

VOLUNTARY DISCLOSURE NOTICE OF POTENTIAL BOND ISSUANCE
by Fircrest Properties, a Washington nonprofit corporation, issuing on behalf of the
STATE OF WASHINGTON

The State of Washington (the “State”) provides this voluntary notice that it expects to enter into a financing arrangement resulting in the issuance of approximately \$185,540,000 Lease Revenue Bonds, Series 2024 (State of Washington DSHS Project) (Sustainability Bonds) (the “Bonds”) by Fircrest Properties, a Washington nonprofit corporation (the “Issuer”), on behalf of the State pursuant to Revenue Ruling 63-20 of the U.S. Treasury, as amended and updated by Revenue Procedure 82-26 of the U.S. Treasury. Preliminary plans for issuance of the Bonds were approved by the State Finance Committee (“SFC”) by adoption of Resolution No. 1283 on June 13, 2024. Approval by the SFC does not signify that the SFC has otherwise approved, endorsed, or recommended the Bonds.

The Bonds are currently expected to be priced in late October or early November as long-term fixed rate bonds with principal amortization through 2049 and are currently expected to be delivered in November or December 2024. The size, timing, and structure of the proposed Bonds are subject to market conditions and will be determined at the time of pricing.

If issued, the proceeds of the Bonds, together with other available funds, would be used (i) to finance the permitting, design, construction, equipping, and furnishing of a nursing facility and related laundry and parking facilities, all located on the Fircrest Residential Habilitation Center Campus, and related costs, including offsite improvements, remedial work, and utility relocations (the “Project”); (ii) to pay capitalized interest on the Bonds; and (iii) to pay the costs of issuance of the Bonds. The Fircrest Residential Habilitation Center has been operated as a State facility providing support in a residential setting to individuals with developmental or intellectual disabilities since 1959. The Project would replace six aging buildings with a new 125,000 sq. ft. nursing facility, related laundry facilities, and parking facilities, all designed to better meet the needs of residents, to facilitate operational efficiency, and to provide support spaces for treatment services, offices, and staff training.

The Bonds are expected to be issued under an Indenture of Trust and to be secured by a pledge and assignment of Revenues under a Financing Lease, by a Leasehold Deed of Trust, and by certain amounts held in the funds and accounts established pursuant to the Indenture. The land upon which the Project is to be constructed is owned by the State and will be ground leased to Fircrest Properties to construct the Project and lease it back to the Department of Social and Health Services (“DSHS”) under a Lease Agreement. A Preliminary Official Statement describing the security and sources of payment for the Bonds and the key transaction documents is expected to be available in mid-October 2024. The Project and underlying transaction will be subject to various risks to be described in the Preliminary Official Statement.

In addition, the Bonds are expected to be sold as “Sustainability Bonds” based on an expectation that the Project and its operation will achieve certain environmental and social benefits aligned with the Sustainability Bond Guidelines (June 2021), Green Bond Principles (2022), and Social Bond Principles (2023) published by the International Capital Markets Association. The Bonds are expected to be self-designated; no second- or third-party opinion is being obtained and no ongoing monitoring is expected to be performed in connection with such designation. Risks associated with the designation will be described in the Preliminary Official Statement.

If issued, the Bonds would be special limited obligations of Fircrest Properties, payable solely from the Trust Estate pledged under the Indenture. No revenue, income, receipts, donations, earnings, property, or assets of Fircrest Properties other than those included in the Trust Estate are expected to be subject to the lien or claim for the payment of the Bonds or the performance of any other obligation of Fircrest Properties under the Indenture, and Fircrest Properties is not expected to be obligated in any other way for the repayment of the Bonds. Fircrest Properties is a single purpose entity, is not a governmental unit, and has no taxing power. Fircrest Properties has no source of funds that would be available to pay debt service on the Bonds other than the Trust Estate. If issued, the Bonds would not be an obligation of the State or any agency thereof, moral or otherwise. Neither the full faith and credit nor the taxing power of the State is expected to be pledged to the payment of Rent under the Lease Agreement. The obligations of the State (through DSHS) including the obligation to pay Rent following Substantial Completion of the Project, will be subject to appropriation and subject to other risks to be described in the Preliminary Official Statement.

This notice does not constitute a Preliminary Official Statement. The information contained in this voluntary notice is preliminary to the information to be contained in an offering document with respect to the referenced municipal securities and does not purport to be comprehensive or definitive. All statements contained herein are qualified in their entirety by reference to a Preliminary Official Statement and final Official Statement to be delivered to potential investors in connection with the offering of the municipal securities described herein. This notice does not constitute an offer to sell or the solicitation of an offer to buy any bonds, including the Bonds described herein. Any such offer or solicitation will be made only pursuant to an official statement that prospective investors must review before making any investment decision.

The State is voluntarily providing this notice for informational purposes only, and the information set forth herein does not constitute an event requiring notification under Rule 15c2-12 of the Securities Exchange Act of 1934. The publication of this notice does not constitute or imply any representation (i) that the foregoing is material to investors; (ii) regarding any other financial, operating, or other information about the State, the Issuer, the Project, or the Bonds; or (iii) that no other circumstances or events have occurred or that no other information exists concerning the Bonds or the proposed financing that may have a bearing on the financial condition of the State, the Issuer, the Project, the security for the Bonds, or the federal or state tax consequences of, or an investor’s decision to buy, sell, or hold the Bonds.

This notice speaks only of the State’s intent as of the date printed below. There is no assurance that the Bonds will be issued, that the structure will remain as described herein, or that the schedule will be met. The information in this notice is subject to change and the State disclaims any obligation to update this filing.

Questions regarding this transaction may be directed to:

Jason Richter
State of Washington Deputy State Treasurer – Debt Management
360-902-9007, jason.richter@tre.wa.gov

Dated: September 27, 2024.