



Washington Higher Education Facilities Authority

YEAR AT A GLANCE



2016
ANNUAL REPORT

LETTER FROM THE SECRETARY

We are pleased to present to you the Annual Report of the Washington Higher Education Facilities Authority (WHEFA) for the fiscal year ended June 30, 2018.



Since 1983, WHEFA has provided our 14 member colleges and universities access to private and public capital markets at substantially lower costs than are available in the conventional financial marketplace. With this low-cost access to capital, schools can focus their resources on the work they do best: the education of their students.

Bonds issued by WHEFA have saved our member institutions nearly \$93.8 million, on a present value basis, since 2009.

WHEFA is completely self-supporting. We generate most of our revenues through bond-issuing activities and at no cost to the taxpayers of Washington.

Our success is made possible by the hard work and dedication of our member schools, our board, our finance team, and our staff. We are extremely proud to assist our member colleges and universities and look forward to another successful year of working with them.


Jerome O. Cohen,
WHEFA Secretary

“Putting passion into action..”



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.



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.

Financings AT A GLANCE

FY
2018

This past fiscal year, WHEFA helped generate present value savings of nearly \$9 million based upon \$85 million in financings provided to Seattle University and Pacific Northwest University of Health Sciences (PNWU).



SEATTLE
UNIVERSITY



SAVED



REFINANCING

On December 27, 2017, Seattle University completed a \$41.86 million bond financing that refunded bonds issued by WHEFA in 2009. The 2009 bonds helped the university renovate its library, law-school annex and other campus facilities. The transaction generated interest savings for SU of over \$3.8 million over the life of the bonds. This represents \$2.3 million in today's dollars (net present value). To date, SU has completed 17 financings totaling over \$400 million through WHEFA.

"The university decided to refund the 2009 bonds to take advantage of a significant debt-service savings opportunity. I'd like to thank the authority for their assistance with the process. The service they provide is very valuable."

- Connie Kanter
CFO and Senior VP of Finance and Business Affairs
Seattle University



Pacific Northwest
University of Health Sciences



SAVED



NEW MONEY +
REFINANCING

On March 1, 2018, Pacific Northwest University of Health Sciences completed a \$42.6 million bond financing that refunded bonds issued by WHEFA in 2013, and provided some new money to finance construction of a new two-story academic building on the university's campus. The 2013 bonds refinanced prior obligations issued to finance the costs of acquiring, constructing, improving, expanding and equipping university facilities. The transaction generated interest savings of over \$5 million over the life of the bonds. This represents \$3.6 million in today's dollars (net present value). To date, PNWU has completed two financings totaling over \$67 million through WHEFA.

"We are honored and pleased to partner with the Washington Higher Education Facilities Authority, U.S. Bank and Homestreet Bank. This action allows us to enjoy more favorable interest rates and supports our overall fiscal health."

- Dr. Keith Watson, President
PNWU



Law School, Seattle University



Lemeux Library and McGoldrick Learning Commons, Seattle University



PNWU pre-closing signing held in Seattle on February 27, 2018



Project NEXT, PNWU (Rendering by Digital Design and Development LLC)

PARTNER INSTITUTIONS



- 1 Saint Martin's University
5 Financings
- 2 Pacific Lutheran University
8 Financings
- 3 University of Puget Sound
9 Financings
- 4 Bastyr University
8 Financings
- 5 Seattle University
17 Financings
- 6 Seattle Pacific University
4 Financings
- 7 Cornish College of the Arts
2 Financings
- 8 Northwest Indian College
0 Financing
- 9 Pacific Northwest University
of Health Sciences
2 Financings
- 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

School Visits

We love to visit our member colleges and universities. It is important to us to understand their missions, see their facilities in person, and develop strong relationships with staff so we can offer the best possible customer service.

This past year, WHEFA staff made visits to Pacific Northwest University of Health Sciences (PNWU), Whitworth University, Gonzaga University, Whitman College, and Walla Walla University.

It is always a pleasure to serve our member schools and help them achieve their goals. We are fortunate to work with such talented and passionate people.



Newly built Stanton Hall, Whitman College
In the photo: Peter Harvey, College's CFO; and Carol Johnson, WHEFA Manager

Legislative Update

In the 2017 federal tax-reform debate, tax-exempt bond financing was targeted for elimination. This would have eliminated WHEFA's ability to offer low-cost financing to nonprofit colleges and universities. Fortunately, advocates here in Washington and around the country leaped into action to protect this valuable tool.

Thanks to these efforts, **the final Tax Cuts and Jobs Act of 2017 preserved tax-exempt bonds.** Thank you to everyone who fought with us to preserve this resource.

WHEFA also monitors proposed measures in our state legislature, maintaining an ongoing dialogue with key legislators and committees.



Chan Shun Pavilion, Walla Walla University



Butler-Haney Building, PNWU

AUTHORITY MEMBERS



Jay Inslee
Governor of Washington
(*ex officio*)



Jerome Cohen
Secretary
Public Member



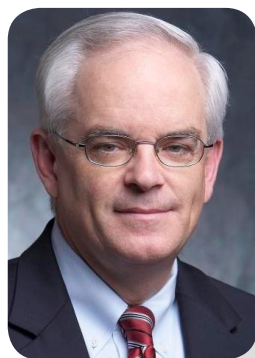
Claire Grace
Treasurer
Public Member



David Schumacher
Governor's Designee
Director, OFM



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



Michael Meotti
Executive Director
Student Achievement Council



Dr. Roy Heynderickx
President
Saint Martin's University



Gene Sharratt
Public Member



Tom Johnson
Public Member
through 8/23/17

WHEFA Staff

Kim Herman
Executive Director

Debra Stephenson
Senior Controller

Paul Edwards
Deputy Director

Maureen Smith
Web Manager

Carol Johnson
Manager

Margret Graham
Communications Manager

Bob Cook
Senior Finance Director

Rona Monillas
Program Assistant

Legal Advisors

Faith Pettis, Esq.
Pacifica Law Group, Bond Counsel

Marc Greenough
Foster Pepper, PLLC, Bond Counsel

Rusty Fallis
Assistant Attorney General, Senior Counsel
General Counsel

Michael J. Nelson II
Assistant Attorney General, Gen. Counsel

Financial Advisors

Sheryl Bailey
Springsted, Inc.

Thomas Toepfer
Public Financial Management, Inc.

Susan Musselman
Public Financial Management, Inc.



Agency financial information
is available upon request.

FRONT COVER: Robinson Science Hall, Whitworth University;
Stanton Hall, Whitman College; Kennedy Apartments, Gonzaga University.