

**WASHINGTON CONVENTION CENTER AUTHORITY
DISTRICT OF COLUMBIA**

**\$492,525,000
SENIOR LIEN DEDICATED TAX REVENUE BONDS
AND REFUNDING BONDS SERIES 2007A**

**DATED: FEBRUARY 8, 2007
CUSIP NO. 93877M**



**WALTER E. WASHINGTON
CONVENTION CENTER**

**2007/08
ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT
AS OF MARCH 23, 2009**

Also available at:



www.willdan.com

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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.

I. INTRODUCTION

Pursuant to an Official Statement dated January 25, 2007 Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A (the “2007A Bonds”) were issued by the Washington Convention Center Authority (“WCCA”). The 2007A Bonds together with other funds of WCCA were sold to finance the refunding of the Senior Lien Dedicated Tax Revenue Bonds, Series 1998 (the “Series 1998 Bonds”) and to refinance a portion of the land acquisition costs of WCCA related to the Headquarters Hotel. The Series 1998 Bonds were used to finance a portion of the construction costs of a new convention center (the “New Convention Center”) in Washington D.C. (the “District”) in an area bounded by 7th and 9th Streets, Mount Vernon Place and N Street, NW.

The 2007A Bonds are special obligations of WCCA. These Bonds are without recourse to, not a debt of, nor a pledge of the District. The principal and interest on the 2007A Bonds are secured by and payable from dedicated tax receipts (the “Dedicated Taxes”) and pledged funds established under a trust agreement. The Dedicated Taxes consist of 4.45% of the 14.5% sales tax on hotel room charges and 1.0% of the 10% sales and use tax on restaurant meals, alcoholic beverages consumed on premises and rental vehicle charges. The District has entered into a Master Trust Agreement, dated as September 1, 1998, as Amended and Restated Master Trust Agreement dated February 1, 2007.

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

The information set forth herein has been furnished by the WCCA and by sources, which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement which 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 Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the WCCA or any other parties described herein.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond Issue	As of December 31, 2008
Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A	\$480,835,000

B. SENIOR DEBT SERVICE RESERVE ACCOUNT ⁽¹⁾

Account Name	As of February 10, 2009
Debt Service Reserve Account	\$34,923,075
Debt Service Reserve Account Requirement	34,923,075

(1) The WCCA intends to meet the requirements of the indenture by providing a substitute surety or posting cash or other collateral in the debt service reserve account in 10 equal installments on each April 1 and October 1 over the next five years.

C. DEBT SERVICE

Debt Service Requirements for the 2007A Bonds

October 1 (Fiscal Year Ending September 30)	Principal ⁽¹⁾	Interest	Debt Service
2009 ⁽²⁾	\$12,160,000	\$22,760,700	\$34,920,700
2010	12,700,000	22,222,400	34,922,400
2011	13,265,000	21,655,400	34,920,400
2012	13,865,000	21,054,900	34,919,900
2013	14,545,000	20,375,650	34,920,650
2014	15,235,000	19,686,550	34,921,550
2015	15,935,000	18,987,700	34,922,700
2016	16,725,000	18,195,700	34,920,700
2017	17,545,000	17,375,900	34,920,900
2018	18,415,000	16,506,200	34,921,200
2019	19,335,000	15,585,450	34,920,450
2020	20,300,000	14,618,700	34,918,700
2021	21,315,000	13,603,700	34,918,700
2022	22,385,000	12,537,950	34,922,950
2023	23,390,000	11,530,625	34,920,625
2024	24,470,000	10,453,075	34,923,075⁽³⁾
2025	25,690,000	9,229,575	34,919,575
2026	26,975,000	7,945,075	34,920,075
2027	28,325,000	6,596,325	34,921,325
2028	29,600,000	5,321,700	34,921,700
2029	30,930,000	3,989,700	34,919,700
2030	32,325,000	2,597,850	34,922,850
2031	3,780,000	1,143,225	4,923,225
2032	3,955,000	973,125	4,928,125
2033	4,130,000	795,150	4,925,150
2034	4,315,000	609,300	4,924,300
2035	4,510,000	415,125	4,925,125
2036	4,715,000	212,175	4,927,175
Total Outstanding	\$480,835,000	\$316,978,925	\$797,813,925

(1) Principal payments are due on October 1 of every Fiscal Year; however funds required for debt service will be collected over the prior Fiscal Year.

(2) Gross debt services requirements do not account for capitalized interest.

(3) Maximum Annual Debt Service.

III. FINANCIAL INFORMATION

The audited financial statements for the WCCA for the Fiscal Year Ended September 30, 2008 have been filed separately with the Nationally Recognized Municipal Information Repositories and are hereby incorporated by reference into this Annual Information Statement.

A. SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS (in thousands)

		As of September 30,			
		2005	2006	2007	2008
Assets					
Current assets:					
Cash and Cash Equivalents		\$2,970	\$14,849	\$2,819	\$2,927
Investments		16,857	36,406	55,304	76,579
Due from District of Columbia		6,536	6,832	7,184	7,606
Accounts Receivable, Net of Allowance for Uncollectible Accounts		890	937	1,028	1,199
Prepaid Expenses and Other Assets		917	12	9	29
Accrued Interest Receivable		392	336	-	123
Total current assets		\$28,562	\$59,372	\$66,344	\$88,463
Noncurrent Assets					
Non-Depreciable Capital Assets		8,193	39,244	42,717	43,341
Depreciable Capital Assets, Net of Accumulated Depreciation		726,955	702,554	676,317	649,834
Unamortized Bond Issue Costs		8,190	7,833	6,563	6,340
Restricted Investments		62,304	62,820	55,970	67,331
Total Noncurrent Assets		\$805,642	\$812,451	\$781,567	\$766,846
Total Assets		\$834,204	\$871,823	\$847,911	\$855,309
Liabilities					
Current Liabilities					
Accounts Payable		\$5,767	\$7,039	\$2,863	\$3,834
Compensation Liabilities		523	326	309	298
Deferred Revenue		1,993	2,672	4,684	3,088
Accrued Interest Payable		12,492	12,226	11,614	11,614
Other Financing Arrangement Payable, current portion		719	719	719	719
Bond Issuance Cost Payable		-	30,500	44	-
Notes Payable, Current Portion		-	-	8,746	2,300
Bonds Payable, Current Portion		11,190	11,720	-	11,690
Total Current Liabilities		\$32,684	\$65,202	\$28,979	\$33,543
Noncurrent Liabilities					
Compensated Absences		557	514	794	763
Long-term Notes Payable		8,552	15,829	3,999	-
Long-term Bonds Payable including Premium		486,995	475,509	488,728	477,412
Long-term Other Financing Arrangement Payable		11,527	10,808	10,090	9,370
Total Noncurrent Liabilities		507,631	502,660	503,611	487,545
Total Liabilities		\$540,315	\$567,862	\$532,590	\$521,088
Net Assets					
Restricted Net Assets					
Invested in Capital Assets, Net of Related Debt		\$224,717	\$212,542	\$213,319	\$191,684
Debt Services and Capitalized Interest		23,682	23,946	13,768	22,733
Capital Renewal		15,824	17,000	17,000	17,000
Operating Fund		20,000	20,000	23,000	23,000
Marketing Fund		2,059	1,872	2,153	2,904
Senior Proceeds Account		739	2	2	2
Bond Issuance		-	-	47	48
Capitalized Bond Interest		-	-	2,726	1,643
Unrestricted Net Assets		6,868	28,599	43,306	75,207
Total Net Assets		\$293,889	\$303,961	\$315,321	\$334,221

B. SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

As of September 30, 2008
(in thousands)

	Operating Account	Marketing Fund	Capial Fund	Building Account	Demolition Account	Total
Operating Revenues:						
Building Rental	\$9,157	\$-	\$-	\$-	\$-	\$9,157
Food services	4,786	-	-	-	-	4,786
Electrical	2,364	-	-	-	-	2,364
Telecommunications	1,231	-	-	-	-	1,231
Audio-visual	417	-	-	-	-	417
Miscellaneous	505	-	-	-	-	505
Total operating revenues	\$18,460	\$0	\$0	\$0	\$0	\$18,460
Operating Expenses:						
Personal Services	15,256	-	-	-	-	15,256
Contractual Services	11,895	137	35	-	-	12,067
Depreciation	27,681	-	19	-	-	27,700
Occupancy	5,838	-	-	-	-	5,838
Supplies	615	-	-	-	-	615
Miscellaneous	454	-	228	-	-	682
Bad debt	254	-	-	-	-	254
Total Operating Expenses	\$61,993	\$137	\$282	\$0	\$0	\$62,412
Operating Loss	(43,533)	(137)	(282)	0	0	(43,952)
Nonoperating Revenue and Expenses:						
Interest Income	3,372	58	5	-	4	3,439
Dedicated Taxes	80,655	10,839	-	-	-	91,494
Parking Lot Revenue	0	-	-	-	2,709	2,709
Interest Expense	(24,655)	-	-	(195)	-	(24,850)
Amortization of Bond issuance costs	(224)	-	-	-	-	(224)
Transfer to tourism responsibility centers	-	(9,994)	-	-	-	(9,994)
Parking Lot Expenses	-	-	-	-	(1,015)	(1,015)
Prior Year Cost Recovery	(7)	0	137	-	-	130
Rental Income-Plumbers Building	-	-	-	1,163	-	1,163
Total Nonoperating Revenues	\$59,141	\$903	\$142	\$968	\$1,698	\$62,852
Increase (Decrease) in Net Assets	15,608	766	(140)	968	1,698	18,900
Net Assets, Beginning of Year	314,631	1,387	777	2,233	(3,707)	315,321
Net Assets, Beginning of Year	\$330,239	\$2,153	\$637	\$3,201	(\$2,009)	\$334,221

IV. OPERATING INFORMATION

A. RECEIPTS FROM DEDICATED TAXES

**Receipts from Dedicated Taxes ⁽¹⁾
for Fiscal Year 1999 through 2008
(dollars in thousands)**

Fiscal Year	Hotel Sales Tax ⁽¹⁾	% Change	Restaurant/ vehicle Sales Tax ⁽¹⁾	% Change	Total Receipts ⁽²⁾	% Change
1999	\$35,571	--	\$15,574	--	\$51,145	--
2000	37,639	5.8	16,885	8.4	54,524	6.6
2001	38,634	2.6	17,217	2.0	55,851	2.4
2002	34,992	(10.6)	18,952	1.1	53,874	(3.6)
2003	39,888	14.2	19,017	0.3	58,905	9.3
2004	42,264	6.0	19,936	4.8	62,200	5.6
2005	53,722	27.1	23,768	19.2	77,490	24.6
2006	53,702	0.0	26,005	9.4	79,707	2.9
2007	56,326	4.9	26,983	3.8	83,312	4.5
2008	62,294	10.6	29,199	8.2	91,493	9.8

(1) The breakdown between hotel and restaurant/rental car sales tax is unaudited and based on actual reports from the D.C. Office of tax and Revenue and the Lockbox Bank for the specific year and are reflected on an accrual basis.

(2) Total receipts are based on audited financial statements.

B. DEBT SERVICE COVERAGE – Actual (dollars in thousands)

Fiscal Year	Dedicated Taxes	Debt Service	Debt Service Coverage
2005/06	\$79,707	\$36,176 ⁽¹⁾	2.20x
2006/07	83,312	15,034 ⁽²⁾	5.54x
2007/08	91,493	34,918	2.62x

(1) Debt service on the refunded 1998 Bonds.

(2) Interest only.

C. OPERATING INFORMATION/COLLECTION OF REVENUES UPDATE

In addition to the pledge of dedicated taxes, the District has pledged not to limit or alter any rights vested in the WCCA to fulfill agreements made with holders of the 2007A Bonds, or impair rights and remedies of bondholders until the 2007A Bonds and the interest thereon are paid in full.

In connection to the projected pledge of revenues to meet the operating and debt service expenditures, if the projected revenues are insufficient, the WCCA Act requires the Mayor to impose surtax in an amount sufficient to meet the projected deficiency. The District's Auditor determined that the projected dedicated taxes for fiscal year 2008 are expected to be sufficient to meet the projected expenditures and reserve requirements. Therefore, the Mayor imposed no surtax.

D. HOTEL AND TRAVEL TREND UPDATE

In 2005, Destination DC formerly known as Washington DC Convention & Tourism Corporation (WCTC) began tracking visitation to the City of Washington, DC instead of visitation to the Washington, DC region to better reflect spending and tax benefits to the District of Columbia.

1. HOTEL SALES TAXPAYERS

Hotel Sales Taxes constitute the largest portion of the Dedicated Tax Receipts pledged to the payment of the Series 2007A Bonds. According to the Hotel Association of Washington, D.C., in 2008 the 25 largest hotels in the district accounted for nearly 13,877 guestrooms or approximately 50% of all hotel rooms in the District.

2. HOSPITALITY INDUSTRY IN THE DISTRICT

The hospitality industry that services the business traveler, conventioner and tourist is one of the District's core industries and is a major source of jobs and personal income. The convention and tourism industry is second only to the government sector in terms of economic benefits generated for the District. The following table indicates the volume of visitors annually during the period from 1998 through 2007.

3. VISITORS VOLUME 1998 – 2007 (In Millions of Visitors)

In 2007 the District of Columbia 8th among overseas visitors. In 2007 DC welcomed 16.2 million visitors (a 7% increase from 2006), including 15.0 million domestic visitors and 1.2 million international visitors. DC was the 8th-most visited U.S. destination for international travelers in 2007. 61% of 2007 overnight-domestic visitors traveled to DC for leisure.

Year	Number of Visitors To the 'Region'
1998	17.8
1999	16.4
2000	15.7
2001	16.5
2002	15.9
2003	16.4
2004	17.7
2005 *	15.4
2006	15.1
2007	16.2

Source: 1998 to 2004 – TIA Travel Scope; 2005 – DK Shifflet DIRECTIONS[®]
 Source: 2006 Destination DC (DDC) formerly known WCTC 2007 Visitor Statistics

* From 1998 to 2004, number reflect visitation to the Washington, D.C. 'region'; from 2005 to 2007, number reflects visitation only to Washington, D.C.

4. HOTEL SUPPLY CHANGES IN WASHINGTON, DC

According to Smith Travel in 2007, there were 110 hotels and 27,500 hotel rooms in DC proper. There are approximately 600 hotels and 97,500 hotel rooms in the metro area. The following are the top ten hotels based on number of total rooms.

Hotel	Rooms
Marriott Wardman Park	1,350
Hilton Washington & Towers	1,119
Grand Hyatt Washington	888
Omni-Shoreham	834
Hyatt Regency Washington, DC	834
Renaissance Washington, DC	807
J.W. Marriott	772
Renaissance Mayflower	657
Capital Hilton	544
Holiday Inn Capital	532

Source: Hotel Association of Washington, D.C.

V. RECENT EVENTS – Future Impacts

The Authority is exposed to various asserted claims arising from the normal course of its business. For the year ended September 30, 2007, the Authority recorded a liability in its financial statement totaling fifty thousand dollars (\$50,000.00) for one claim that in the opinion of legal counsel could result in an unfavorable outcome. As of September 30, 2008, the Authority did not record additional liability, as the potential exposure for current or pending contingencies could not be determined at that time.

On June 6, 2006, the City Council of the District of Columbia (“Council”) passed the *New Convention Center Hotel Omnibus Financing and Development Act* (“Hotel Act”; D.C. Law 16-163; D.C. Official Code § 10-1222.01), which authorized the development of a headquarters hotel (“HQ Hotel”) for the Walter E. Washington Convention Center (“Center”) on land known as Square 369 and Square 370 in the District of Columbia, including expansion space for the Center. The Hotel Act also created a tax increment financing (“TIF”) area (the “HQ Hotel TIF District”) which is expected to generate TIF revenues that will be used primarily to secure additional bonds in the aggregate principal amount of not more than \$187 million dollars. Bond proceeds will be used to: fund the Authority’s \$134 million dollar contribution to the design and development of the HQ Hotel; create a \$2 million jobs training program associated with the HQ Hotel; and, fund related reserves, capitalized interest and costs of issuance.

In 2007, the scope of the HQ Hotel project was revised to eliminate the proposed expansion of the Center into space below the HQ Hotel and to provide for the development of the HQ Hotel solely on Square 370. As a result, on February 5, 2008, the Council passed the *New Convention Center Hotel Omnibus Financing and Development Amendment Act of 2008* (D.C. Law 17-144) to, among other things, eliminate the references in the Hotel Act to expansion of the Convention Center and development in Square 369.

On December 16, 2008, the Council adopted the *New Convention Center Hotel Technical Amendments Act of 2008* (D.C. Act 17-657), which made several amendments to the Hotel Act that addressed issues identified during HQ Hotel development negotiations and provided the necessary statutory authority for the Authority and the District to execute the transaction agreements.

VI. REPORTING OF SIGNIFICANT EVENTS

The Continuing Disclosure Covenants outline the Significant Events that must be reported if they are deemed material. None of the items below has occurred or has been previously reported during the fiscal year ended September 30, 2008.

1. principal and interest payment delinquencies on the 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; and
12. notice of any failure on the part of WCCA to meet the annual information requirements.