



MEMO TO: Finance, Administration and Communications Committee of the Whole

FROM: Malisa Files, Finance Director

DATE: **October 22, 2019**

SUBJECT: Dissolution of Redmond Public Corporation and Repeal of Redmond Municipal Code (RMC) 2.22.

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

II. RECOMMENDATION
Dissolve the Redmond Public Corporation, transfer the remaining assets (\$2,811.44) to the City of Redmond and repeal Redmond Municipal Code (RMC) Chapter 2.22.

III. DEPARTMENT CONTACTS
Malisa Files, Finance Director 425-556-2166

IV. DESCRIPTION/BACKGROUND
The Redmond Public Corporation was formed in 1982 in order to issue non-recourse tax exempt industrial revenue bonds to assist in financing private industrial facilities. At the time the membership of the Redmond Public Corporation consisted of the three members of the City's Public Administration and Finance (PAF) Committee and legal counsel provided by Ogden, Murphy Wallace PLLC. The Redmond Public Corporation issued more than \$30 million in industrial revenue bonds between 1983 and 1985 to fifteen individual industrial developments including Integrated Circuits, Helly-Hansen and Genie Industries.

A. Analysis

In the mid-1980s the law changed, and industrial revenue bonds were no longer tax exempt making industrial revenue bond financing less desirable. Because of the law change, the Redmond Public Corporation stopped issuing industrial revenue bonds after 1985 but had an obligation to remain in existence until the outstanding bonds were retired. All bonds have been retired and the Redmond Public Corporation no longer has any outstanding liabilities and no longer, as an organization, serves a purpose.

Section 7.01 of the Redmond Public Corporation by-laws as adopted by City of Redmond Ordinance No. 1060, provides the Corporation may be dissolved by City ordinance when the Corporation has no property to administer, other than the funds to be transferred to the City, and when all of the Corporation's outstanding obligations have been satisfied.

The conditions of the dissolution have been satisfied as the Redmond Public Corporation has no outstanding obligations and only has assets of \$2,811.44 in cash. Once the Council approves the dissolution ordinance the remaining cash will be deposited in the City's General Fund.

On August 20, 2019, the Redmond Public Corporation Board made up of Councilmembers Carson, Fields and Margeson met to begin the dissolution process. As a part of the meeting, Malisa Files, Finance Director was appointed as the Finance Officer of the Corporation to carry out the work of the dissolution, including:

- Updating Board Members regarding steps to dissolution;
- Preparing the ordinance of dissolution (attached); and
- Filing final financial statements with the State Auditor (attached).

The Board met again on October 15, 2019, to review and approve the language of the dissolution ordinance and recommended the Council take action on the ordinance at the regularly scheduled meeting on November 19, 2019.

V. TIME CONSTRAINTS

For administrative ease, the Redmond Public Corporation should be dissolved before the end of 2019. Next steps in the process include:

- October 22, 2019 – Finance, Administration and Communications Committee briefing
- November 19, 2019 – Redmond City Council regular meeting action to approve dissolving the Redmond Public Corporation and repealing RMC 2.22.

VI. LIST OF ATTACHMENTS

Attachment A – Ordinance to Dissolve the Redmond Public Corporation
Attachment B – Ordinance 1060 Redmond Public Corporation Formation
Attachment C – Redmond Municipal Code 2.22
Attachment D – Redmond Public Corporation 2018 Financial Statements