

## Minutes

Washington State Convention Center  
Public Facilities District

Special Meeting of the Board of Directors  
July 9, 2021

### I. Call to Order

Frank K. Finneran, Board Chairman, convened a special meeting of the Washington State Convention Center Public Facilities District Board of Directors at 10:30 a.m. by video conference / conference call via Microsoft Teams. At the chairman's request, Mrs. Starkweather conducted a roll call of Board Directors to ensure a quorum (5 of 9) in attendance.

#### MEETING ATTENDANCE

##### Board Directors in Attendance (by video conference / conference call)

Frank K. Finneran, Chair  
Deryl Brown-Archie, Vice Chair  
Susana Gonzalez-Murillo  
J. Terry McLaughlin  
Craig Schafer

##### Board Directors Absent

Robert Flowers  
Nicole Grant  
Jerry Hillis  
Denise Moriguchi

##### Officers in Attendance (by video conference / conference call)

Jeffrey A. Blosser, President / CEO  
Linda Willanger, Vice President of Administration / AGM  
Jon Houg, Vice President of Operations  
Sam Hecker, Chief Financial Officer / Treasurer

##### Consultants / Vendors in Attendance (by video conference / conference call)

Rebecca Bogard, Bogard & Johnson, LLC  
Matthew Hendricks, Hendricks - Bennett, PLLC  
Isaac Sine, J.P. Morgan Securities, LLC  
Annie Marinaro, J.P. Morgan Securities, LLC  
Cassandra Mullany, J.P. Morgan Securities, LLC  
Christine Reynolds, Orrick Herrington & Sutcliffe LLP  
Stacey Lewis, Pacifica Law Group  
Fred Eoff, PFM Financial Advisors, LLC  
Matt Griffin, Pine Street Group  
Arnetta Libby, Pine Street Group

##### Guests in Attendance

Karen Sudderth

##### Staff in Attendance (by video conference / conference call)

David Cononetz                      Michael McQuade  
Jules Miller                              Kristi Russell

Lorrie Starkweather  
Earl Taylor

Loni Syltebo

II. Discussion and Potential Action regarding Resolution 2021-10, 2018 Bond Exchange

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District, authorizing the purchase or exchange of outstanding lodging tax bonds and subordinate lodging tax bonds; authorizing the issuance and sale of lodging tax bonds and subordinate lodging tax bonds of the District in the aggregate principal amount of not to exceed \$850,000,000 to refund bonds tendered for purchase and/or exchange and to pay costs of issuance; approving the sale or exchange and delivery of the bonds; approving the forms of series trust agreements relating to each series of bonds; authorizing the execution of the series trust agreements and other related documents; and approving related amendments and consents.

Mr. Finneran advised that the exchange of bonds, as outlined in Resolution 2021-10, is a technical financial matter and requested Mr. Eoff provide the Board an explanation.

Mr. Eoff advised this is a complex technical transaction and, along with the Mr. Sine from J.P. Morgan Securities LLP, provided explanation. This is an opportunity presented to the District based on an improving market from when we did the 2018 bonds sales along with potential investor responsiveness to an opportunity to trade or exchange some or all of their current holdings with newly issued bonds. The terms between the two issuances would be different in a way that is beneficial to the investors and achieves economic value and cash flow improvement to the District. Mr. Sine advised that the District released an EMMA notice to the market last month to provide investors awareness that this exchange process was under consideration, and since then positive feedback has been received both from the investors who had provided feedback and from investors that had reached out following the notice to have some constructive dialogue around this structure. The plan, as per this Resolution, would be to offer a tender or exchange on select maturities that will meet saving targets that have been set internally by the District, and to put those out to the market to give investors the ability to come forward and either exchange or tender their bonds under those terms. Mr. Sine advised that the 2018 bonds currently have a par call date in 2028 and explained the process involved for tendering bonds or exchanging bonds. Effectively, the call dates would be pushed out from 2028 to 2031. Mr. Eoff provided a brief explanation of possible cost savings to the District from possible scenarios with transaction costs factored into that structure.

In response to a question about potential discretionary features to the actions to be taken under Resolution 2021-10 that the Board ought to consider prior to moving forward, Mr. Eoff and Mr. Sine responded that while governed by the Resolution, all scenarios are to hit certain savings targets and internal planning targets appear well in excess of those minimums. Mr. Sine spoke to the options that are anticipated to be offered which are at a high level for investors and provided a brief explanation of coupon variability. Mr. Eoff spoke to refined analysis that shows potential cash flow savings per year based on investor participation in this process, calculated out to the year 2058, with the largest share of the cash flow reduction in debt service in the period between 2022 through 2041. Mr. Eoff advised that the District has set discretionary decision-making ability over whether we proceed or not, and that the Resolution establishes a minimum threshold for a decision to be made by the designated District representatives to move forward with the transaction or to not proceed.

Ms. Lewis advised that Resolution 2021-10 delegates the designated District representatives and that is defined as the Chair and Vice-Chair of the Board, and the President and Treasurer of the District, so each of those are designated as authorized District representatives as done with prior bond issues.

Mr. Sine advised that the potential time frame for the process is two weeks, to begin mid-July and wrap up in early August.

Mr. Eoff, as previously discussed with the Finance Committee, advised that with the exception of one participant on the Finance Team, (they are the party that does a complete identification of all of the current holders of the bonds to make sure that all current holders of the bonds are appropriately notified), the remaining finance team members have agreed to work on a contingent basis, so if this transaction does not move forward, the District does not incur transaction costs.

Mr. Finneran requested Mr. Hecker to provide comment on this effort. Mr. Hecker stated that with this exchange, the District is essentially capturing the future value of our call option on our 2018 senior and subordinate bonds and making that a real benefit in the near term where we need to look at cash flow management while still maintaining the long-term optionality on the debt and is a significant benefit for the District. Mr. Finneran asked if Mr. Hecker recommends the Board approve this item, and he replied in the affirmative.

In-depth details are contained within the Resolution document including Definitions and Interpretation; Authorization of 2021 Refunding Bonds; Disposition of 2021 Refunding Bond Proceeds; 2021 Refunding Bond Details; Authorization to Execute and Deliver Documents and 2021 Refunding Bonds; Purchase of Outstanding First Priority Bonds and/or Subordinate Priority WSCC Obligations; Sale of 2021 Refunding Bonds; Undertaking to Provide Ongoing Disclosure; Resolution a Contract; Severability; Effective Date.

Mr. McLaughlin made a motion to approve Resolution #2021-10 as presented. Mr. Schafer seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference (5 to 0)

### III. Adjournment

Ms. Brown-Archie moved to adjourn the July 9, 2021, Special Meeting at 10:55 a.m. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference.