

Pennsylvania Economic Development Financing Authority

July 19, 2023

A meeting of the Pennsylvania Economic Development Financing Authority (PEDFA) was held on Wednesday, July 19, 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 Teams Videoconference.

The following Board Members were present via Teams Videoconference: Mandy Book, for the Honorable Frederick C. Siger; Paul Wentzel, for the Honorable Wendy Spicher; Cheryl Cook, for the Honorable Russell Redding; Scott Weiant, for the Honorable Nancy Walker; Gwenn Dando, for the Honorable Wayne Langerholc; Tim Rodrigo, for the Honorable Ryan Mackenzie; Laura Kurtz; Howard Slaughter; Michael Brubaker; Nick Haden; Fred Rinaldi; Steven Bradley; and Ron Brown.

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

Ms. Book called the meeting to order at 11:00 a.m.

It was moved by Mr. Brubaker and seconded by Mr. Haden that the Board approve the Minutes of March 15, 2023. The motion carried.

**PRESBYTERIAN HOMES INC.**

Mr. Petrasic stated, “This project is for Presbyterian Homes, Inc. The sponsor was CREDC. This would consist of two separate series: the first would be 2023 Series B-1 with a maximum amount of \$40 million and the second would be 2023 B-2 with a maximum amount \$110 million.

The 2023 B-1 project consists of acquiring a portion of an existing retirement community and senior living facilities known as Pine Run Village, located at 777 Ferry Road, Doylestown, PA and 2425 Lower State Road, Doylestown, PA, as well as paying the costs of issuance of the 2023 B-1 Bonds.

The second Series, 2023 B-2, consists of the refunding and redemption of the refunded bonds as defined in your agenda packet and paying the costs of the 2023 B-2 Bonds as well.

We would recommend to the Board that they approve the issuance of both these series of bonds.

We have a few people on the line representing the project: Dyan McAllister of Presbyterian Homes; Mark Silver, Piper Sandler; Ryan Mentzer, Eckert Seamans; and Mike Davidson, Turner Law.”

Mr. Silver stated, “Just to give you an outline of our schedule, we are scheduled to print by the end of the week. Our plan is to price the bonds on August 9<sup>th</sup> and then we are planning to close the week of August 21<sup>st</sup>. That is the tentative schedule. We greatly appreciate your

backing of these bonds for this important project. The acquisition of Pine Run is a meaningful addition to the Presbyterian Senior Living Group. We look forward to getting to closing.”

Mr. Twadell stated, “To be clear, the description of the acquisition of Pine Run refers to a portion of the site. They are actually acquiring the entire campus of the continuing care retirement community that had been owned by Doylestown Hospital. A portion of that is independent living, and we cannot use tax exempt financing to acquire existing residential rental property. So that portion of the acquisition price will be paid for by taxable debt that is being simultaneously incurred. The other thing that is included in the TEFRA Notice is that PEDFA approved an issue three years ago for the benefit of Presbyterian for three projects, one of which was to provide funding for an independent living project in Chester County. Events have transpired which have made that project impractical now. They would like to take the money that was borrowed then and apply it to a project at Cathedral Village and a similar one at Kirkland in Bethlehem. It is necessary because we advertised those funds as being spent in Chester County and we are now changing the location of those projects. We have given notice to the public of that change of use and proceeds. There were no objections at the TEFRA Hearing that was held yesterday. We wanted to make the board aware of that slight change.”

Ms. McAllister stated, “I wanted to add that with the purchase of Pine Run, we are working in conjunction with Doylestown Hospital, so their residents will still have continued care if they need hospital care. The hospital and PSL are working together. We really see us as having the same mission and vision and it has been a great partnership. We have already met with all the residents and met with team members and the transition is going very well. We are working as a team to do what is best for the residents within Pine Run.”

Mr. Silver stated, “Even with the additional debt that is being brought on to the group, with Presbyterian’s great credit they have retained their Fitch BBB+ stable rating, which is a great accomplishment and a tribute to the management of Presbyterian.”

Mr. Haden asked, “Regarding the previous project and the carry over to current, did the interest rate associated with that bond have anything to do with the failure of the deal?”

Ms. McAllister stated, “The project that we were going to build was supposed to be an independent living project. The zoning and restrictions on what we could do at the site made it just not make sense at this juncture. Rather than continue to work through this and deal with rising costs, it made more sense to do the projects in the two communities where it could be done quicker.”

Mr. Haden stated, “Thank you. It’s good to see repeat customers.”

Ms. Book stated, “I do want to add that yesterday we did send out an amended Resolution for the deal under consideration, so everyone is aware.”

It was moved by Mr. Bradley and seconded by Mr. Haden that the Board approve the Presbyterian Homes, Inc. resolution. The motion carried with Ms. Kurtz abstaining.

## **POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES RESOLUTION**

Ms. Book asked, “Are there any questions on the Resolution as presented to you?”

Mr. Petrasic stated, “This is just one of our usual housekeeping resolutions for our annual meeting in July. It is best practice to have policies and procedures in place regarding post-issuance compliance. We have had these in place for several years, and there are no changes at this time.”

It was moved by Mr. Brown and seconded by Mr. Weiant that the Board approve the Post-Issuance Compliance Policies and Procedures Resolution. The motion carried.

### **PEDFA FEE CUSTODIAL ACCOUNT RESOLUTION**

Mr. Petrasic stated, “This is another one of our annual resolutions to enable us to pay our expenses for the year. As is typical, the amount goes up a bit every year. We are recommending keeping it for now in an amount not to exceed \$900,000.00. If for whatever reason we would go past that, which I don’t anticipate we would, we would have to come back to the Board for approval to incur any further costs.”

It was moved by Mr. Brubaker and seconded by Mr. Haden that the Board approve the PEDFA Fee Custodial Account Resolution. The motion carried.

### **PEDFA OFFICERS RESOLUTION**

Ms. Book stated “I want to note that we are with this Resolution asking for formal action to move Craig Petrasic into the position of Executive Director of the Authority. He has certainly stepped up as the Assistant Director over the last few months and was filling in and helping Steve for quite some time. I am excited to put him forward for that consideration.”

Mr. Petrasic stated, “This is our annual appointment of officers, and I am on there. I have taken the position of Director of the Center for Private Financing within DCED after the untimely death of my predecessor Steve Drizos, who left big footsteps to fill. Along with the Secretary and Assistant Secretary positions, we would recommend approval.”

It was moved by Mr. Bradley and seconded by Mr. Brown that the Board approve the PEDFA Officers Resolution. The motion carried.

### **NEW BUSINESS**

None.

### **PUBLIC COMMENT**

None.

### **ADJOURNMENT**

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