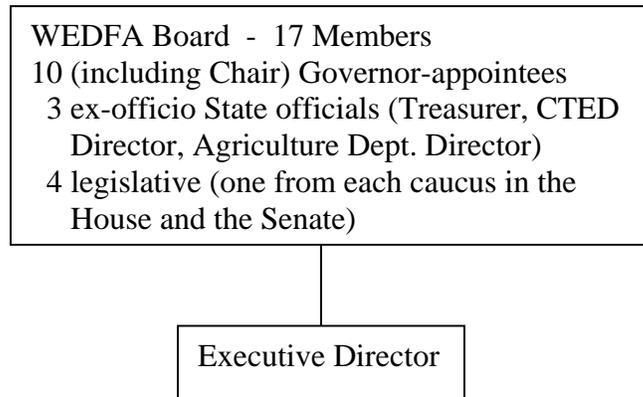


WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY (WEDFA); AGENCY # 106

AGENCY RESPONSIBILITIES (RCW 43.163)

- Without use of state funds or resources, assist small and medium-sized state businesses in accessing capital at rates normally only available to large corporations and assist local governments in obtaining capital more efficiently through the issuance of tax-exempt and taxable bonds not funded or guaranteed by the state and payable solely by the benefiting company.
- Without use of state funds or resources, encourage private sector job creation/retention and capital investment in Washington state.
- Since 1996, the Authority has issued bonds for 56 projects creating \$430 million of new capital investment in the state and creating or retaining 3,852 jobs at no cost to the state's taxpayers. There is never any liability against the state or any other governmental entity from the Authority's bond issuance activities. The Authority's bonds do not count against the state's debt limitations, either statutory or constitutional, and have no effect on the state's credit rating. All Authority bonds are either fully backed by a bank letter of credit or purchased as a portfolio investment by qualifying institutional investors.

ORGANIZATION CHART AND BUDGET



The Authority has a seventeen member Board who receive no compensation but are reimbursed for expenses incurred. The Board has one in-person meeting each quarter at various locations around the state. Special meetings via conference call are scheduled on an as-needed basis to consider bond issuance-related matters. In 2003, six such special meetings were held.

The Authority has one employee, the Executive Director, who is appointed by and serves at the pleasure of the Board.

Budget: The Authority is prohibited by statute from receiving any appropriation of state funds (RCW 43.163.120). The Authority is financially completely self-supporting and receives no monies from the General Fund for any purpose. The Authority derives all its funds and pays all staff salary, office and other expenses from revenues from fees generated by its bond issuance activities.

WEDFA not only assists Washington businesses; WEDFA is a Washington business.

The Authority's budget for calendar 2004 is \$197,867. Currently, the Authority has \$54,000 in its separate bank account and \$300,000 operational reserves in a secured investment account.

MOST PRESSING ISSUES:

Staff Contact: Jonathan Hayes, Executive Director, (206) 587-5634, wedfa@wshfc.org

Program Sunset: Under current legislation, WEDFA's authority to issue bonds will sunset June 30, 2006. WEDFA is the only one of the four state and approximately 77 local conduit issuing authorities to have such a sunset. Continued existence of this sunset will severely impact WEDFA's marketing of its services in the calendar 2005 time period and make it impossible to continue operations beyond then. The Authority feels adequate legislative oversight is provided by the four legislative board members and has submitted agency request legislation to the Governor's Executive Policy Office of the Office of Financial Management for the upcoming legislative session to eliminate this sunset.

Federal Tax Code Limitations: Most of WEDFA's bond issuances are what is known as "industrial revenue bonds". The federal tax code limits these to manufacturing projects where the total capital investment from all sources over a six year period is less than \$10 million. This level has not been changed since 1976. It is unrealistically low for projects in today's small manufacturing business environment and severely constrains the number of projects WEDFA can assist. Legislation currently in conference committee in Congress would increase this capital expenditure limit to \$20 million and inflation index it subsequently.

Strategic Direction: WEDFA is currently conducting a strategic planning assessment and organizational review. Issues surfaced thus far in the process are limited statutory authority restricting the Authority's operations, little assistance or coordination with other state programs and succession planning for the Executive Director position. This review is expected to be completed in the fourth quarter of 2004.

Board Member Listing by Board Position

ECONOMIC DEVELOPMENT FINANCE AUTHORITY (NS051)

Agency 103 - Community, Trade & Economic Develop	Senate Conf. N	Positions: Maximum 017
Authority Governor, Speaker of House, Pres. of Sen.	Public Disc. Y	Minimum 000
Authoriztn. RCW 43.163.020	Term Length 048	Actual 017
Rem. Auth. GC	Meetings/Yr. 06	

Pos. #	Name and Address	Status	Race	Appointed	Expires
001	Greene, Nathaniel D. PO Box 78 Spokane, WA 99210	A	AA	03/10/2004	10/19/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public-Eastern		

Pos. #	Name and Address	Status	Race	Appointed	Expires
002	Meredith, Robert P. 2112 East Shelby Street Seattle, WA 98112	A	C	08/13/2004	10/19/2007
		Terms Served	01		
		Position	Chair		
		Comments	General Public - Western		

Pos. #	Name and Address	Status	Race	Appointed	Expires
003	Nay, Lori 150 Jennings Lane Naches, WA 98937	A	C	06/01/2004	10/19/2006
		Terms Served	01		
		Position	a member		
		Comments	General Public - Eastern		

Pos. #	Name and Address	Status	Race	Appointed	Expires
004	Schaffer, Matthew 1618 36th Avenue Seattle, WA 98122	A	C	10/07/2004	10/19/2008
		Terms Served	02		
		Position	a member		
		Comments	General Public - Western		

Pos. #	Name and Address	Status	Race	Appointed	Expires
005	Romerdahl, Jan R. 428 West Riverside 12th Floor Spokane, WA 99201	A	C	10/20/2001	10/19/2005
		Terms Served	02		
		Position	a member		
		Comments	General Public-Eastern		

Pos. #	Name and Address	Status	Race	Appointed	Expires
006	Miller, Gerald L. (Mr.) 2905 NE 156th Street Vancouver, WA 98686	A	C	10/10/2000	10/19/2004
		Terms Served	03		
		Position	a member		
		Comments	General Public		

Board Member Listing by Board Position

ECONOMIC DEVELOPMENT FINANCE AUTHORITY (NS051)

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
007	Williams, Linda J. 8526 Oxford Avenue SE Olympia, WA 98503	A	AA	10/07/2004	10/19/2005
		Terms Served	01		
		Position	a member		
		Comments	Minority Owned Business		

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
008	Burke, Suzanne 7534 35th NW Seattle, WA 98177	A	C	10/20/2001	10/19/2005
		Terms Served	03		
		Position	a member		
		Comments	Women Owned Business		

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
009	VACANT				10/19/2004
		Position	a member		
		Comments	General Public - Western		

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
010	Marave, Mike D. 8 113th Place SE Everett, WA 98208	A		05/19/2004	10/19/2008
		Terms Served	01		
		Position	a member		
		Comments	General Public - Western		