

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
March 30, 2017
Room 515 North Office Building
Harrisburg, Pennsylvania
10:35 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum
2. Approval of the Minutes of the Meeting of January 26, 2017
3. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Student Association, Inc. at California University of Pennsylvania
4. Old Business
 - A. Project Update
5. New Business
6. Adjournment

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.

With a quorum of the Board being present, the meeting of the Board of the Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, March 30, 2017 at 10:35 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley E. Saylor)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Joseph M. Torsella)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Absent

Senator John H. Eichelberger Jr.

Authority Personnel Present

Robert Baccon, Executive Director
Beverly Nawa, Administrative Officer
David Player, Comptroller

Also Present

William McCarty, Esquire, Barley Snyder LLP
Lee Derr, Director Education Committee, Pennsylvania Senate

Participated Via Conference Call

Michael Moss, Managing Director, KeyBanc Capital Markets
Leigh Ann Lincoln, Chief Financial Officer, SAI at California University
of Pennsylvania
Keith Skirpan, Senior Housing Accountant, SAI at California University of
Pennsylvania

Chuck Brodbeck, Esquire, Cohen & Grigsby, P.C.
Andrew Maher, Esquire, Cohen & Grigsby, P.C.

2. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 26, 2017

A copy of the minutes of the meeting of January 26, 2017, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the PHEFA meeting of January 26, 2017, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of March 30, 2017.

3. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of Student Association, Inc. at California University of Pennsylvania

Mr. Baccon explained that Student Association, Inc. at California University of Pennsylvania has requested that we issue a maximum of \$28,000,000 in fixed rate revenue refunding bonds to finance the refunding of the Authority's Student Housing Revenue Bonds Series 2000A and the Authority's Student Housing Revenue Bonds Series 2003A.

We have provided you with a revised page one of the introduction. The total amount of the bonds has not changed.

KeyBanc Capital Markets will serve as Managing Underwriter and The Bank of New York Mellon Trust Company as the Trustee. After completion of an RFP and at the request of the Association, the Office of General Counsel has appointed Cohen & Grigsby and Turner Law as Co-Bond Counsel for this issue.

The resolution in your agenda approves all of the actions necessary in connection with the issuance of the 2017 Bonds.

Michael Moss, Managing Director, KeyBanc Capital Markets, Leigh Ann Lincoln, Chief Financial Officer, and Keith Skirpan, Senior Housing Accountant, of the Association, along with Chuck Brodbeck and Andrew Maher of Cohen & Grigsby are participating by conference call to answer any questions.

Chairperson Heuer opened the floor to any questions from board members.

Ms. Langan asked about the actual credit rating.

Mr. Moss explained that there are two bond issues that are currently being refunded into one issue. The one issue is rated Baa3 by Moody's. It was the rating when the bonds were issued and it is reaffirmed every year. The second bond issue does not carry an underlying rating because it is insured by a company called ACA. The new issue will not have insurance. They expect the new issue to be rated Baa3.

Chairperson Heuer asked if board members had any other questions, and hearing none, he asked for a motion to approve the resolution.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
STUDENT ASSOCIATION, INC.
AT CALIFORNIA UNIVERSITY OF PENNSYLVANIA
SERIES OF 2017**

DOCKET NO. 669

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "**Authority**") shall undertake the financing of a project (the "**Project**") on behalf of Student Association, Inc. (the "**Association**") consisting of (i) the refunding of all of its outstanding Pennsylvania Higher Educational Facilities Authority Student Housing Revenue Bonds (Student Association, Inc. Project at California University of Pennsylvania) Series 2000A (the "**2000 Bonds**") and the Authority's Student Housing Revenue Bonds (SAI Housing, LLC Project at California University of Pennsylvania) Series 2003A (the "**2003 Bonds**" and, together with the 2000 Bonds, the "**Prior Bonds**"); (ii) the funding of any necessary debt service reserve fund; and (iii) the payment of all or a portion of the costs of issuance of the Bonds (as hereinafter defined); provided, however, that the Executive Director of the Authority, at the request of the Association, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by The Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. The Authority does hereby authorize the issuance of tax-exempt and/or taxable bonds (collectively, the "**Bonds**") in one or more series in an aggregate principal amount not expected to exceed \$28,000,000, which Bonds shall be designated "Pennsylvania Higher Educational Facilities Authority Revenue Refunding Bonds, Series of 2017 (Student Association, Inc. Project at California University of Pennsylvania) or similar designation, to be issued under one or more trust indentures or similar agreements (collectively, the "**Indenture**") between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**").

The Bonds are expected to bear interest at a fixed taxable and/or tax-exempt rate of interest acceptable to the Association, shall mature in such principal amounts and at such times, not in excess of 30 years, all as approved by the Executive Director of the Authority in consultation with the Association and as further provided in the Bond Purchase Agreement hereinafter defined and described.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the Association under the Loan Agreement (as hereinafter defined). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President or any Vice President of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized to deliver the Bonds to the Trustee for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds, on behalf of the Authority, to or upon the order of the purchaser thereof, against receipt of the purchase price, together with any accrued interest, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned by the Authority to the Association pursuant to the terms of one or more loan or similar agreements to be entered into between the Authority and the Association (collectively, the "**Loan Agreement**"), and shall be applied by the Association for and toward the costs of the Project.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized on behalf of the Authority to negotiate with the underwriter, hereinafter appointed, for an acceptable proposal, for the purchase of any series of the Bonds issued hereunder, and to enter into one or more purchase agreements (the "**Bond Purchase Agreement**") for such purpose in accordance with the terms of this Resolution, and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director of the Authority is hereby authorized to execute and deliver the particular Bond Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of the Bonds of any series authorized hereunder and the financing of the Project: (a) the Indenture and the Loan Agreement and any supplement thereto required in connection with the issuance of the Bonds; (b) the Bond Purchase Agreement; and (c) any other document to which the Authority is a party and which is required in connection with the financing of the Project, and any documents required in connection with the redemption of the Prior Bonds and the satisfaction and discharge of the trust indentures pursuant to which they were issued; all in such form as shall be acceptable to Co-Bond Counsel, the Attorney General of the Commonwealth, the Office of General Counsel and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The President, the Vice President and the Executive Director of the Authority are, and each of them is, hereby authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary and Assistant Secretary are, and each of them is, hereby authorized to attest and affix the official seal of the Authority to each of the

aforesaid documents, if required. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

7. Any preliminary official statement, any final official statement and any supplement thereto which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved, solely as and for purposes of distribution, by the Executive Director of the Authority with the advice of Bond Counsel. The Executive Director is hereby authorized to deem final the preliminary official statement, and execute, solely as and for purposes of distribution, the final official statement in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as and for purposes of distribution, of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

8. KeyBanc Capital Markets, Inc. (or a related or successor entity) is hereby appointed and authorized as managing underwriter in connection with the Bonds and The Bank of New York Mellon Trust Company, N.A., is appointed and authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the Association, the Office of General Counsel has appointed Cohen & Grigsby, P.C. and Turner Law, P.C. as the Co-Bond Counsel for this issue.

9. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds and the implementation of this Resolution.

10. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

11. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, including the execution and delivery of the Indenture, the Loan Agreement, the Bond Purchase Agreement; the distribution of a preliminary official statement, a final official statement and any supplement thereto, if applicable; the issuance and sale of the Bonds; and the redemption of the Prior Bonds and the satisfaction and discharge of the trust indentures pursuant to which they were issued, all in accordance with this Resolution.

12. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director, are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "**Amendment**") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "**Bond Documents**") requested by the Association and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt Bonds for purposes of federal income taxation.

13. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of March 30, 2017, subject to the financing receiving at least an investment grade rating (in the "BBB" or "Baa3" category) and the Board receiving the ratings report when available.

EXHIBIT A

**STUDENT ASSOCIATION, INC.
AT CALIFORNIA UNIVERSITY OF PENNSYLVANIA
REVENUE REFUNDING BONDS
SERIES OF 2017**

<u>Docket No.</u>	<u>College/Sponsor</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
669	Student Association, Inc.	Refunding of bonds previously issued by the Authority to finance the construction of off-campus student housing facilities and related improvements for the benefit of the students of California University of Pennsylvania, including the refunding of all of the Authority's outstanding Student Housing Revenue Bonds (Student Association, Inc. Project at California University of Pennsylvania) Series 2000A and its Student Housing Revenue Bonds (SAI Housing LLC Project at California University of Pennsylvania) Series 2003A.	\$28,000,000

Term: Up to 30 years

Rate: Fixed Rate; tax-exempt and/or taxable

Rating: Investment Grade

Underwriter: KeyBanc Capital Markets, Inc. (or a related or successor entity)

Bond Counsel: At the request of the Association, the Office of General Counsel appointed Cohen & Grigsby, P.C. and Turner Law, P.C., Co-Bond Counsel

Trustee: The Bank of New York Mellon Trust Company, N.A.

Minority and/or Female Participation in this Financing: Turner Law, P.C., is serving as Co-Bond Counsel.

Approved at the PHEFA Board Meeting of March 30, 2017.

4. OLD BUSINESS

A. Project Update

Mr. Baccon said that board members received a page from the February 13th edition of the Bond Buyer showing PHEFA & SPSBA were the 4th & 5th highest issuers in Pennsylvania during 2016. He noted that we remain one of the most active issuers in the Commonwealth. Since the beginning of the year, we closed \$178 million project for the University of Pennsylvania. Other than the project in today's agenda, there are no pending projects.

Chairperson Heuer asked if there is any other old business to come before the Board, and hearing none, he moved to new business.

5. NEW BUSINESS

Chairperson Heuer asked if there was any new business to come before the Board, and hearing none, he asked for a motion to adjourn.

6. ADJOURNMENT

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Langan**, the PHEFA Board Meeting was adjourned at 10:42 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, MARCH 23, 2017

SUNSHINE ACT MEETING NOTICES

Thursday, March 23, 2017

If you need an accommodation due to a disability, please contact the ADA Contact name listed below.

Special, State Conservation Commission Meeting/Conference Call, 3/24/2017, 4 PM, Room 405 - Department of Agriculture, 2301 N. Cameron Street, HBG., Contact: Barb Buckingham 787-8821, To participate in meeting call #717-612-4733 or Toll Free #1-855-750-1027 use PIN#033143

Rescheduled, State Board of Massage Therapy, 3/28/2017, 9:30 AM, One Penn Center, 2601 N Third Street, Boardroom C, HBG., Contact: Daniel Hull 775-8147

Special, Mining and Reclamation Advisory Board (MRAB) Regulation, Legislation and Technical (RLT) Committee Meeting, 3/30/2017, 10 AM, 14th Floor Conference Room, Rachel Carson State Office Building, 400 Market Street, HBG., Contact: Daniel E. Snowden, D.Ed. 783-8846, The meeting will also be offered in a conference call format, via Web-Ex

Special, State Public School Building Authority and Pennsylvania Higher Educational Facilities Authority Meetings, 3/30/2017, 10:30 AM, Room 515 ,North Office Bldg., HBG., Contact: Bev Nawa 975-2204

State Civil Service Commission Hearing, 4/3/2017, 4/5/2017, 4/7/2017, 4/10/2017, 4/18/2017, 4/21/2017, 9:30 AM, 4th Floor Hearing Room , Contact: Bernadette Hatok 787-6976

State Civil Service Commission Hearing, 4/13/2017, 4/20/2017, 10 AM, 4th Floor Hearing Room , Contact: Bernadette Hatok 787-6976

State Civil Service Commission Meeting, 4/19/2017, 10:30 A.M, 4th Floor Meeting Room , Contact: Bernadette Hatok 787-6976

Animal Health & Diagnostic Commission, 4/6/2017, 9:30 AM, Conference Room 309 - Department of Agriculture, 2301 N. Cameron Street, HBG., Contact: Deb Hepler 783-8300

Amusement Ride Safety Advisory Board meeting, 4/11/2017, 10 AM, Conference Room 309 - 2301 North Cameron Street, HBG., Contact: Walt Remmert 787-9089, Purpose of the meeting is to act on proposed agenda.

Appeared in: **Patriot-News** on Thursday, 03/23/2017

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Board to be Held
March 30, 2017

Notice was in letterform, as follows:

This letter advises that meetings of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, March 30, 2017**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

* * * * *

Harrisburg, PA

I CERTIFY that the notice on the previous page for the March 30, 2017, meeting was dispatched to the following on March 20, 2017, at the addresses indicated, constituting all of the members of the Board of the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
John H. Eichelberger Jr., Designated by the President Pro Tempore of the Senate
292 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
245 Main Capitol Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Joseph M. Torsella, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 20th day of March 2017.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority

Appendix A