

MINUTES
Board of Directors
Regular Meeting
December 13, 2011
12:30 PM
Spokane Arena Board Room

ITEM #1 TO ORDER

Board Chair Mick McDowell convened the 602nd meeting of the Spokane Public Facilities District at 12:30 PM.

ITEM #2 ATTENDANCE

In attendance were Board Chair Mick McDowell, Vice-Chair Nate Greene and members Rita Santillanes Larry Soehren and Sandy Wade. District personnel included Kevin Twohig, Johnna Boxley, Dave Gebhardt, Matt Gibson, Stephanie Curran, Stephanie Huff and Brittany Garwood. Guests included Alan Dashen and Scott Bauer of A. Dashen and Associates, Marc Greenough of Foster Pepper, Stanley Schwartz of WKDT, Cheryl Kilday of the CVB, Toby Hatley of Toby Hatley and Associates, and Dave Pier of Brett Sports and Entertainment.

ITEM #3 CONSENT AGENDA

Mr. Soehren moved to approve the Consent Agenda, Mr. Greene seconded and the motion passed unanimously. It contains the following items:

Minutes from November 22, 2011

WKDT invoice for October in the amount of \$3,285.60

ITEM #4 DISTRICT BUSINESS

Mr. Dashen, District financial advisor reported the following about the refunding of the 2001 bonds; Sean Keatts was present via conference phone.

This morning the District sold the refunding bonds (the "Bonds") through a negotiated sale with Barclays Capital serving as underwriter on the Bonds..

The District applied for ratings on the Bonds from Standard & Poor's and Moody's Investors Service. Standard & Poor's confirmed the District's rating of A+. However, Moody's downgraded the District from an A1 to an A2 with a negative outlook. The negative outlook primarily revolves around uncertainty related to the swaption.

The Bonds refinanced the District's 2001 Bonds, lowering the interest rates and resulting in debt service savings. Interest rates continue to be at very low levels, and this is an excellent time for the District to refinance the debt. The actual sale proved slightly more complicated than expected, primarily due to the nature of the credit (hotel/motel tax and sale/use tax) and the negative outlook from Moody's. After pricing the Bonds today, Barclays still had most of the Bonds unsold. However, Barclays agreed to buy all the Bonds with the expectation that they will be able to sell the Bonds over the next few days.

The Bonds were sold in two series - \$4,875,000 Series 2011A (AMT) and \$9,435,000 Series 2011B (Non AMT). The two series were required because of federal tax laws.

As a result of the refinancing the average interest rate decreased from 5.52% to 2.27%.

The present value savings of the debt service payments was \$1,491,050.

After discussion, Ms. Wade moved to approve Resolution 11-07 authorizing the refinancing of the bond, Mr. Greene seconded and the motion passed unanimously. The appropriate documents were signed and notarized.

Ms. Boxley gave the 3rd quarter Convention Center report and highlighted the sales strategies. Cheryl Kilday gave the report from the CVB perspective, reporting that things are looking good for the future.

ITEM #5 MISCELLANEOUS

Mr. Twohig updated the Board on proposed PFD legislation including the rebate bill and the financial soundness bill. Both may be considered in the January session.

Chair McDowell thanked Ms. Wade for her eight years of service on the PFD Board of Directors and presented her with a commemorative plaque and gift.

ITEM #6 PUBLIC COMMENTS

There were no public comments.

ITEM #7 EXECUTIVE SESSION

The Board took a brief break at 1:35 and adjourned to Executive Session at 1:40 per RCW 42.30.110. (1) (g) personnel. No action is expected. The Board reconvened to regular session at 1:55 PM.

ITEM #8 ADJOURNMENT

There being no further business, the Board adjourned at 1:55 PM.

Recorded by Sherry Leatha
Clerk of the Board and Recording Secretary

Approved by the Board of Directors