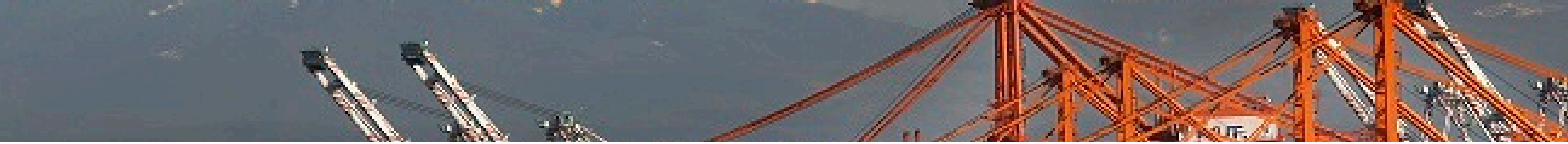
EDCPC Study Session

Financial Sustainability Options

EDCPC Board of Directors

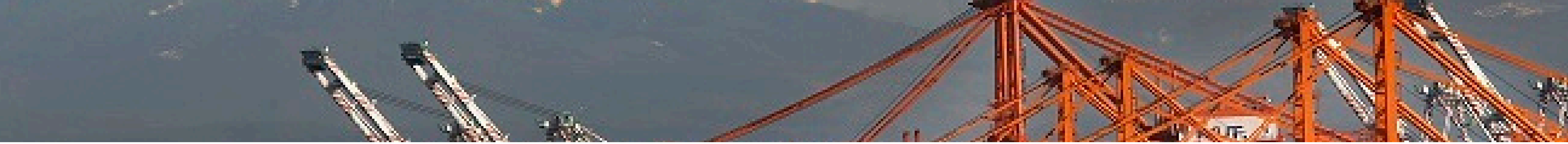
September 17, 2025

edb ECONOMIC DEVELOPMENT BOARD TACOMA PIERCE COUNTY WASHINGTON STATE, USA



AGENDA

- Review current financial and operational challenges
- Explore 11 possible paths for program sustainability
- Identify top options for EDCPC board consideration
- Prepare for vote on recommendation at Sept 19 EDCPC Board Meeting
- Request to present recommendation to Pierce County Council for consideration during upcoming Study Session



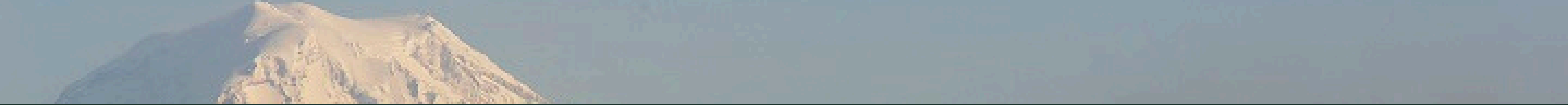
Industrial Revenue Bonds (IRBs): Federal Framework, Pierce County Role

Pierce County IRB Issuer:

- The Economic Development Corporation of Pierce County (EDCPC) was created in 1981 under RCW 39.84. It serves as the local issuing entity for tax-exempt IRBs in support of private industrial development for small manufacturers.

EDCPC's Impact

- Over $307 million in IRBs issued over the past 30 years
- More than 40 projects supported across Pierce County
- Approximately 7,300 jobs created or retained through IRB-financed projects



Challenges and Market Conditions

The Economic Development Corporation of Pierce County (EDCPC) is facing significant headwinds that may impact its ability to continue offering industrial revenue bonds (IRBs) beyond 2026 without additional sources of operational funding.

Key Challenges:

- Rising Interest Rates: Higher rates have reduced borrower appetite for long-term financing, including tax-exempt bonds.

- Market uncertainty from federal legislation and tariff impacts: U.S. tariffs continue to generate uncertainty for manufacturing and capital projects.

- Increasing Project Costs: Construction and equipment costs are escalating, often pushing project budgets beyond the IRB-eligible cap.

- Limited Fee Revenue: EDCPC’s operations are funded primarily through bond servicing fees. With few new issuances and limited pipeline, fee revenue is no longer sustainable.

- Timeline for Sustainability: Without a new funding source, the organization will exhaust available funds within 12 months (by mid-2026).

Sustainability Options

1. Adjust Bond Issuance/Admin Fees
- Fiscal: Potential new revenue; exact amount TBD.
- Considerations: Must remain “reasonable” per IRS; requires County Council approval. Subject to new deals.
- Timeline: Could take effect by 2026.

2. Secure $9K Annual Support (Services Contract)
- Fiscal: Predictable $9K baseline annually.
- Considerations: Requires updated services contract, approved by County Council.
- Timeline: Medium-term (6-month months).

3. Operational Transfer to Pierce County
- Fiscal: Costs shift into County’s budget for staff administration.
- Considerations: EDCPC remains conduit issuer; requires Council approval.
- Timeline: Medium-term (6–12 months).

4. RFP to Outsource Administration
- Fiscal: Costs would shift to a contracted provider. Compensation could come from bond issuance/admin fees, but EDCPC would still need a baseline budget to cover oversight, contracting, and compliance review. Potential savings vs. in-house staffing, but not cost-free.
- Considerations: Board retains fiduciary duty; IRS/state still view EDCPC as issuer. Strong contract oversight required to ensure compliance.
- Timeline: Medium-term (6–12 months to issue RFP, evaluate responses, and execute a contract).

5. Wind-Down (Audit-Only)
- Fiscal: Minimal expenses until reserves depleted.
- Considerations: Must maintain audit compliance on 2 open bond projects.
- Timeline: Short-term (3-6 months) subject to County Council approval

6. Advocacy for Federal Reform (MAMBA)
- Fiscal: Long-term upside if federal legislation passes.
- Considerations: Partner with Pierce County Federal Congressional Delegation and other stakeholders such as the National Council of Development Finance Agencies (CDFA). Subject to federal congressional approval.
- Timeline: Long-term (1–3 years).

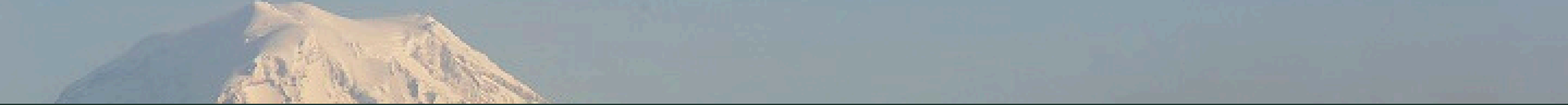
7. Place Program on Hold (Temporary Pause)
- Fiscal: Compliance-only costs; no new revenue. Service only existing bond projects (2).
- Considerations: Requires Board resolution; may refer applicants to another bond authority such as Washington Economic Development Finance Authority (WEDFA). May require MOU.
- Timeline: Immediate

8. Refer New Projects to another bond authority
- Fiscal: Ends future fee revenue; compliance-only costs remain.
- Considerations: Allowed, but loss of local control. May require MOU.
- Timeline: Board action and Council approval.

9. Regional Partnership with Kitsap County, Thurston County or another bond Authority
- Fiscal: Shares costs and fee revenue.
- Considerations: Requires interlocal agreement (RCW 39.34).
- Timeline: Long-term (1–3 years).

10. Revenue Reserve / Sustainability Fund
- Fiscal: Builds restricted reserves for compliance
- Considerations: Permissible if adopted by resolution; tracked separately.
- Timeline: Medium-term (6-12 months; next budget cycle or bond issuance).

11. Grant-Seeking for Program Sustainability
- Fiscal: Requires modest upfront allocation of admin funds (staff or consultant costs) to prepare applications. If successful, could provide medium-term operational funding for compliance, marketing, or program administration.
- Considerations: Permissible if using general administrative reserves; cannot use funds earmarked for bond compliance. Board approval required to authorize allocation of funds for grant-seeking.
- Timeline: Medium to Long-term (6–24 months depending on grant cycle; Commerce or EDA grants could be applied for in 2025).
- Examples of Potential Sources:
  - WA Dept. of Commerce capacity-building grants
  - Federal EDA technical assistance
  - SBA or U.S. Treasury community development programs
  - Congressional Community Project Appropriations



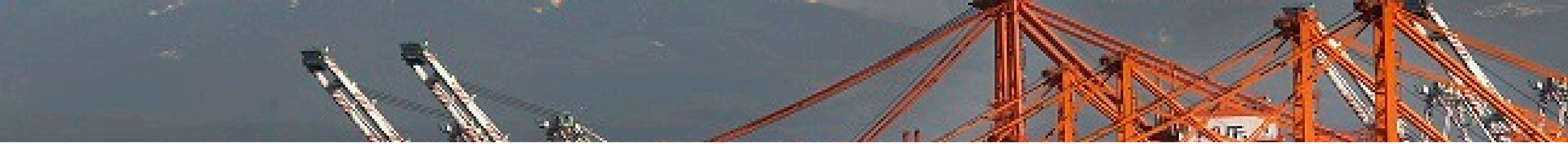
Discussion Questions

Which options ensure short-term survival (next 6 months)?

Which provide medium-term restructuring?

Which should be prioritized as long-term strategies?

Should the Board recommend one path or a combination (primary + backup)?



Next steps

1. EDCPC Board
   - Sept 17: Study Session → narrow options.
   - Sept 19: Regular Board Meeting → adopt a resolution with a recommendation.

2. Transmittal to Pierce County
   - Staff prepares memo + Board resolution and transmits to the Council Clerk and relevant Committee (Economic & Infrastructure Development).

3. Pierce County Council or Committee Study Session
   - Councilmembers review the EDCPC recommendation.
   - Staff/Board representatives present context, financial sustainability issues, and recommended option(s).
   - Council may request additional analysis (legal, fiscal, operational impact).

4. Council Committee/Full Council Action
   - Approve (contract, ordinance, or resolution) or send back for revision.

5. Implementation
   - EDCPC staff implements with Board support based on Council action.

QUESTIONS?

Maddie Merton, VP Business Retention and Expansion
Interim Bond Administrator
maddie@edbtacomapierce.org

edb ECONOMIC DEVELOPMENT BOARD TACOMA PIERCE COUNTY WASHINGTON STATE, USA