

## **EVENT NOTICE**

### **NOTICE OF UNSCHEDULED DRAW ON CREDIT ENHANCEMENT AND NOTICE OF INCURRENCE OF A FINANCIAL OBLIGATION**



#### **Washington State Convention Center Public Facilities District**

#### **Lodging Tax Bonds, 2010B (Build America Bonds – Direct Payment)**

#### **Lodging Tax Bonds, 2018**

#### **Subordinate Lodging Tax Bonds, 2018**

#### **Junior Lodging Tax Notes, 2021**

**CUSIP-6: 93976A**

In connection with the above-mentioned bonds and notes, the Washington State Convention Center Public Facilities District (the “District”) hereby gives notice of the following:

***Background: Additional Lodging Taxes.*** Additional Lodging Tax Revenues are the revenues the District collects from its 2% lodging tax imposed pursuant to RCW 36.100.040(5) within the portion of the District that corresponds to the boundaries of the City of Seattle (the “Additional Lodging Tax”). The Additional Lodging Tax operates as a credit against the State sales tax, and was imposed by the District to provide credit enhancement on its outstanding Lodging Tax Bonds, 2010B (Build America Bonds – Direct Payment), Lodging Tax Bonds, 2018 and Subordinate Lodging Tax Bonds, 2018 (collectively the “Bonds”). If the District in any fiscal year is required to apply Additional Lodging Tax Revenues to the payment of principal of and interest on the Bonds, and the District is unable to pay all or any portion of the Annual Payment Amount to the State, the deficiency is deemed to be a loan from the State to the District for the purpose of assisting the District in paying such principal and interest and must be repaid with interest by the District to the State, after providing for the payment of the principal of and interest on obligations issued or incurred by the District, as provided in the Transfer Agreement between the State and the District.

***Background: Repayment Deficiency Loans.*** Consistent with RCW 36.100.040(6), the Transfer Agreement further provides that in any State fiscal year during which the District is unable to pay to the State all or any portion of the annual repayment amount, the deficiency is deemed to be a “Repayment Deficiency Loan” from the State to the District for the purpose of assisting the District in paying principal and interest on obligations it issues or incurs. The District is required to repay the State for each Repayment Deficiency Loan consistent with a repayment schedule proposed by the District and accepted by the State Treasurer providing for full reimbursement of the principal amount of the Repayment Deficiency Loan plus any accrued interest over a term not to exceed the

end of the State fiscal year that is 10 years after the State fiscal year for which each such Loan was incurred. Each Repayment Deficiency Loan is required to bear interest at a rate determined annually for each State fiscal year during which any Repayment Deficiency Loan is outstanding. The interest rate on any Repayment Deficiency Loan applicable during a State fiscal year is to be the average weekly Bond Buyer twenty-bond general obligation index during the immediately preceding State fiscal year plus one percentage point, as determined by the State Treasurer.

**Notices.** Notice is hereby given, based on unaudited information, that:

- As of June 30, 2021, the District collected \$4,269,013.48 in Additional Lodging Tax Revenues for the State fiscal year ended June 30, 2021. The District paid \$0 of this amount to the State because the full amount was applied to pay a portion of the debt service coming due on January 1, 2021 and July 1, 2021.
- The District incurred a Repayment Deficiency Loan in the amount calculated as follows: \$4,269,013.48 plus an interest charge calculated on one-half of this amount times an interest rate equal to the average annual rate of return for the prior calendar year in the Washington state local government investment pool. This Repayment Deficiency Loan is in addition to the Repayment Deficiency Loan incurred for the fiscal year ended June 30, 2020.
- On July 1, 2021, the District applied Additional Lodging Tax Revenues to the principal and interest payment due on July 1, 2020, representing an unscheduled draw on credit enhancement.

**Notes Regarding this Event Notice Filing.** The District is filing this information as an event notice pursuant to its continuing disclosure undertakings on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. This information is only accurate as of its date. The provision of this information to EMMA is not intended as an offer to sell any security. No representation is made as to whether this information is material or important with respect to any particular outstanding debt issue of the District or whether other events have occurred with respect to the District or its outstanding debt that might be material or important to owners of the District's outstanding debt.

Dated: July 9, 2021