

# Washington Higher Education Facilities Authority

## MINUTES

February 16, 2022

**Gonzaga  
University,  
Series 2022 &  
2023: Public  
Hearing (OID  
22-W01)**

Carol Johnson, Affiliates Manager, announced that the public hearing was being held remotely in order to comply with the State's directive, that the hearing had been determined to be necessary and routine as required by the Governor's order, and that it was being recorded.

Ms. Johnson officially opened the public hearing at 11:03 a.m. via teleconference.

In addition to Ms. Johnson, Authority board members Lieutenant Governor Denny Heck, Jerome Cohen, and Dr. Gene Sharratt; Authority staff Rona Monillas; representatives of Gonzaga University Joe Smith, Chief Financial Officer, and Dana McCullough, Treasury Manager; Christine Ok from U.S. Bank; and Ray Oen, CFO, from Bastyr University were also on the line.

Ms. Johnson stated that the public hearing was being held concerning the proposed plan of financing for the issuance by the Authority of one or more series of tax-exempt revenue and refunding revenue obligations in an aggregate principal amount not to exceed \$47,000,000 for the benefit of The Corporation of Gonzaga University.

Ms. Johnson further stated that the Bonds will be issued by the Authority as qualified 501(c)(3) bonds as defined in Section 145 of the Code and that a portion of the proceeds will be used to redeem prior revenue bonds of the Authority that were issued in 2013 to finance the construction and improvements to educational facilities

all located on the University's campus in at 502 E. Boone Avenue, Spokane, WA 99258.

Proceeds will also be used to finance costs associated with the planning, design, construction, installation, improvement and furnishing of capital facilities on the University's campus. Such capital facilities may include the construction of and/or improvements to student housing.

Proceeds of the Bonds may also be used to finance other costs, fees, reserves, capitalized interest and permitted issuance expenses associated with the projects.

Ms. Johnson further stated that testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Ms. Johnson asked Mr. Joe Smith from Gonzaga University for additional comments. Mr. Smith stated that the primary purpose of this bond issue is to refinance previously issued bonds. He added that the University anticipates savings associated with the refinancing, as well as new money proceeds to help with campus improvements. He added that this will benefit their students and the community.

Dr. Sharratt expressed his appreciation for Gonzaga's hard work throughout the years and his support for this project.

Lt. Governor Heck inquired about the split of proceeds between refinancing and new money. Mr. Smith stated that the majority of the proceeds will be used for refinancing, while \$10 million dollars in new money will be used for campus improvements.

Lt. Governor Heck asked if the \$10 million would be used entirely on housing-related projects. Mr. Smith said that the University plans to spend the majority of the new money on housing-related projects.

Lt. Governor Heck inquired about the percentage of students who live in on campus housing. Mr. Smith gave a rough estimate of those students. He said that there is not enough on campus housing to accommodate all of their upper division students. He said that some students live in nearby neighborhoods, either in houses or apartments.

Mr. Cohen inquired about the University's interest rate savings. Mr. Smith stated that their current outstanding bonds have a fixed rate of 5.25 percent. He said that the initial rate quote they received for the new financing was 2.81 percent. He noted that this rate could vary at closing, depending on the market.

Ms. Johnson opened the public hearing for public comment. There were no members of the public attending that wished to provide public comment. Ms. Johnson stated that no written comments were received.

Ms. Johnson then closed the public hearing at 11:17 a.m.