



DASNY

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Acting President & CEO

Memorandum

TO: Sara P. Richards, Esq., Associate General Counsel

FROM: Robert S. Derico, R.A., Acting Director, Office of Environmental Affairs



DATE: January 31, 2020

RE: *State Environmental Quality Review (SEQR) Type II Determination for New York University's Refunding of Outstanding Debt, Borough of Manhattan, New York*

Description of Proposed Action and Proposed Project. New York University ("NYU" or the "University") has requested financing from the Dormitory Authority State of New York ("DASNY") for its *Refunding of Outstanding Debt* (the "Proposed Project"). Based on a review of the attached Transaction Summary Update, dated January 24, 2020, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of one or more series of fixed- and/or variable-rate, tax-exempt and/or taxable, Series 2020 bonds sold through a negotiated offering or a private placement, in an amount not to exceed \$450,000,000 in funding under DASNY's Independent Colleges and Universities Program.

More specifically, the proceeds from the Series 2020 bond issue or issues would be used for the Proposed Project, which would consist of the refunding of all or a portion of the University's Series 2012A and 2012B Bonds, Series 2013A Bonds, and Series 2015A Bonds, all of which were issued by DASNY (\$428.5 million).

Institution. NYU is a private, nonprofit institution of higher education located in New York City. The University was founded in 1831 and is one of the largest private institutions of higher education in the United States. As of 2018, the University has a faculty of approximately 9,800, including part-time instructors, and a headcount of approximately 26,000 domestic undergraduate and approximately 25,000 graduate and professional students.

The University includes 19 schools, colleges, institutes, and programs in nine major locations in New York City: the Washington Square campus in Greenwich Village; the Institute of Fine Arts at 1 East 78th Street, near the Metropolitan Museum of Art; the School of Professional Studies at the Midtown Center at 11 West 42nd Street and the Woolworth Building located at 15 Barclay Street (as well as at Washington Square); the Rory Meyers College of Nursing and the College of Dentistry on First Avenue between East 24th and 26th Streets; the School of Medicine on First Avenue between East 30th and 34th Streets; the Institute for the Study of the Ancient World at 15 East 84th Street; and the downtown Brooklyn area, where the Tandon School of Engineering and the Center for Urban Science and Progress ("CUSP") are located.

The network also includes a comprehensive, degree-granting, liberal arts and science university in Abu Dhabi, a comprehensive, degree-granting liberal arts and science campus in Shanghai, and eleven other global academic sites on six continents where students may study away for a semester or more.

The University is the sole corporate member of NYU Langone Health System (the “Health System”), which is the sole corporate member of NYU Langone Hospitals, formerly known as NYU Hospitals Center. NYU has no responsibility or liability for the indebtedness or other obligations of the Health System. Conversely, the Health System is not responsible or liable for the indebtedness or other obligations of NYU.

SEQR Determination. DASNY completed this environmental review in accordance with the *State Environmental Quality Review Act (“SEQRA”)*, codified at Article 8 of the *New York Environmental Conservation Law (“ECL”)*, and its implementing regulations, promulgated at Part 617 of Title 6 of the *New York Codes, Rules and Regulations (“N.Y.C.R.R.”)*, which collectively contain the requirements for the *SEQR* process.

The Proposed Project components would involve the “...*refinancing of existing debt,*” which is a Type II action as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(29) of *SEQR*. Type II “*actions have been determined not to have significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8.*” Therefore, no further *SEQR* determination or procedure is required for a Proposed Project identified as Type II.

The Proposed Action was also reviewed in conformance with the *New York State Historic Preservation Act of 1980 (“SHPA”)*, especially the implementing regulations of section 14.09 of the *Parks, Recreation and Historic Preservation Law (“PRHPL”)*, as well as with the requirements of the Memorandum of Understanding (“MOU”), dated March 18, 1998, between DASNY and the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”). In compliance with Article III, Section 3.0 of the MOU, OPRHP would be notified of the Proposed Project being funded with bond proceeds. It is the opinion of DASNY that the Proposed Action would have no impact on historical or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

Attachment

cc: Dena T. Amodeo, Esq.
David P. Ostrander
SEQR File
OPRHP File

Transaction Summary Update

New York University
New York, New York

January 24, 2020

Program: Independent Colleges & Universities

Purpose: Refunding

New Issue Details

One or more Series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$450,000,000 with maturities not to exceed 40 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Senior Manager – BofA Securities, Inc.
- Co-Bond Counsel – Hawkins Delafield & Wood LLP and McGlashan Law Firm, PC
- Underwriter's Counsel – Katten Muchin Rosenman LLP

Purpose:

- Refunding of all or a portion of the University's Series 2012A&B Bonds, Series 2013A Bonds and Series 2015A Bonds, all of which were issued by DASNY (\$428.5 million).

Security:

- General obligation of the University.

Current Ratings: Moody's: Aa2 (Stable)
S&P: AA- (Stable)
Fitch: NR

Overview

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or liability for the indebtedness or other obligations of the Health System. Conversely, the Health System is not responsible or liable for the indebtedness or other obligations of NYU.

Description of the Bonds

- The Bonds are a special obligation of DASNY.
- The Loan Agreement is a general obligation of the University.
- The Bonds are payable from payments made under the Loan Agreement and all funds and accounts established under the Resolution.

Approvals

- DASNY Resolution to Proceed – December 11, 2019
- PACB Approval – December 18, 2019
- TEFRA Hearing – January 30, 2020*
- SEQR Filing – February 4, 2020*

*Anticipated date.

Recent Information

At the December 11, 2019 Board Meeting, the Members adopted a Resolution to Proceed authorizing a refunding and new money issuance on behalf of NYU. At this time, the University has decided to proceed with only the refunding portion of the transaction. Of the \$750,000,000 not-to-exceed amount approved in December, the amount associated with the proposed refunding for which the Board is being asked to adopt documents will not exceed \$450,000,000. If the University decides to proceed with the new money portion at some point in the future, the Members will be asked to adopt documents for a new money issuance at that time.

Recommendation

Staff recommends that the Board adopt the necessary documents for one or more series of bonds in an amount not to exceed \$450,000,000.

This Transaction Summary Update was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.



Transaction Summary Update

New York University
New York, New York

January 24, 2020

Program: Independent Colleges & Universities

Purpose: Refunding

The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.