

PACIFICA LAW GROUP LLP: BOND, DISCLOSURE AND TAX COUNSEL TO WASHINGTON CITIES

General Overview and Brief History of Pacifica Law Group LLP

The following provides an overview of the bond, tax, and disclosure counsel services that Pacifica Law Group LLP provides to Washington cities, counties and other state and municipal issuers.

Pacifica Law Group LLP was created by six former partners of K&L Gates. Pacifica has grown significantly and intentionally since its launch 14 years ago, adding and expanding key practice areas to support the needs of our public-sector clients in the Northwest. The firm has grown to include 46 attorneys who practice in the areas of municipal finance, public-private partnerships, litigation, appeals, public records, ethics, complex transactions, real estate, procurement, construction, school law, and other areas of general municipal law for public- and private-sector clients. Our attorneys are supported by a team of paralegals, legal assistants, and other staff.

Bond Counsel Experience

Pacifica is a preeminent Pacific Northwest bond firm, and our public finance practice is a cornerstone of our firm. Our public finance legal team includes seven bond attorneys (Stacey Lewis, Deanna Gregory, Faith Pettis, Jon Jurich, Tobias (“Toby”) Tobler, Clare Riva and Emma Daniels), and a full-time Section 103 tax attorney (Alison Benge). Our bond practice also includes dedicated support from paralegals and a project assistant. Our public finance attorneys take a collaborative, team-based approach to serving our clients, ensuring our legal advice and responses to questions are timely and consistent.

Pacifica is recognized as Tier One in Public Finance Law for the Seattle Metropolitan area by *Best Lawyers in America*. Our public finance team is comprised of attorneys recognized as Best Lawyers in America and as Super Lawyers. All members of our public finance team are duly admitted to practice in the State of Washington. Pacifica is a nationally recognized bond counsel firm as described in WAC 210-02-010; all of our public finance attorneys are listed as Approved Bond Counsel in the most recent publication of The Bond Buyer's Municipal Market Place “Red Book” directory of nationally recognized bond counsel; all are members of the Washington State Bar Association; all are located in Seattle (Alison Benge shares her time between our Seattle office and her home in Pittsburgh); and are all members—and several are leaders—of the National Association of Bond Lawyers (“NABL”), the national industry group for municipal finance practitioners.

Our team brings a deep familiarity with Washington state law from serving as bond counsel to Washington issuers, both state and municipal, of all sizes and of every type for the span of our careers. Since Pacifica’s formation in 2011, we have served as bond counsel on over 1,400 bond issues totaling over \$40 billion.

In addition, we note the following areas that set Pacifica apart from other firms:

- **Public Finance Law**

As bond and disclosure counsel, Pacifica attorneys have extensive experience with the broad range of municipal borrowings permitted to cities and other municipalities under Washington state law, including both tax-exempt and taxable obligations. We serve as bond counsel and disclosure counsel in connection with all types of financings, including limited and unlimited tax general obligation bonds, revenue bonds, assessment bonds, refunding obligations, bond and other types of anticipation notes, financing leases, and loans. Our experience also includes a variety of underwriting and financing structures: fixed and variable rate; interim and long term; tender offers; negotiated and competitive sales; limited offerings; and private placements. We also have

experience with state loan programs, including the Public Works Trust Fund, Drinking Water State Revolving Fund and broadband programs, bank loans and lines of credit, and other types of subordinate lien revenue obligations.

- **Experience Representing Washington State Cities, Counties and Others**

Our public finance attorneys represent all types of municipal issuers including cities, counties, public utility districts, ports, transit authorities, public facilities districts, public development authorities, metropolitan park districts, and other special purpose districts. Pacifica serves as bond counsel to the cities of Olympia, Buckley, SeaTac, Cle Elum, Wenatchee, Vancouver, Spokane Valley, Yakima, Bellevue, Tacoma (General Government and Tacoma Public Utilities), Renton, Bellingham, Kent, Cashmere, Puyallup, University Place, Lakewood, DuPont, Shoreline, Kenmore, Duvall, Kirkland, Auburn, North Bend, Snoqualmie, Mercer Island, Redmond, Tukwila, Burien, Shelton, Newcastle, Ocean Shores, Kalama, Ridgefield, Sedro-Woolley, and others; King, Kitsap, Spokane, and Skamania counties; Grant, Klickitat, Cowlitz and Douglas Public Utility Districts; Evergreen School District No. 114, Vancouver School District No. 37, Ridgefield School District No. 122, and other school districts; the Washington State Housing Finance Commission; the Washington Higher Education Facilities Authority; the University of Washington; the University of Oregon; Oregon State University; the Spokane, King County, and Snohomish County housing authorities; and others. We have also served as underwriter's counsel on issues for other cities and municipalities.

- **Experience with Other Financing Tools**

Our public finance attorneys have experience with innovative financing tools available to Washington municipalities under federal and state law, such as federal WIFIA and TIFIA loans, as well as state tools for funding infrastructure, including sales and use taxes for criminal justice, public safety, regional center, and other purposes, Transportation Benefit Districts, Tourism Promotion Areas, Levy Lid Lifts, Tax Increment Financing, Local Revitalization Financing, state loan programs, and others. We advise city, county and other clients in connection with federal and state grant funding, reviewing proposed programs and projects for eligibility, drafting template subrecipient and contractor agreements, reviewing potential state law issues, and assisting in documenting compliance with federal and state laws and regulations.

- **Experience with Regional and Interlocal Projects**

We are leaders in the use of public development authorities and interlocal agencies to accomplish public projects. We routinely advise on governance options, formation requirements, start-up tasks, financing and ongoing operations for public development authorities and interlocal agencies. For instance, Pacifica attorneys formed the South Correctional Entity, an interlocal entity comprised of cities in south King County, and its sister entity, the South Correctional Entity Facility Public Development Authority, for the purpose of operating, owning, and financing a misdemeanor jail facility located in Des Moines. We also assisted King County and various cities for the formation of the Puget Sound Emergency Radio Network, an interlocal entity formed to own, operate and maintain a public safety radio system to be used by first responders throughout King County; the City of Tacoma and its partners in connection with the transition of South Sound 911 from an interlocal entity to a public development authority; and Spokane County with the formation of its Spokane Regional Broadband Development Authority, among other projects including those for public safety answering points throughout the state.

- **Experience with Public-Private and other Complex Financings**

Pacifica attorneys have significant experience documenting and financing the development and operation of complex projects involving parties from both the public and private sectors. Our

practice group mix is purposefully shaped to offer comprehensive support to public-private partnership projects, including real estate, public finance, construction, and, if necessary, litigation. Our attorney team has represented cities in connection with many public-private projects, including public stadiums, athletic facilities, civic campus projects, city hall facilities, and redevelopment projects involving open space, parks, housing, and retail, among others. We have a deep understanding of the state constitutional and statutory limitations applicable to public-private partnerships, and work with clients to carefully draft development agreements, leases, financing and other contracts to accomplish the desired public benefits.

- **Tax Depth**

Alison Benge serves as the tax partner on all of Pacifica's bond issues. Alison has provided tax-exemption opinions on hundreds of bond issues in Washington and Oregon. She has extensive experience with tax issues related to general obligation bonds, utility revenue bonds (water, sewer, storm, and electric), tax credit and direct subsidy bonds, land secured financings (special tax bonds and assessment bonds), lease financings and certificates of participation, 501(c)(3) financings (for medical, educational, and retirement facilities), and multifamily housing bonds. She regularly provides advice with respect to new money transactions, refunding issues and cash defeasances, allocation and accounting issues, arbitrage and rebate, private business use and post-issuance compliance, and she represents clients in audit proceedings with the Internal Revenue Service. Alison has extensive experience working with our city and other clients as they navigate through the federal tax requirements relating to private business use for jails, public safety facilities and detention centers, court facilities, convention centers, stadiums, general governmental and other facilities.

Alison monitors Treasury regulations and interpretations of the Internal Revenue Code, and routinely confers with her colleagues in the national Section 103 tax bar on evolving issues. Under her leadership, we stay apprised of federal legislative and regulatory tax developments and the implications for our state and municipal clients. Alison drafts regular updates and provides client seminars on proposed bills and new legislation and regulations. Alison is currently the chair of NABL's Tax Law Committee.

- **Securities Law Depth; Disclosure Experience**

Our public finance attorneys have broad experience with primary offering and continuing disclosure obligations and other securities law issues. We track Securities and Exchange Commission ("SEC") enforcement actions, Municipal Securities Rulemaking Board regulations and other developments, and we assist clients with interpreting annual disclosure and listed event filing obligations.

As state and municipal issuers increasingly engage disclosure counsel, our practice has adapted accordingly. We serve as disclosure counsel to a range of state and municipal issuers in the Pacific Northwest including the cities of SeaTac, Olympia, Wenatchee, Vancouver, Spokane Valley, Yakima, Bellevue, Tacoma (General Government and Tacoma Public Utilities), Renton, Bellingham, Kent, Cashmere, Puyallup, Shoreline, Kenmore, Kirkland, Auburn, North Bend, Snoqualmie, Mercer Island, Redmond, Tukwila, Burien, and others (including many cities listed above); King County, Kitsap County, Spokane County, the Port of Seattle, University of Washington, Oregon State University, University of Oregon, Douglas, Cowlitz, Grant, and Klickitat County Public Utility Districts, the Washington State Convention Center Public Facilities District, Washington State Housing Finance Commission, Washington Higher Education Facilities Authority, Washington Economic Development Finance Authority, and many school districts, special purpose districts, water and sewer districts, and others.

As disclosure counsel we draft preliminary and final official statements, conduct due diligence including convening a formal due diligence call or meeting with the issuer, prepare event notices and other continuing disclosure filings upon request, review compliance with ongoing disclosure obligations, and provide our disclosure counsel letter addressing securities matters. We routinely prepare and review disclosure policies and procedures, including checklists, in light of the SEC's emphasis in enforcement actions on the importance of disclosure policies and procedures. Upon request, we also review investor roadshows, understanding the need for these communications to be consistent with the offering documentation. We also review voluntary disclosure including investor presentations.

- **National Standing and Leadership**

Pacifica's Pacific Northwest focus is enhanced by our leadership in NABL. Our interaction with NABL goes beyond merely speaking or participating in projects to substantive leadership roles in the organization. For instance, Deanna is currently serving on the NABL Board of Directors' Executive Committee, and Faith and Stacey have previously served terms on the NABL Board of Directors. The NABL Board has frequent and substantive interaction with the federal agencies which govern the municipal industry (the SEC, IRS, U.S. Treasury Department), often providing guidance, comment and input on regulatory proposals and legislative changes, and its members work closely with other industry organizations to promote a high standard of practice in the municipal market. Most of our bond lawyers have or are currently involved with:

- Chairing a NABL conference (Faith, Deanna and Alison)
- Serving on the Steering Committee of the annual conference (Deanna, Faith, Alison and Jon)
- Chairing a NABL committee (Deanna, Alison, Stacey and Jon)
- Serving as a panel chair at a conference (Faith, Stacey, Deanna, Alison and Jon)
- Drafting comments on regulations and legislation or white papers available to NABL members (Faith, Stacey, Deanna, Alison and Jon)

In recognition of her service in leading the drafting of Practical Considerations in Electronic Disclosure by State and Municipal Bond Issuers published in the 2020 Spring issue of *The Bond Lawyer* and the 2019 Fall edition of the *Municipal Finance Journal*, Stacey Lewis was awarded the Carlson Prize by NABL in October 2020. In recognition of her work on the NABL Education Committee and the NABL Tax Law Committee, Alison Bengé was awarded the President's Service Award by NABL in October 2019 and in October 2023.

- **Commitment to the Local Public Finance Community**

Our individual leadership roles in NABL are just one facet of our commitment to the public finance industry. Our attorneys are actively engaged in local client and industry organizations specifically for Washington issuers. We stay abreast of legal developments affecting our Washington city clients. We are actively involved in the Washington State Association of Municipal Attorneys ("WSAMA"), the Washington Public Treasurers Association ("WPTA"), and the Washington Public Utilities District Association, among others. Deanna, Stacey and Toby have served on the topics committee for WSAMA, Deanna is currently on the education committee for WPTA and Stacey is on the education committee for the Washington Finance Officers Association ("WFOA"). We also regularly speak at industry conferences on public finance, disclosure issues, elections, financing tools, and other topics. For instance, Deanna and Stacey frequently present on a variety of disclosure and other finance-related topics, including for the Association of Washington Cities, WSAMA, WPTA, WFOA, the Government Finance Officers' Association, the National Association of State Treasurers, and the Treasury Management Training Symposium.

Team Approach

Pacifica has two core values in its work. First, we deliberately use a team approach to every bond issue. We assign at least two bond attorneys – plus our tax partner – and a paralegal to each issue. More complicated transactions often merit more than two bond attorneys to ensure we can focus on the different parts of the transaction. Staffing with a team also means that our clients always have access someone to respond promptly to questions.

Second, we work hard to ensure there are no surprises. We have learned our clients are best served when we flag potential issues early in the bond process, providing plenty of time to consider potential alternatives. We work towards smooth bond closings by circulating draft documents on a timely basis, adhering to all deadlines, and resolving open questions in a timely and proactive manner.

Our team has a demonstrated track record of successfully working for bond clients, providing seamless, timely, and consistent responses to questions and legal advice. We are able to draw on the tremendous bench strength of other members of the proposed team. Resumes for our bond counsel team are included on our website at pacificalawgroup.com/people.

Ongoing Support and Bond Trainings

We provide proactive service to our bond counsel clients before and between bond issues. These communications take many forms: trainings for staff and/or officials, e-alerts, individual emails and calls, briefing papers and memos. We provide a client training program called PacificaU. PacificaU is a series of primers and compliance trainings for state and municipal bond issuers, and other topics of interest to our municipal clients. We held a “Bonds 101: A municipal law primer” session earlier in 2025, and will follow with “Bonds 201: Securities Law,” “Bonds 201: Tax Compliance” and a discussion of the considerations in election measures. We are happy to provide these trainings to clients without additional charge.

Bond Counsel Fees

We founded Pacifica to be in the strongest position to provide high-quality service within a cost structure that works for public entities in the Pacific Northwest over the long term. We are pleased to be able to control our costs, and to have the flexibility to negotiate alternative fee structures that work for our clients. Our rates reflect the experience we have in providing these services, and our clients feel well served by the quality of our advice and appreciate the value we provide.

Our fees are predictable. All bond counsel fees, costs and expenses are included in our fixed bond counsel fees. Bond counsel fees include all of our work related to the bond issue (including but not limited to document preparation, state and federal tax law analysis, attending finance team and other meetings, expenses, costs, delivering the final opinion, and answering bond questions during and between issues). We do not charge clients for hourly work or for special projects without prior consent.

References

We are pleased to client references upon request. Please also feel free to reach out to any of our city or other clients.