

## MINUTES (Open)

### MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY

A conference call meeting of the Authority was held on **Friday, November 16, 2018** at the Department of Commerce's office at The World Trade Center, 401 E. Pratt Street, Suite 1760, Baltimore, Maryland 21202. The meeting was convened at 10:00 am. The following participated in the meeting:

#### Authority Members

Louna Primm, Vice Chairman  
Carla Nealy  
Brian Sweeney  
Bernard Jennings  
Bohdan Denysyk  
Jerry Klasmeier  
Andy Fish

#### Staff Members

Timothy Doyle  
Harry Carroll  
Dana McCann

#### Legal Staff

Barbara Kountz

### **I. Minutes**

The Authority Meeting Minutes for Thursday, March 22, 2018 were approved on April 20, 2017 via email presentation to board members.

### **II. Presentation(s)**

#### 1. McDonogh School

Presenter: Harry Carroll  
Program: MIDFA  
Jurisdiction: Baltimore County  
Business: School  
Request: \$20,000,000 Uninsured Tax Exempt Conduit Bond Issuance

McDonogh School, Incorporated ("McDonogh") is requesting MIDFA issue tax exempt bonds in the amount not to exceed \$20,000,000 (the "Bonds") to (a) refund approximately \$8.65 million of MIDFA issued Series 2013 Tax Exempt Bonds, (b) finance miscellaneous campus improvements in the amount of \$8.640 million, and (c) fund certain closing costs.

The \$8.640 million of new money will be drawn down as needed for the following uses: Facility and Staff Housing Construction, Fader Innovation Center renovation, Head of School House renovation, Athletic Center renovations, Power Plant Expansion, Middle School Renovations, New Track, Roof & Gutter Renovations, Water Line, Upper School Library Renovations, Miscellaneous Capital Expenditures over the next three years, and capitalized interest. Funding to refinance the existing loan will be drawn at closing.

MIDFA has issued bonds for McDonogh since 1996. The 2013 Tax Exempt Bond being refunded is the culmination of several previous issuances and refundings. In 1996, \$5,000,000 was issued to construct an Athletic Building/Field House, and \$4,000,000 was issued to build an Arts Center/Assembly facility in 1997. In 1998, \$3,000,000 was added to the 1997 issuance to build an 11,000 square foot addition to the Arts Center/Assembly Facility, construct an adjacent parking lot and improve other existing facilities. In 2005, the outstanding balance of \$7,358,000 of these bonds was refinanced and combined with an additional \$7,000,000 to finance the construction of a new swimming pool facility and upgrade existing buildings. The Series 2005 bonds totaled approximately \$14,400,000 and were refunded with the Series 2013 bonds that is being refunded with this requested issuance.

McDonogh was founded in 1873 as a semi-military boarding school for orphaned boys from the Baltimore area. The school is named after John McDonogh, a Baltimore born merchant and philanthropist who passed away in 1850 and bequeathed a portion of his estate to educate children. In 1872 a tract of approximately 800 acres was purchased for the school.

The school is a co-educational, nondenominational college preparatory and five-day boarding school serving students from kindergarten through 12<sup>th</sup> grade. The school is accredited by the Association of Independent Maryland Schools and has received a certificate of approval from the Maryland State Dept. of Education. McDonogh is also a member of the National Association of Independent Schools.

McDonogh employs 253 full time faculty members, 18% of whom live on campus. Tuition for the day school averages \$8,067 for the 2018-19 academic year. McDonogh maintains what it believes to be a competitive tuition with a goal of remaining affordable in comparison to other area independent schools.

Following discussion, after appropriate motion and second, the Authority approved the \$20,000,000 MIDFA Issued Tax Exempt Conduit Bond for the benefit of McDonogh School.

## **2. Maritime Applied Physics Corporation**

Presenter:	Harry Carroll
Program:	MIDFA
Jurisdiction:	Baltimore City
Business:	Manufacturer
Request:	\$950,000 Loan Insurance

At 10:15 am, Mr. Fish made a recommendation that the meeting be closed to discuss certain aspects of this financing request. Mr. Fish stated that the reasons for closing the meeting were §3-305(b)(13) and (b)(7) of the Open Meetings Act, (a) to comply with a specific statutory requirement that prevents public disclosure about a particular proceeding or matter, and (b) to consult with legal counsel on legal matters with respect to such financing request. It was noted that the materials describing the financing request contain the following: (a) financial information of private individuals which is information protected under §4-336 of the Public Information Act; and (b) confidential commercial or financial information which is protected from disclosure under Section §4-335 of the Public Information Act.

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It was further noted that Vice Chairman Primm had signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

Upon motion duly made and seconded, it was unanimously resolved that the Authority moved into Closed Session in accordance with § 3-305(b)(13) and (b)(7), to discuss the financing request received by the Authority, which includes financial information of private individuals, confidential commercial or financial information, and to consult with legal counsel on legal matters with respect to such financing request.

Mr. Fish then proceeded with the roll call. The following members (and designees) of the Authority were present during the closed session: Vice Chairman Primm, Mr. Denysyk, Mr. Fish, Mr. Jennings, Mr. Klasmeier, Ms. Nealy, and Mr. Sweeney. Absent: Chairman Morgan and Mr. Deemer. Timothy Doyle, Harry Carroll, Barbara Kountz and Dana McCann also remained for the closed session.

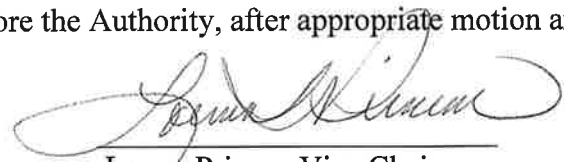
The Open Session of the meeting resumed at 10:43 am.

Ms. Primm announced that the Authority unanimously approved the \$950,000 MIDFA Loan Insurance for the benefit of Maritime Applied Physics Corporation during the closed session.

### III. Other Authority Matters

Andy Fish notified the Authority member that the new 2019 meeting calendar will be distributed to the Authority board members.

There being no further business to come before the Authority, after appropriate motion and second, the meeting was adjourned at 10:46 am.



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Louna Primm, Vice Chairman



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Timothy P. Doyle,  
Acting Executive Director