

Allegheny County Council

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Meeting Minutes

Thursday, November 29, 2018

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair; Tom Baker, Patrick Catena, Sam DeMarco, Nick Futules, Bob Macey and John Palmiere, Members

I. Call to Order

The meeting was called to order at 4:01.

Invited Guests:

William D. McKain, CPA, Allegheny County Manager or designee(s)
Lance Chimka, Director, Allegheny County Department of Economic Development

Mr. McKain was present from the Office of the County Manager.

Mr. Earley was present from the Department of Economic Development.

Mr. Rail was present from Eckert Seamans as CMU's bond counsel.

Mr. Dolan was present from Carnegie Mellon University.

Mr. Barker was present from the Office of County Council.

II. Roll Call

Members Present: 2 - Tom Baker and DeWitt Walton

Members Absent: 1 - John Palmiere

Members Phone: 4 - Patrick Catena, Sam DeMarco, Nick Futules and Bob Macey

Members 1 - Sue Means

Non-Members:

III. Approval of Minutes

[10877-18](#)

Motion to approve the minutes of the October 16, 2018 meeting of the Committee on Economic Development and Housing.

A motion was made by Futules, seconded by Macey, that this matter be Passed. The motion carried by a unanimous vote.

IV. Agenda Items

Resolutions

[10875-18](#)

A Resolution approving a project for the benefit of Carnegie Mellon University (the "Borrower") to be financed by the Allegheny County Higher Education Building Authority (the "Authority") by the issuance of the Authority's tax-exempt revenue bonds, in two or more series, to be designated "Allegheny County Higher Education Building Authority, Carnegie Mellon University Revenue Bonds, Series A of 2019" and "Allegheny County Higher Education Building Authority, Carnegie Mellon University Revenue Bonds, Series B of 2019" (or such other designations as may be determined by the Authority and the University), in an aggregate principal amount not to exceed \$125,000,000 (the "Bonds"), provided that the taxing power of the County of Allegheny, Pennsylvania (the "County") shall not be obligated in any way with

respect to the Bonds, and declaring the financing of such project as desirable for the health, safety, and welfare of the people in the County.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. McKain summarized its provisions, noting that CMU was seeking to refinance approximately \$125 million in outstanding debts through the County Higher Education Building Authority due to its attractive rates, and that the administration is enthusiastically in support of the bond issuance.

Mr. Early noted that there would be absolutely no financial obligation imposed upon the County by the bond issuance, and indicated that the initial debt was financed by a bond issuance through the Commonwealth, so this issuance is a new transaction to the County. Mr. Early noted that the bond issuance benefitted construction at various locations.

In response to questions from Ms. Means, Mr. McKain noted that the one time fees would total about \$40,500 with an annual fee of about \$31,250 for about 8 years on the one issuance, with the other running for the full 20 year term. Mr. Rail defined the term "revenue bonds" within the context of the resolution, noting that neither the Authority nor the County would undertake any financial obligations, and that the fees paid by the University would go to the Authority. Mr. Dolan summarized CMU's enrollment and other status.

A motion was made by Macey, seconded by Baker, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.

V. Adjournment

The meeting was adjourned at 4:09.