Commissioners,

On your agenda today is a discussion about the EDC.

I want to expand upon some comments that I made to the Board of County Commissioners a couple of weeks ago.

I have two major concerns about the EDC.

First, I don't see that the EDC has been particularly effective during its existence. Our county economy is far from good.

Second, the EDC operates in total secrecy.

It's funded almost entirely by public dollars, yet claims to be exempt from our state's Public Records Act and Open Public Meetings Act.

That secrecy creates suspicion about how they are spending the public's money.

It's my money, it's your money. But we aren't allowed to know where our money is going and if it's being used as intended.

In the past, nonprofits like the EDC have claimed that they aren't subject to public disclosure laws.

That's no longer the case because of the *Horvath* decision.

In the 2025 *Horvath* case, the Washington State Supreme Court ruled that **DBIA**, a private non-profit organization like the EDC, was in fact a public agency. It met the requirements of the Court's four-factor *Telford* test.

The *Telford* factors are:

- Does it perform a core government function
- The extent to which it is funded by government
- The extent to which it is controlled by government
- How it was created

The EDC has been designated by the <u>county</u> as the ADO. It performs the core government function of economic development. It is almost entirely funded by government.

I see 3 alternatives for the EDC.

1. Acknowledge and declare in its bylaws that it is a public agency and will comply with all laws in that regard OR

2. Fight an expensive lawsuit that it will very likely lose under *Horvath* OR

3. Become a subagency of the Port.

The Port is the only public agency – not the City, the PUD, or the County – that is constitutionally mandated to do economic development.

My recommendation is

- that the EDC in its current form should be dissolved, and
- that the ADO role and the operations of the EDC should be transferred to the far more capable Port, and

- that the Port should receive the funding that is currently going to the EDC.

Doing this should eliminate concerns about secrecy, accountability, and the proper use of funds, and will provide better opportunities for economic development.

I’m happy to answer any questions you might have.

Thank you for your time.