

Washington Higher Education Facilities Authority

2021





A Year of Success

MISSION

Provide qualified non-profit, independent colleges and universities in Washington with access to low-cost capital for the expansion and modernization of campus facilities.

PUBLIC BENEFIT

The ability to obtain lower interest rates through the sale of tax-exempt bonds has saved our borrowers millions of dollars. The savings ultimately benefit the students of Washington State and support the mission of the institution.

LETTER FROM THE SECRETARY

We are extremely proud and pleased to present the 2017 Annual Report of the Washington Higher Education Facilities Authority (WHEFA).

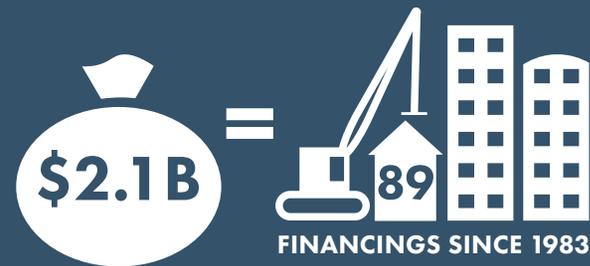
Since 1983 WHEFA has provided our 14 member colleges and universities access to private and public capital markets at lower costs than are available to them in the conventional marketplace.

- We have issued nearly \$2.1 billion in tax-exempt revenue bonds in 89 separate financings.
- Projects financed have ranged from student residence halls to science laboratories.
- All of this is done without the use of tax payer dollars and without pledging the faith and credit of the State of Washington.

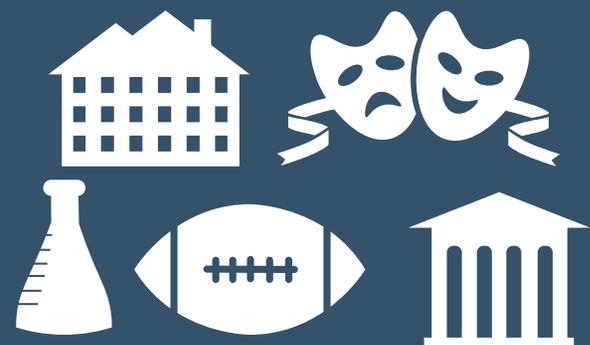
We have saved our member institutions nearly \$87.9 million on a net present value basis since we began tracking it in 2009. This savings has benefited thousands of students and families by improving the quality of their education as a result of providing modern, state of the art campus facilities.

We are honored to partner with these schools, and look forward to working with them on many exciting future projects.

Tom Johnson,
Secretary



These funds have been used to support the construction and renovation of residence halls, theaters, science labs, sports arenas, libraries, and more.





In August of 2016 Pacific Lutheran University (PLU) completed a \$48.9 million bond financing that refunded bonds issued by WHEFA in 2006. The 2006 bonds refunded earlier bonds that helped renovate and build academic buildings, administrative offices, and residence halls across the University's campus. The transaction generated interest savings of over \$9.4 million over the life of the bonds. This represents \$6.8 million in today's dollars (net present value). To date, PLU has completed 8 financings totaling \$199.8 million through WHEFA.



In December of 2016 Whitworth University completed a \$60.5 million bond financing that refunded bonds issued by WHEFA in 2009, and provided some new money for athletic facility improvements and miscellaneous capital and infrastructure improvements around the University's campus. The 2009 bonds refunded earlier bonds that helped renovate and build academic buildings, administrative offices, and residence halls on the campus. The transaction generated interest savings of over \$8.8 million over the life of the bonds. This represents \$4.98 million in today's dollars (net present value). To date, Whitworth has completed 10 financings totaling \$191.86 million through WHEFA.

Partner Institutions

- 1 Saint Martin's University
5 Financings
- 2 Pacific Lutheran University
8 Financings
- 3 Northwest Indian College
0 Financings
- 4 University of Puget Sound
9 Financings
- 5 Cornish College of the Arts
2 Financings
- 6 Seattle Pacific University
4 Financings
- 7 Seattle University
16 Financings
- 8 Bastyr University
8 Financings
- 9 Pacific Northwest University of Health Sciences - 1 Financing
- 10 Heritage University
2 Financings
- 11 Walla Walla University
2 Financings
- 12 Whitman College
4 Financings
- 13 Whitworth University
10 Financings
- 14 Gonzaga University
18 Financings

Financings

This past fiscal year, WHEFA helped generate savings of \$20.4 million over the life of the bonds, based upon \$127.1 million in financings provided to Pacific Lutheran University (PLU), Whitworth University, and Whitman College.

2017



WHEFA issued a \$17.7 million bond in January of 2017 to help construct a new 60,000 SF residence hall and renovate existing student housing at Whitman College. Construction will be completed in August of 2018 and the hall will be ready for occupancy in fall of 2018. The transaction generated interest savings of over \$2.23 million over the life of the bonds. This represents \$1.26 million in today's dollars (net present value). To date, Whitman has completed 4 financings totaling \$102.58 million through WHEFA.

Legislative Visits

We strive to stay informed and active in the state and federal legislative arenas in order to better serve our member colleges and universities—especially since the threat of elimination of tax-exempt financing as a low-cost financing resource for nonprofit organizations is very real.

In spring 2017, WHEFA staff coordinated visits to the Washington, D.C. offices of all our members of Congress as part of the National Association of Health and Educational Facilities Financing Authority (NAHEFFA) Conference. Joined by board member Michael Meotti, we educated members on how tax-exempt bonds have impacted their districts and stressed the need to protect this important resource throughout the tax-reform process. Highlights were personal meetings with Senator Patty Murray, Rep. Dan Newhouse, Rep. Suzan DelBene and Rep. Pramila Jayapal.

We also continue to monitor proposed state legislation. This includes ongoing dialogue with key state legislators and legislative committees about WHEFA programs and the importance of tax-exempt financing to our clients.



WHEFA BOARD MEMBER MICHAEL MEOTTI AND WHEFA MANAGER CAROL JOHNSON IN WASHINGTON, D.C. FOR LEGISLATIVE VISITS IN 2017.

School Visits

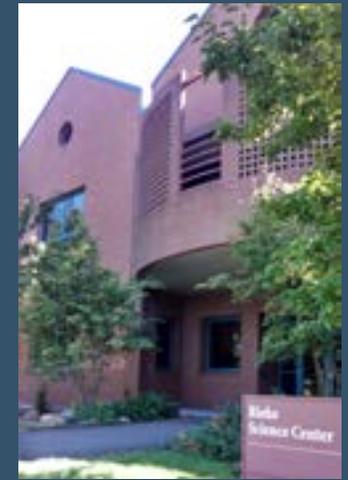
The board and staff believe strongly that successful financings are the result of knowing your clients, appreciating the good work they do, and being accessible. We enjoy regularly visiting the campuses of our member schools and getting to know their programs and the people we work with. We strive to meet our member schools' financing needs and provide good customer service.

In 2017, staff made visits to Bastyr University, Cornish College of the Arts, Gonzaga University, Seattle Pacific University, St. Martin's University, Walla Walla University, Whitman College, and Whitworth University.

As always, it is a pleasure to partner with these institutions and play a part in the creation of successful projects on their campuses. We are fortunate to work with such talented and passionate people.



LEFT: SCIENCE BUILDING, WHITWORTH UNIVERSITY



RIGHT: REIKE SCIENCE CENTER, PACIFIC LUTHERAN UNIVERSITY

Authority Members

Jay Inslee
Governor of Washington (ex officio)

Tom Johnson
*Secretary
Public Member*

Claire Grace
*Treasurer
Public Member*

David Schumacher
*Governor's Designee
Director, Office of Financial Management*

Brad Owen
*Lt. Governor of Washington (ex officio)
(Term ended 1/9/17)*

Cyrus Habib
*Lt. Governor of Washington (ex officio)
(Term began 1/10/17)*

Dr. Rachele Sharpe
*Acting Executive Director,
Student Achievement Council*
(Term ended 2/16/17)*

Michael Meoitti
*Executive Director,
Student Achievement Council*
(Term began 2/17/17)*

Dr. Roy Heynderickx
*Public Member
President, Saint Martin's University**

Jerome Cohen
Public Member

* The Chair of the Student Achievement Council or the Chair's designee and a current president from one of its member schools are required members of the WHEFA board.



WHEFA Staff

Kim Herman
Executive Director

Paul Edwards
Deputy Director

Carol Johnson
Manager

Bob Cook
Senior Finance Director

Cody Field
Program Assistant

Legal Advisors

Faith Pettis
Pacifica Law Group, Bond Counsel

Marc Greenough
*Foster Pepper, PLLC,
Bond Counsel*

Rusty Fallis
*Assistant Attorney General -
General Counsel*

Financial Advisors

Sheryl Bailey
Springsted, Inc.

Susan Musselman
Public Financial Management, Inc.

**FRONT COVER: NEW RESIDENCE HALL,
WHITMAN COLLEGE**

LEFT: EAST HALL, WHITWORTH UNIVERSITY

