

Pennsylvania Economic Development Financing Authority  
February 15, 2023

A meeting of the Pennsylvania Economic Development Financing Authority (PEDFA) was held on Wednesday, February 15, 2023, after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the “Sunshine Act”). The meeting was held via teleconference.

The following Board Members were present via Teams Videoconference: The Honorable Frederick C. Siger; the Honorable Sarah Hammer; the Honorable Ryan Mackenzie; Cheryl Cook, for the Honorable Russell Redding; Scott Weiant, for the Honorable Nancy Walker; Gwenn Dando, for the Honorable Wayne Langerholc; Laura Kurtz; Nick Haden; Fred Rinaldi; Steven Bradley; Ismail Shahid; and Ronald Brown.

The following DCED staff members were present via Teams Videoconference: Carol Longwell, Esq., Office of Chief Counsel; Craig Petrasic, Center for Private Financing; Brian Deamer, Center for Private Financing; and Melanie Taylor, Center for Private Financing.

It was moved by Mr. Haden and seconded by Mr. Bradley that the Board approve the Minutes of January 18, 2023. The motion carried.

### **UPMC PROJECT SUMMARY**

Mr. Petrasic stated, “The local sponsor for the UPMC project is the Regional Industrial Development Corporation of Southwestern Pennsylvania. The Bond amount is not to exceed \$875,000,000.

The project consists of various capital improvements that constitute healthcare facilities and equipment to be owned and/or operated by UPMC or one of its affiliates, including without limitation capital improvements or expenditures at UPMC’s facilities within Allegheny County and various other locations within the Commonwealth of Pennsylvania; the refunding of all or a portion of the Authority’s UPMC Revenue Bonds, Series 2013A, which were originally issued on behalf of UPMC, and certain taxable indebtedness of the Borrower the proceeds of which were used for tax-exempt eligible capital expenditures of UPMC and its affiliates; and the payment of all or a portion of the related financing costs.

The term would be for not more than 40 years. If approved by the Board we would recommend the approval of PEDFA UPMC Revenue Bonds, Series 2023, which are expected to include Series 2023A, Series 2023B and Series 2023D, in an aggregate principal amount not to exceed \$875,000,000.

Several of the people associated with the project are on the call, including Jim Konieczny, UPMC; Chris Rayl, Eckert Seamans, Jeff Appel, RBC Capital Markets; Chris McCann, J. P. Morgan; and Josh Neaman, Barclays Capital.”

Mr. Konieczny stated, “UPMC has a robust capital expenditure budget. It is about one billion dollars a year for bricks and mortar construction and equipment, equipping these facilities

and things like that. We have hospitals in central and western Pennsylvania. These bonds would fund a portion of that cap ex budget. Combined with the refunding, that is what comprises the full bond issue. We will fund part of it with tax-exempt financing and then we fund the remainder with other sources of funding, be it grants or cashflow. That is what funds the remainder. While in this instance we will not be going through the Authority, we will be issuing taxable bonds as well and that is going to fund a portion of the total as well. We are looking at covering two years' worth of cap ex within the composite of all the various series of bonds. That is the reason we are expanding it to a larger timeframe. We feel it is best to go once in this two-year cycle with the national elections and who knows what will happen with the marketplace at that time. We thought it would be best to avoid that year for borrowing."

Mr. Rayl stated, "Jim very clearly described the overall plan for finance for UPMC and as noted PEDFA's participation is a very big part of that as it has been in the past. In terms of a legal structure, some of the debt issued through PEDFA will be fixed rate and some variable rate. That will be determined as we get closer to going into the market."

Mr. Haden stated, "I just love repeat customers. I don't know how many times you have come to PEDFA, but I want to say to my recollection about seven times. I'm pleased by the fact that you see value in our Authority and that we can provide value to your organization."

Mr. Shahid stated, "I just want to thank UPMC as well."

### **UPMC RESOLUTION**

It was moved by Mr. Haden and seconded by Mr. Brown that the Board approve PEDFA UPMC Revenue Bonds, Series 2023, which are expected to include Series 2023A, Series 2023B and Series 2023D, in an aggregate principal amount not to exceed \$875,000,000. The motion carried with Ms. Kurtz abstaining.

### **NEW BUSINESS**

None.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

It was moved by Mr. Brown and seconded by Ms. Kurtz that the Board adjourn.