

\$249,220,000
WASHINGTON CONVENTION AND SPORTS AUTHORITY
(WASHINGTON, D.C.)

\$66,710,000
SENIOR LIEN DEDICATED TAX REVENUE BONDS
(Convention Center Hotel Project)
Series 2010A
(Tax-Exempt Recovery Zone Facility Bonds)

\$109,670,000
SENIOR LIEN DEDICATED TAX REVENUE BONDS
(Convention Center Hotel Project)
Series 2010B

\$90,000,000 Subseries 2010B-1
(Federally Taxable – Issuer Subsidy –
Recovery Zone Economic Development Bonds)

\$19,670,000 Subseries 2010B-2
(Federally Taxable – Issuer Subsidy –
Build America Bonds)

\$72,840,000
SENIOR LIEN DEDICATED TAX REVENUE AND REFUNDING BONDS
(Convention Center Hotel Project)
Series 2010C
(Federally Taxable Bonds)

DATED: OCTOBER 26, 2010
BASE CUSIP⁺: 93878L



2020 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT

As of March 29, 2021



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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The Washington Convention and Sports Authority (“WCSA”) issued \$249,220,000 Senior Lien Dedicated Tax Revenue Bonds (Convention Center Hotel Project) consisting of \$66,710,000 Series 2010A (Tax-Exempt Recovery Zone Facility Bonds) (the “2010A Bonds”); \$109,670,000 Series 2010B (the “2010B Bonds”), which consists of \$90,000,000 Subseries 2010B-1 (Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds) and \$19,670,000 Subseries 2010B-2 (Federally Taxable – Issuer Subsidy – Build America Bonds); and \$72,840,000 Senior Lien Dedicated Tax Revenue and Refunding Bonds (Convention Center Hotel Project) Series 2010C (Federally Taxable Bonds) (the “2010C Bonds” and together with the 2010A Bonds and the 2010B Bonds, the “2010 Bonds”).

The Walter E. Washington Convention Center (the “Convention Center”) is located in the Mount Vernon Square area of Northwest Washington, D.C., and is one of the largest buildings in the District of Columbia (the “District”).

The 2010 Bonds were issued to (i) make funds available to the Developer, as further described within the Official Statement dated October 20, 2010 (the “Official Statement”), to pay a portion of the cost of acquiring, developing, constructing and equipping the Convention Center Hotel Project; (ii) fund capitalized interest on a portion of the 2010 Bonds during the construction of the Convention Center Hotel Project; (iii) fund the Debt Service Reserve Account Requirement for each series of the 2010 Bonds; (iv) defease to the earliest optional redemption date that portion of WCSA’s outstanding Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A (the “2007A Bonds”) maturing on December 1, 2036; (v) make \$2,000,000 available to WCSA for establishment of the D.C. Citizen’s Job Program created pursuant to the Hotel Act; and (vi) pay the Costs of Issuance of the 2010 Bonds.

WCSA issued \$333,050,000 Senior Lien Dedicated Tax Revenue Refunding Bonds consisting of \$275,535,000 Series 2018A (Tax-Exempt) and \$57,515,000 Series 2018B (Federally Taxable) (the “2018 Bonds”). The 2018A Bonds were issued to current refund the 2007A Bonds and the 2018B Bonds were issued to advance refund the 2010C Bonds (the “Refunded Bonds”). For further information, reference is made to the Official Statement dated February 22, 2018.

The 2010 Bonds are special obligations of WCSA and are not secured by or payable from revenues of WCSA, except for Dedicated Tax Receipts and the other revenue sources included within the Trust Estate for each series of 2010 Bonds, as described within the Official Statement. Dedicated Tax Receipts consist of the Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax collected by the District. The 2010 Bonds have a parity lien on Dedicated Tax Receipts with the 2018 Bonds. The holders of the 2010A Bonds and 2010B Bonds have a parity claim on the Tax Increment Financing (the “TIF Revenues”). TIF Revenues means all sales tax increment revenues and real property tax increment generated from the Convention Center Hotel Project tax financing area (the aggregate of such revenues being defined in the Hotel Act as the “available Tax Increment”).

The TIF Revenues secure only the 2010A Bonds and 2010B Bonds. The 2018 Bonds are not secured by TIF Revenues. The 2010 Bonds are not secured by a lien on the Convention Center, the Hotel or any District Sports and Entertainment Facility.

This Annual Continuing Disclosure Information Statement (the "Report") is being provided pursuant to a covenant made by WCSA for the benefit of the holders of the 2010 Bonds and includes the information specified in a Continuing Disclosure Agreement (the "CDA"). For further information and a more complete description of WCSA and the 2010 Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by WCSA and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of WCSA or any other parties described herein.

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II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond Issues ⁽¹⁾	As of September 30, 2020 (\$ in thousands)
2010A Bonds	\$66,710
2010B Bonds	93,015 ⁽²⁾
Total 2010 Bonds	\$159,725

(1) On March 6, 2018, the 2018B Bonds advance refunded the 2010C Bonds. The 2010C Bonds were redeemed in full on October 1, 2020.

(2) A debt service payment of \$3,380,000 was made October 1, 2020.

B. RESERVE ACCOUNTS ⁽¹⁾

Reserve Accounts	Dollars in Thousands		
	Investment Balances as of September 30, 2020	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
<u>2018A Bonds</u>			
Capital Renewal & Replacement Account	\$83,490	\$33,394	\$50,096
Debt Service	33,474	33,474	-
Debt Service Reserve Account	27,554	27,554	-
Operating and Marketing Reserve Account	119,792	42,129	77,663
Revenue Account	141	-	141
Totals	\$264,451	\$136,551	\$127,900
<u>2018B Bonds and 2010 Bonds</u>			
Tax Increment Financing Accounts	\$28,261	\$28,261	\$-
Debt Service Reserve Account	25,290	25,290	-
Totals	\$53,551	\$53,551	\$-
Total Restricted and Non-restricted Investments	\$318,002	\$190,102	\$127,900

(1) This information is not required by the CDA.

C. DEBT SERVICE REQUIREMENTS ⁽¹⁾

Fiscal Year	2010A Principal	2010A Interest	Total	2010B Principal	2010B Interest	Total
2021 ⁽²⁾	-	\$1,627,450	\$1,627,450	-	\$2,860,734	\$2,860,734
2022	-	3,254,900	3,254,900	\$3,485,000	5,634,244	9,119,244
2023	-	3,254,900	3,254,900	3,585,000	5,453,559	9,038,559
2024	-	3,254,900	3,254,900	3,685,000	5,264,030	8,949,030
2025	-	3,254,900	3,254,900	3,790,000	5,069,157	8,859,157
2026	\$2,155,000	3,206,413	5,361,413	3,895,000	4,868,809	8,763,809
2027	2,350,000	3,105,050	5,455,050	4,005,000	4,636,323	8,641,323
2028	2,560,000	2,994,575	5,554,575	4,150,000	4,369,695	8,519,695
2029	2,780,000	2,874,425	5,654,425	4,295,000	4,093,586	8,388,586
2030	3,015,000	2,744,038	5,759,038	4,445,000	3,807,831	8,252,831
2031	3,260,000	2,602,850	5,862,850	4,600,000	3,512,105	8,112,105
2032	3,520,000	2,441,500	5,961,500	4,765,000	3,200,556	7,965,556
2033	3,815,000	2,258,125	6,073,125	4,940,000	2,872,333	7,812,333
2034	4,120,000	2,059,750	6,179,750	5,120,000	2,532,103	7,652,103
2035	4,450,000	1,845,500	6,295,500	5,305,000	2,179,530	7,484,530
2036	4,795,000	1,614,375	6,409,375	5,500,000	1,814,105	7,314,105
2037	5,160,000	1,365,500	6,525,500	5,700,000	1,435,321	7,135,321
2038	5,545,000	1,097,875	6,642,875	5,905,000	1,042,840	6,947,840
2039	5,955,000	810,375	6,765,375	6,120,000	636,154	6,756,154
2040	6,385,000	501,875	6,886,875	6,345,000 ⁽⁴⁾	214,588	6,559,588
2041	6,845,000 ⁽³⁾	171,125	7,016,125	-	-	-
Total Outstanding	\$66,710,000	\$46,340,401	\$113,050,401	\$89,635,000	\$65,497,600	\$155,132,600

(1) This information is not required by the CDA.

(2) Excludes the October 1, 2020 debt service payment of \$3,380,000.

(3) Final maturity date is October 1, 2040.

(4) Final maturity date is October 1, 2039.

Note: Totals may not add up due to rounding.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The audited financial statements for WCSA for the fiscal year ended September 30, 2020 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

B. STATEMENTS OF NET POSITION

The following table sets forth a five-year history of WCSA's Assets, Liabilities, and Net Position (dollars in thousands).

	For Fiscal Years Ended September 30,				
	2016	2017	2018	2019	2020
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$10,501	\$13,285	\$14,522	\$17,146	\$10,263
Restricted Cash	8,204	9,690	8,974	5,414	14,512
Investments	119,329	176,323	206,758	140,100	127,900
Due from District of Columbia	13,161	12,909	13,344	21,259	5,277
Accounts Receivable, Net of Allowance for Uncollectible Accounts	2,287	3,851	3,449	5,656	4,426
Prepaid Expenses and Other Assets	357	988	1,162	4,970	5,142
Accrued Interest Receivable	397	644	511	687	478
Total Current Assets	\$154,236	\$217,690	\$248,720	\$195,232	\$167,998
Noncurrent Assets:					
Lease Receivable	\$ -	\$ -	\$14,336	\$ -	\$ -
Other Receivable	47,000	46,000	39,410	28,443	18,543
Restricted Investments	231,782	230,635	190,331	214,339	190,102
Non-Depreciable Capital Assets	8,370	21,206	79,016	7,527	15,657
Depreciable Capital Assets, Net of Accumulated Depreciation	521,522	498,155	475,484	566,342	535,897
Total Noncurrent Assets	\$808,674	\$795,996	\$798,577	\$816,651	\$760,199
Total Assets	\$962,910	\$1,013,686	\$1,047,297	\$1,011,883	\$928,197
Deferred Outflow of Resources	14,504	13,320	10,692	-	9,639
Total Assets and Deferred Outflow of Resources	\$977,414	\$1,027,006	\$1,057,989	\$1,022,048	\$937,836

[Continued on next page]

	For Fiscal Years Ended September 30,				
	2016	2017	2018	2019	2020 ⁽¹⁾
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts Payable	\$6,273	\$12,126	\$16,754	\$13,632	\$8,391
Other Liabilities	7,951	8,845	8,275	6,151	15,085
Due to District of Columbia	2,051	2,991	2,329	3,940	3,323
Compensation Liabilities	1,141	1,259	1,317	1,778	1,071
Unearned Revenue	2,365	3,394	3,273	7,211	6,885
Accrued Interest Payable	15,884	15,419	12,629	12,334	11,736
Capital Lease - Current portion	110	151	147	143	142
Bonds Payable - Current Portion	19,760	20,655	18,105	24,380	25,600
Total Current Liabilities	\$55,535	\$64,840	\$62,829	\$69,569	\$72,233
Noncurrent Liabilities:					
Compensated Absences	\$1,205	\$1,209	\$1,231	\$1,332	\$1,716
Bonds Payable, Net of Current Portion	593,439	572,276	518,135	492,501	465,647
Capital Lease, Net of Current Portion	3,714	4,972	4,825	4,683	4,540
Total Noncurrent Liabilities	\$598,358	\$578,457	\$524,191	\$498,516	\$471,903
Total Liabilities	\$653,893	\$643,297	\$587,020	\$568,085	\$544,136
Net Position:					
Net Investment in Capital Assets	\$142,344	\$146,870	\$210,772	\$247,243	\$248,039
Restricted:					
Debt Service and Capital Interest	\$25,273	\$25,754	\$23,635	\$31,310	33,475
Capital Renewal	18,609	18,851	21,815	31,797	33,394
Operating and Marketing Fund	42,330	48,812	50,635	67,677	42,129
Debt Service Reserve	33,700	33,700	27,554	27,554	27,554
ESA Project	37,238	23,559	6,621	-	-
Kenilworth Park	144	144	144	144	144
Unrestricted	23,883	86,019	115,871	48,239	8,965
Total Net Position	\$323,521	\$383,709	\$457,047	\$453,964	\$393,700

- (1) Net Position Restatement: The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, in June 2017. After the new standard issuance, WCSA entered into two lease agreements in Fiscal Year 2017/18 and Fiscal Year 2018/19. WCSA applied the new rule to recognize the two leases and plan to transition the older leases within the expected implementation effective date to allow adequate time to analyze existing leases. However, the standard does not allow to account for the lease transactions under different models. As a result, the account has been restated, and the change has increased the net position on October 1, 2019, by \$540,000. WCSA will implement GASB 87 in Fiscal Year 2020/21.

C. STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table sets forth a five-year history of WCSA's condensed revenues, expenses, and changes in net position (dollars in thousands).

	For Fiscal Years Ended September 30,				
	2016	2017	2018	2019	2020
Building Rental – Events Related	\$10,231	\$9,704	\$8,417	\$8,807	\$4,807
Food Services	5,853	8,505	7,721	6,549	1,527
Electrical	2,090	2,784	3,036	2,842	1,496
Rigging	1,318	1,681	2,014	1,504	894
Parking	826	536	425	608	312
Telecommunications	1,726	2,116	2,158	2,182	1,093
Retail and Office Space Rental	701	945	1,131	1,203	870
Advertising and Sponsorship	1,211	782	928	946	1,093
Building Lease Rental	2,369	2,440	3,246	3,419	3,922
Miscellaneous	4,105	3,527	2,425	3,105	2,329
Total Operating Revenues	\$30,430	\$33,020	\$31,501	\$31,165	\$18,343
Operating Expenses:					
Personnel Services	\$24,407	\$25,718	\$27,284	\$30,376	\$33,063
Contractual Services	19,341	20,763	23,113	33,058	25,537
Depreciation	32,032	32,543	33,996	37,828	39,599
Occupancy	6,478	5,249	6,433	6,796	5,698
Payment to District of Columbia	2,643	2,056	2,501	2,232	1,607
Miscellaneous	1,199	1,140	1,428	1,555	1,044
Bad Debt	176	64	16	74	265
Total Operating Expenses	\$86,276	\$87,533	\$94,771	\$111,919	\$106,813
Operating Loss	(\$55,846)	(\$54,513)	(\$63,270)	(\$80,754)	(\$88,470)
Non-operating Revenues and (Expenses):					
Interest Income	\$970	\$2,092	\$4,821	\$8,478	\$3,973
Dedicated Taxes	123,551	138,128	141,448	147,633	74,067
Tax Increment Financing Revenue	19,513	21,079	20,320	19,248	12,175
Miscellaneous Revenue	2,615	2,763	27,043	5,933	6,197
Interest Expense	(31,783)	(30,856)	(29,295)	(24,702)	(23,510)
Amortization of Bond Issuance Costs	(675)	(675)	(294)	729	728
Marketing Agencies and Internal Marketing Expenses	(12,600)	(14,830)	(19,846)	(20,370)	(11,640)
Hospitality & Marketing Relief and other Grants	-	-	-	-	(22,814)
Miscellaneous Expenses	-	(3,000)	(7,589)	(11,971)	(10,970)
Total Non-operating Revenues and (Expenses)	\$101,591	\$114,701	\$136,608	\$124,978	\$28,206
Excess Cash Transfer to the District	-	-	-	(47,847) ⁽¹⁾	-
Increase (Decrease) in Net Position	45,745	60,188	73,338	(3,623)	(60,264)
Net Position, Beginning of Year	277,776	323,521	383,709	457,047	453,964
Change in Accounting Principle	-	-	-	540	-
Net Position, End of Year	\$323,521	\$383,709	\$457,047	\$453,964	\$393,700

- (1) Pursuant to D.C. Official Code § 10-1202.13, if, at the end of a Fiscal Year, WCSA's balance of cash and investments in its Convention Center Operating Fund exceeds the balance of current liabilities, reserves, and any amounts WCSA will need to purchase or redeem its outstanding indebtedness during the upcoming Fiscal Year, WCSA is required to transfer the excess, in cash, to the District's General Fund. Consistent with District law, the Master Trust Agreement, and a Memorandum of Understanding between the District and WCSA, WCSA must maintain the following reserves: (1) maximum annual debt service on outstanding bonds and notes issued by WCSA; (2) an operating reserve equal to 1.5 times the operating and marketing budget; and (3) a capital reserve of 5% of the original cost of the Convention Center adjusted for inflation. During the year ended September 30, 2019, WCSA transferred \$47.847 million to the District's General Fund for the excess funds related to the calculation for Fiscal Years 2017 and 2018 of \$27.852 million and \$19.995 million, respectively.

Source: WCSA.

V. OPERATING INFORMATION

A. HISTORICAL DEDICATED TAX RECEIPTS

The dedicated taxes consist of separate sales and use tax of 4.45% (of the District's 14.5%) on hotel room charges and a sales and use tax of 1% (of the District's 10%) on restaurant meals, alcoholic beverages consumed on-premises, and rental vehicle charges. Effective October 1, 2017, the hotel room charges of 14.5% changed to 14.8% and subsequently raised to 14.95%, with the additional 0.3% increase going to Destination DC through WCSA for marketing and promoting the District of Columbia as a destination.

The following table shows a ten-year history of Dedicated Tax Receipts transferred to WCSA and the Total Hotel Sales and Use Tax collected by WCSA (calculated based on actual Hotel Sales and Use Tax transferred to WCSA) for fiscal years ended September 30, 2011 through 2020.

Table 6, as Required by the CDA
Receipts from Dedicated Taxes
(Dollars in Thousands)

Fiscal Year	Dedicated Hotel Sales Tax ⁽¹⁾	% Change	Dedicated Restaurant/Rental Car Sales Tax ⁽¹⁾	% Change	Total Dedicated Tax Receipts ⁽²⁾	% Change
2011	\$65,291	5.4%	\$32,705	1.6%	\$97,996	4.1%
2012	67,309	3.1%	33,717	3.1%	101,026	3.1%
2013	70,266	4.4%	33,842	0.4%	104,108	3.1%
2014	70,089	(0.2%)	35,362	4.5%	105,451	1.3%
2015	78,378	11.8%	38,070	7.7%	116,448	10.4%
2016 ⁽³⁾	83,805	6.9%	39,746	4.4%	123,551	6.1%
2017 ⁽³⁾	95,867	14.4%	42,261	6.3%	138,128	11.8%
2018 ⁽³⁾	100,106	4.4%	41,342	(2.2%)	141,448	2.4%
2019 ⁽³⁾	101,426	1.3%	46,207	11.8%	147,633	4.4%
2020 ⁽³⁾	45,283	(55.4%)	28,784	(37.7%)	74,067	(49.8%)

(1) The breakdown between Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax is unaudited and based on the report from the D.C. Office of Tax and Revenue and the Lockbox Bank for specific year; reflected on an accrual basis accounting.

(2) WCSA calculates projections of the amounts of total Dedicated Tax Receipts allocable to Dedicated Hotel Sales Tax revenues and to Dedicated Restaurant/Rental Car Sales Tax revenues using average historical allocations as a benchmark. As reflected in this table, however, the respective tax revenues generally do not increase or decrease in lock step. At this time, WCSA expects COVID-19 to continue to impact Dedicated Tax Receipts in Fiscal Years 2021-2022, but return to more historical growth patterns in Fiscal Years 2023-2025.

B. AVAILABLE TAX INCREMENT

Table 14, as Required by the CDA
Projected Tax Increment Fiscal Years 2021 – 2025
(Dollars in Thousands)

Year	Sales Tax	Property Tax	Total
2021	\$3,113	\$6,429	\$9,541
2022	6,225	5,413	11,638
2023	8,911	5,577	14,488
2024	9,726	5,724	15,450
2025	10,127	5,840	15,967

Source: Office of the Chief Financial Officer, Office of Finance and Treasury.

C. HOTEL SALES TAX COLLECTION HISTORY

The largest portion of the Dedicated Tax Receipt is derived from the Dedicated Hotel Sales Tax. Effective October 1, 2018, the hotel room charges of 14.8% changed to 14.95% with the additional 0.15% increase going to Destination DC through WCSA for the purposes of marketing and promoting the District of Columbia as a destination.

Table 8, as Required by the CDA
Hotel Sales Tax Collection History ⁽¹⁾
Fiscal Years 2016 – 2020
(Dollars in Thousands)

	2016	2017	2018	2019	2020
Number of Hotels	129	132	137	140	124
Number of Rooms	31,156	31,673	32,593	33,434	26,597
Total Hotels Sales Tax ⁽²⁾	\$273,073	\$312,374	\$311,909	\$319,224	\$142,523
Total Dedicated Hotel Sales Tax	\$83,805	\$95,867	\$100,106	\$101,426	\$45,283

(1) Number of Hotels and Number of Rooms reflect a snapshot as of the third quarter of each calendar year (July-September).

(2) Total Hotel Sales Tax revenues are unaudited; figures are derived by WCSA from the total audited Dedicated Tax Receipts transferred to WCSA and from reports from the D.C. Office of Tax and Revenue and the Lockbox Bank for the specific year. The District does not audit Hotel Sales Tax revenues separately in connection with its audit process.

Source: Number of Hotels and Number of Rooms – Destination DC;

Source: Total Hotel Sales Tax and Total Dedicated Hotel Sales Tax – WCSA.

Table 12, as Required by the CDA

Restaurant/Rental Car Sales Tax Collection History, Fiscal Years 2016 – 2020⁽¹⁾
(Dollars in Thousands)

	2016	2017	2018	2019	2020
Total Restaurant/Rental Car Sales Tax	\$397,458	\$422,614	\$413,419	\$462,254	\$279,670
Total Dedicated Restaurant/Rental Car Sales Tax	39,746 ⁽²⁾	42,261 ⁽²⁾	41,342 ⁽²⁾	\$46,207 ⁽²⁾	\$28,784

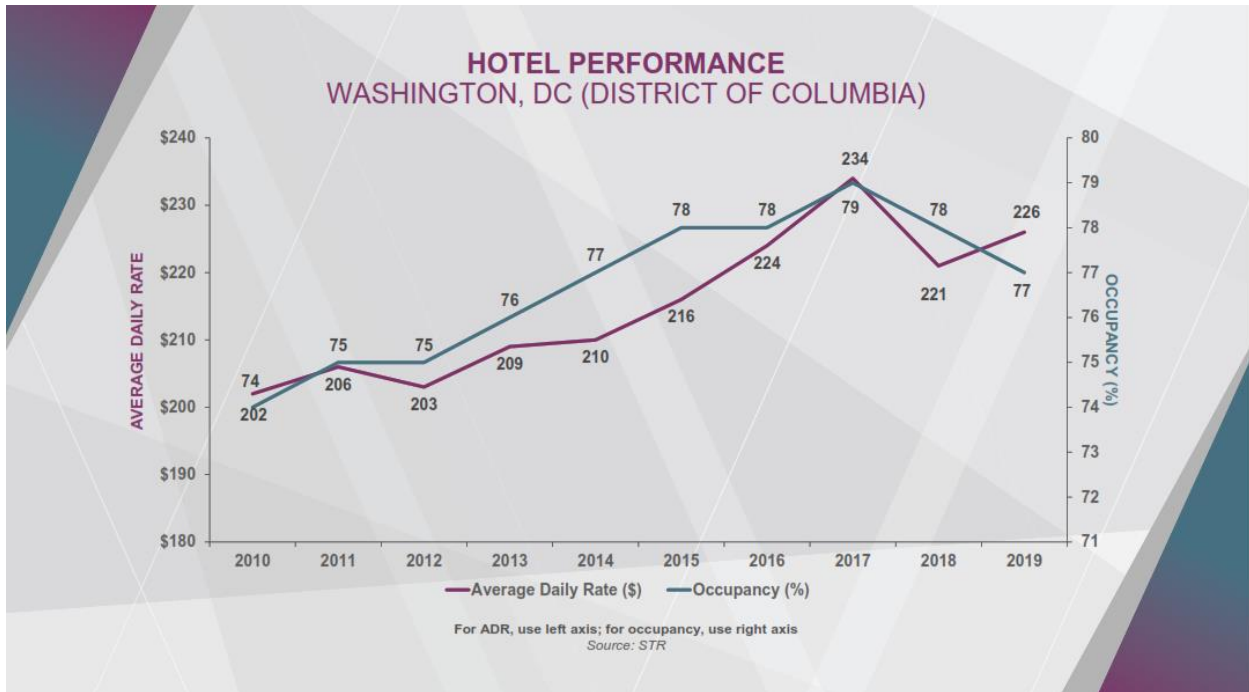
(1) Restaurant/Rental Car Sales Tax numbers are unaudited. Figures are derived by WCSA from the total audited Dedicated Tax Receipts transferred to WCSA and from reports from the D.C. Office of Tax and Revenue and the Lockbox Bank for the specific year. The District does not audit Restaurant/Rental Car Sales Tax revenues separately in connection with its audit process.

(2) Revised in March 2021.

D. HOTEL PERFORMANCE ⁽¹⁾

The following chart sets forth the percent of Hotel Occupancy and Average Daily Rate in comparison from 2010 through 2019. Destination DC is a private, non-profit corporation with a membership of approximately 1,000 businesses and organizations that support the District's travel and tourism sector. Pursuant to WCSA Act, Destination DC provides marketing services under a contract with WCSA and is WCSA's primary contractor to market and sell meetings and conventions for the Convention Center. Destination DC facilitates hotel bookings in the District for hotel stays related primarily to conventions and meetings in the District.

**Hotel Performance
Washington, DC (District of Columbia)**



(1) This information is not required by the CDA.

Source: Destination DC, 2019 Visitor Statistics, Washington D.C.

E. MAJOR EVENTS BY FISCAL YEAR

The following major events were held at the Convention Center during the fiscal years 2016 through 2020, beginning with the most recent completed fiscal year⁽¹⁾.

Table 19, as Required by the CDA

Meeting Name	Attendance
FY2020 ⁽²⁾	
Washington Auto Show	250,000
NBC4 Health & Fitness Expo	70,000
Capitol Hill Classic Volleyball Tourney	36,053
Association of the US Army	32,872
American Israel Public Affairs Committee	18,544
FY2019	
Washington Auto Show	187,500
National Book Festival	150,000
NBC4 Health and Fitness Expo	70,000
Awesome Con	69,000
Capitol Hill Classic Volleyball Classic	33,000
FY2018	
USA Science and Engineering Festival	370,000
Washington Auto Show	250,000
National Book Festival	150,000
GEICO All-Star FanFest	112,390
Mizuno Capitol Hill Volleyball Classic	93,066
FY2017	
Washington Auto Show	250,000
Mizuno Capitol Hill Volleyball Classic	95,177
National Book Festival 2017	85,000
NBC4 Health & Fitness Expo	83,500
Awesome Con DC	60,000
FY2016	
USA Science and Engineering Festival	365,000
Washington Auto Show	250,000
NBC4 Health & Fitness Expo	83,500
ASICS Capitol Hill Classic Volleyball Tourney	77,046
2015 40th Annual Marine Corps Marathon Anniversary Celebration	60,000

[Footnotes continued on next page]

- (1) The events listed do not necessarily include the top-five events by attendance in such fiscal years. The listed events generally represent the largest events that require significant overnight lodging commitments for event attendees. Such events are not the most attended events, which are primarily local consumer events. Some local events are shown to demonstrate growth, but these events have little or no impact on hotel occupancy. Such events do have some impact on restaurant sales, but such impact is not typically significant. The events shown are selected because of their positive impact on hotel occupancy and restaurant sales.
- (2) We have developed a methodology for assigning a total valuation for an event based on four factors: Attendance, Actual Total Room Nights, Final Total Net Revenue to Events DC and Actual Economic Impact. This appears to yield a balanced picture of the total value of the event to Events DC. Thus, events that generate significant revenue to Events DC are not penalized because of lack of hotel room night production; and events that generate significant hotel room night production but do not yield significant revenue or economic impact are not overweighted.

F. ACTUAL EVENTS BY FISCAL YEAR

Table 18, as Required by the CDA

Fiscal Year	Actual Number of Events	Number of Attendees
2016	217	1,461,513
2017	185	1,165,425 ⁽¹⁾
2018	167 ⁽²⁾	1,563,622 ⁽³⁾
2019	147	1,059,809
2020	57	569,534 ⁽⁴⁾

- (1) The drop in number of attendees in WCSA events is primarily attributable to a biennial public show that typically attracts approximately 250,000 attendees; a one-time date shift for the annual Auto Show, resulting in a decline in attendance; and a restating of the attendance for an annual volleyball tournament to reflect unique registrants rather than daily total registrants. The biennial public show takes place in even-numbered years and is scheduled to return in Fiscal Year ("FY") 2020; the Auto Show has returned to its regular booking pattern.

Unlike venues that charge ticketed admission to events, attendance is not a primary key performance indicator for major convention centers. Convention center revenues are based on rent and certain ancillary concession revenues. Attendance is useful for measuring usage, but not as a key performance indicator for revenues.

- (2) Regarding the total number of events: While the total number of events has declined, the decline is largely the result of reduction of internal bookings of single-day events that do not materially affect the Convention Center's overall occupancy or revenue performance.
- (3) Regarding the total attendance: The FY 2019 Citywide events equaled the same number of Citywide events as FY 2018, but included fewer building-wide events. The year-over-year comparison of Citywide events show an average attendance of 23,235 for FY 2018 Citywides and an average attendance of 16,889 for FY 2019 Citywides. This is paralleled with a reduction in average leased space per Citywide event, from 746,319 Gross Square Footage (GSF) in FY 2018 to 684,890 in FY 2019. Given the unusual performance of FY 2018, FY 2019 was expected to be a correction year.
- (4) Prior to the COVID-19 pandemic, the Authority had projected a total of 1,174,550 in number of attendees for 2020.

Note: Unlike venues that depend on direct sales from ticketed admission events as a primary revenue source, attendance is not a key performance indicator for major convention centers. Convention center revenues are based on rent and certain ancillary services revenues. Attendance is useful for measuring venue usage, and is a factor for determining per capita performance metrics, but is not a true Key Performance Indicator (KPI) for measuring convention center performance.

VI. RECENT EVENTS–FUTURE IMPACTS

Due to the nature of WCSA's business, it is involved in several claims and lawsuits. In the opinion of management and legal counsel, the expected outcome of claims and lawsuits, individually, or in the aggregate will not have a material adverse effect on the audited financial statements for the fiscal year ended September 30, 2020.

The WCSA evaluated the subsequent events and transactions through January 7, 2021, the date the audited financial statements for the fiscal year ended September 30, 2020 were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

VII. REPORTING OF SIGNIFICANT EVENTS

The Continuing Disclosure Agreement outlines the Significant Events that must be reported if they are deemed material. WCSA has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2020.

1. Principal and interest payment delinquencies on the 2010 Bonds.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders.
8. Contingent or unscheduled bond calls.
9. Defeasances.
10. Release, substitution, or sale of property securing repayments of the securities.
11. Rating changes.