

# ANNUAL REPORT

## 2020

# LETTER FROM THE SECRETARY



Dear WHEFA members and friends,

“Unprecedented.” We’ve all heard that word hundreds of times since March, and with each passing week, it seems more inadequate to describe this year of upheaval and challenge.


In our annual report this year, we want to recognize you, our partner colleges and universities, for your perseverance in facing everything “unprecedented” that 2020 has thrown at you.

You focused on the future, improving your campuses for the days ahead when students fully return. In fact, we were able to close 3 financings this year totaling more than \$92 million for new projects.

You also used this year and its low interest rates to lower your costs through refinancing. In 3 transactions we closed nearly \$104 million in refinancings.

With creativity and commitment, you prepared for a definitely “unprecedented” school year. We don’t know what that school year will bring, but in hopes of supporting you as much as we can, we have waived our annual fee through June 30, 2021.

It is truly our privilege to serve such an outstanding group of schools, staff and students. May you emerge from this crisis stronger, and may you always consider us your partner.

  
Jerome O. Cohen,  
WHEFA Secretary



**\$92** MILLION  
NEW PROJECTS

**\$104** MILLION  
REFINANCINGS

## 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 institutions.

# NEW LEADERSHIP.



*I look forward more than ever to supporting and building relationships with you in 2021 and beyond.*



In December 2019, Steve Walker took the helm as executive director of WHEFA as well as our sister agencies, the Washington State Housing Finance Commission and the Tobacco Settlement Authority.

He stepped into the shoes of founding director Kim Herman, who retired after 23 years leading WHEFA. Steve served under Kim at the Commission for 18 years before heading the City of Seattle's Office of Housing and brings many years of achievement working with nonprofits and public agencies.

"Despite this year of hardship for our WHEFA member schools, I have been amazed by your resilience," Steve says. "I look forward more than ever to supporting and building relationships with you in 2021 and beyond."

# NEW BRANDING.



As you've probably noticed in this report, WHEFA has a new logo!

We're excited to have updated our nearly 20-year-old look using the talents of our own staff: the logo by WHEFA program assistant Rona Monillas was chosen by the WHEFA board in November.

Watch for a whole new brand identity on our website and all our materials!

# WE EXIST TO SERVE OUR MEMBER COLLEGES & UNIVERSITIES

Supporting non-profit colleges and universities in Washington by financing the construction and renovation of residence halls, theaters, science labs, sports arenas, libraries and more.



**\$98.7 MILLION**

Saved for members



**95 FINANCINGS**

Since 1983



**\$2.4 BILLION**

Total Financings



# 14 MEMBER INSTITUTIONS

Bastyr University - *Kenmore*  
8 Financings

Cornish College of the Arts - *Seattle*  
2 Financings

Gonzaga University - *Spokane*  
19 Financings

Heritage University - *Toppenish*  
2 Financings

Northwest Indian College - *Bellingham*  
0 Financings

Pacific Lutheran University - *Tacoma*  
8 Financings

Pacific Northwest University of  
Health Sciences - *Yakima*  
2 Financings

Saint Martin's University - *Lacey*  
5 Financings

Seattle Pacific University - *Seattle*  
5 Financings

Seattle University - *Seattle*  
17 Financings

University of Puget Sound - *Tacoma*  
10 Financings

Walla Walla University - *College Place*  
2 Financings

Whitman College - *Walla Walla*  
4 Financings

Whitworth University - *Spokane*  
11 Financings



Seattle Pacific University



Cornish College of the Arts



University of Puget Sound

# FINANCINGS

FISCAL YEAR  
2019-20

**\$196 million**  
in bonds issued

**\$5 million**  
in interest saved by member schools



**\$77.4 million**  
bond financing

Interest savings:  
**\$1.7 million**  
(net present value)

WHEFA financings  
to date: 5 financings  
totaling over  
**\$423 million**



SPU pre-closing signing held in Seattle on February 26, 2020



**\$19.5 million**  
bond financing

Interest savings:  
**\$500,000**  
(net present value)

WHEFA financings  
to date: 11 financings  
totaling over  
**\$211 million**



Rendering courtesy of NAC

March 2020

This transaction reimbursed the University for previous property acquisitions and capital projects, financed miscellaneous capital projects, and refinanced the university's outstanding 2013 bonds.

*"In the last 20 years, the University has had very strong liquidity and was able to buy several properties near its campus using existing cash flows. With this financing, the University will recognize significant annual debt service savings and will be able to replenish close to \$25 million in liquidity. We are very excited and grateful for the support from WHEFA, which ultimately helps us serve our students and staff more cost effectively."*

Craig Kispert  
Senior Vice President for Finance and Administration  
Seattle Pacific University

December 2019

This new-money financing will help construct a new 40,000-square-foot health science building.

When it opens early in 2022, the building will be home to Whitworth's new doctoral programs in physical and occupational therapy, as well as undergraduate health sciences and a master's program in athletic training.

*"Whitworth is looking forward to building this facility as a strategic investment. It will be a great benefit to our students and to the Eastern Washington region, building on a growing medical community in the greater Spokane area."*

Larry Probus  
Vice President of Finance & Administration  
Whitworth University

**\$75 million**  
bond financing

Interest savings:  
**\$1.5 million**  
(net present value)

WHEFA financings  
to date: 19 financings  
totaling over  
**\$554.7 million**

**\$24.28 million**  
refunding of bonds

Interest savings:  
**\$1.3 million**  
(net present value)

WHEFA financings  
to date: 10 financings  
totaling over  
**\$212 million**



Rendering courtesy of SRG



Jones Hall, UPS

November 2019

Through this transaction, Gonzaga both refinanced taxable bonds issued in 2016 and gained new money for the construction of its Integrated Science and Engineering facility (ISE), which is expected to open for fall semester 2021.

*"This is an exciting project for the university. The ISE is the final major facility to be completed under the university's current strategic plan and rounds out our STEM learning, research, and administrative spaces. The timing was right to move forward with this ambitious project that will benefit many future generations of Gonzaga students."*

Joe Smith  
CFO of Gonzaga University and Treasurer  
Corporation of Gonzaga University

October 2019

This financing refunded bonds issued by WHEFA in 2012, generating significant interest savings for UPS.

*"This is a straightforward deal, with no change in the dollar amount, scheduled principal payments, or maturity date. I would like to thank the Authority's board, staff, and bond counsel for their support for the university and for this transaction."*

Sherry Mondou  
Executive Vice President and Chief Financial Officer  
University of Puget Sound

# Meet Our Board Members



**Jay Inslee**  
Governor of Washington  
*(ex officio)*



**Jerome Cohen**  
Secretary  
Public Member



**Cyrus Habib**  
Lt. Gov. of Washington  
*(ex officio)*



**Claire Grace**  
Treasurer  
Public Member



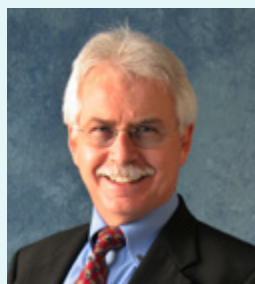
**Michael Meotti**  
Executive Director  
Student Achievement Council



**Dr. Roy Heynderickx**  
President  
Saint Martin's University



**David Schumacher**  
Governor's Designee  
Director, OFM



**Gene Sharratt**  
Public Member

## WHEFA Staff

**Steve Walker**, Executive Director  
**Paul Edwards**, Deputy Director  
**Carol Johnson**, Manager  
**Rona Monillas**, Program Assistant  
**Bob Cook**, Senior Finance Director  
**Debra Stephenson**, Senior Controller  
**Russel Evenhuis**, Web Manager  
**Margret Graham**, Communications Manager

## Legal Advisors

**Faith Pettis, Esq.**  
Pacifica Law Group, Bond Counsel  
**Dan Gottlieb**  
Hillis, Clark, Martin, and Peterson P.S.  
**Michael J. Nelson II**  
Assistant Attorney General,  
General Counsel

## Financial Advisors

**Thomas Toepfer**  
Public Financial Management, Inc.  
**Elizabeth Bergman**  
Baker Tilly Municipal Advisors, LLC

Agency financial information is  
available upon request.

**WHEFA.org**