

Washington Higher Education Facilities Authority

MINUTES

January 30, 2018

**Pacific
Northwest
University of
Health Sciences
(PNWU):
Public Hearing
(OID 17-W01)**

Mr. Paul Edwards, Deputy Director of the Washington Higher Education Facilities Authority, opened the public hearing at 1:00 p.m.

In addition to Mr. Edwards, Mr. Mike Gary, Authority staff, was also present in the Elliott Bay Room at the Authority's offices located at 1000 Second Avenue, 28th floor in Seattle, WA 98104. Authority board members Mr. Michael Meotti and Dr. Gene Sharratt were present by phone. Ms. Ann Hittle, CFO of Pacific Northwest University of Health Sciences (PNWU), and Ms. Luz Merkel, Associate Vice President of Business Affairs, Whitworth University, were present by phone.

Mr. Edwards stated that the public hearing was being held concerning the proposed issuance by the Authority of tax-exempt revenue bonds in an aggregate principal amount of not to exceed \$46,000,000 to benefit Pacific Northwest University of Health Sciences (the "University").

Mr. Edwards stated further that the bonds will be issued as qualified 501 (c)(3) bonds under Section 145 of the IRS Code to the University, with the bond proceeds to finance and refinance the costs of acquiring, constructing, improving, expanding, and equipping the University's facilities located on the University's campus bounded by and adjacent to Terrace Heights Drive, North Keys Road, and University Parkway in Yakima, WA 98901.

Proceeds of the Bonds may also be used to finance any other permissible costs, fees, reserves, and issuance expenses associated with the transaction.

Mr. Edwards asked if Ms. Ann Hittle, the CFO from PNWU, had any comments on the project. Ms. Hittle stated that PNWU is a relatively new university with its first class of medical school students in 2008. She stated that the University is currently in a high-growth phase and that they will soon add new health science programs. They are pleased to be training new health care professionals to serve primarily in rural and underserved areas.

Ms. Hittle stated that the University will be refinancing bonds previously issued by the Authority in 2013 along with five loans from commercial

and private lenders. Accomplishing this will allow the University to obtain much lower interest rates and to pass those savings along to its students in the form of lower tuition and less student loan debt.

Ms. Hittle concluded that they will be building a new 35,000 square foot academic building on campus, with groundbreaking to start very soon. Their goal is to complete the concrete shell of the building sometime in December of this year. She added that this bond transaction will be completed in three tranches, two to refinance, and the third when the building is completed.

Dr. Sharratt mentioned that he just toured PNWU's campus and was impressed by what he had seen. He added that he was pleased to help out with the refinancing. Ms. Hittle thanked Dr. Sharratt for visiting their campus. She also thanked Mr. Edwards and Ms. Johnson for their campus visit back in October, 2017. Mr. Edwards replied that PNWU was indeed a very impressive campus.

Mr. Edwards asked if anyone else on the phone would like to testify or comment.

Mr. Edwards stated that no one from the public was present in person to make oral statements or testimony concerning the proposed bonds and the projects.

Mr. Edwards also stated that no written comments were received from the public.

Mr. Edwards noted that the results of the hearing will be sent to the Governor for approval.

Mr. Edwards then closed the public hearing at 1:04 p.m.