

The Dormitory Authority of the State of New York met in a Special Video Conference Meeting between DASNY's Albany Office, 515 Broadway, Albany, New York; New York City Office, One Penn Plaza, 52<sup>nd</sup> Floor, New York, New York and Buffalo Office, 539 Franklin Street, Buffalo, New York at 10:00 a.m. on Wednesday, November 29, 2017.

The Meeting was called to order by the Chair. Roll call was taken and a quorum was present. Those Members present for and absent from the Meeting were as follows:

Members Present- Albany

Sandra M. Shapard, Secretary, Member  
Elizabeth Berlin, Designated Representative of the Commissioner of Education, Member  
(ex officio)  
Adrian Swierczewski, Designated Representative of the Director of the  
Budget, Member (ex officio)  
Charles Abel, Designated Representative of the Commissioner of  
Health, Member (ex officio)

Members Present – New York City

Alfonso L. Carney, Jr., Chair, Member  
Beryl L. Snyder, Esq., Member  
Gerard Ronski, Esq., Member

Members Present - Buffalo

Jonathan H. Gardner, Esq., Member

Members Present by Phone (non-voting)

John B. Johnson, Jr., Vice Chair, Member

Members Absent

Paul S. Ellis, Esq., Member

Also Present - Dormitory Authority Staff – New York City

Gerrard P. Bushell, President  
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring

Also Present - Dormitory Authority Staff - Albany

Michael T. Corrigan, Vice President  
Michael E. Cusack, Esq., General Counsel  
Kimberly J. Nadeau, Chief Financial Officer  
Debra Pulenskey Drescher, Esq., Managing General Counsel  
Larry N. Volk, Senior Director, Portfolio Monitoring  
Andrew T. Purcell, Assistant Director, Public Finance and Portfolio Monitoring  
Matthew T Bergin, Assistant Director, Public Finance and Portfolio Monitoring  
Donna Rosen, Associate Counsel  
Gerard Klauser, Senior Financial Analyst  
David P. Ostrander, Senior Financial Analyst

Others Present – New York City

Virginia Wong, Esq.	Nixon Peabody, LLP
Christopher J. Reitzel, Esq. Jeffrey M. Pohl, Esq.	Squire Patton Boggs, LLP
Douglas M. Seaton, Esq.	D. Seaton and Associates, P.C.
Howard I. Berkman, Esq. Charles Toto, Esq. Arthur Cohen, Esq.	Hawkins, Delafield & Wood, LLP

**PUBLIC SESSION**

The Chair called the Meeting to order and noted for the record the attendance by video of all members present by video conference, with Mr. Johnson participating via telephone as a non-voting member.

**Memorial Sloan-Kettering Cancer Center**

The President introduced Virginia Wong, Esq. of Nixon, Peabody, LLP, co-bond counsel on the transaction with Drohan Lee LLP and Mr. Bergin. Mr. Bergin gave a brief update to the Members with respect to the Memorial Sloan-Kettering Cancer (“MSKCC” or “the Center”) transaction. He noted that MSKCC expects to undertake the refunding of DASNY’s Memorial Sloan-Kettering Cancer Center Revenue Bonds, 2015 Series 1 as the rate on those bonds is anticipated to increase from 2.31% to 2.84% in light of the recent proposed tax reforms. He stated that depending on the outcome of the proposed tax reforms, gross savings may be as high as \$2.7 million over the next 10 years. Mr. Bergin stated that MSKCC is also considering the refunding of DASNY’s Memorial Sloan-Kettering Cancer Center Revenue Bonds, Series 2016-1, although it appears unlikely based on preliminary reviews.

Ms. Wong described the transaction and presented the financing documents. She stated that before the Members for their consideration is a Series Resolution authorizing the issuance of up to \$465 million of fixed or variable rate tax-exempt or taxable bonds to refund all or portions of DASNY's Memorial Sloan-Kettering Cancer Center Revenue Bonds, 2015 Series 1 and DASNY's Memorial Sloan-Kettering Cancer Center Revenue Bonds, 2016 Series 1, and to finance new capital expenditures, including work at its ambulatory care center, located at 530 East 74<sup>th</sup> Street, New York, New York, and its outpatient center located at 1255 Hempstead Turnpike, Uniondale, New York, as well as the conversion of certain facilities in New York, New York from a steam-based system to a hot water-based system for heating and domestic hot water. She stated that it is currently expected that the bonds will be issued as tax-exempt variable rate bonds in a "term rate mode" to maturity.

Ms. Wong stated that the Series Resolution authorizes the bonds to be either offered to the public through a negotiated sale to the underwriters or sold directly to one or more investors in a private placement on terms negotiated directly with the purchasers. She further stated that it is currently expected that a single series of variable rate tax-exempt bonds will be sold in a negotiated sale to the underwriters of the bonds. She stated that the bonds are expected to be issued as variable rate bonds in a "term rate mode" to maturity with a "remarketing in lieu of redemption" provisions which would provide an option, at such time as the bonds are subject to optional redemption, to allow DASNY, at the direction of the Center, to remarket the bonds to a new investor in a variable rate mode, term rate mode or fixed rate mode.

Ms. Wong stated that the bonds are special obligations of DASNY payable solely out of the Revenues, which consist of the payments made by the Center under the Loan Agreement on account of debt service on the bonds, and by the guarantors under the guaranties provided in connection with the transaction. She stated that payment of the bonds is secured on a parity with all other bonds issued under the General Resolutions, and that the Series Resolution delegates to various officers of DASNY the power to make the determinations described in the bond counsel letter and to do all things necessary or convenient in connection with the sale and issuance of the bonds.

Ms. Wong stated that DASNY and the Center, in connection with the issuance of the first Series of Bonds issued under the General Resolution, executed a Loan Agreement. She explained that it requires the Center to make payments in amounts and at times sufficient to make timely payment of the principal and sinking fund installments of and interest on all bonds outstanding under the General Resolution. She further explained that the obligations to make payments are a general obligation of the Center. Ms. Wong informed the Members that the Center's obligations under the Loan Agreement are secured by guarantees of payment by Sloan-Kettering Institute for Cancer Research and S.K.I. Realty Inc, two not-for-profit corporations affiliated with the Center. She stated that the Center's obligations under the Loan Agreement will not be secured by a pledge of or security interest in any assets, gross receipts or property of the Center or of either of the guarantors.

Ms. Wong stated that, in addition to the covenants that are customary in DASNY's loan agreements, the Loan Agreement contains a covenant that requires the Center to hire a

management consultant and to follow its recommendations when certain financial thresholds are not met. She indicated that, under the Loan Agreement, additional collateral security must be provided if certain “funding events” occur. Ms. Wong stated that the collateral provided would be for the joint benefit of bonds issued and outstanding under the General Resolution and bonds issued and outstanding under the 2001 General Resolution. She further stated that the shared collateral, if required, would consist of mortgages, a security interest in all furnishings and equipment located at the mortgaged property, a security interest in gross revenues of the Center and certain of its affiliates, and a security interest in the proceeds of the sale of any of the Center’s or its affiliates’ real property.

Ms. Wong noted that the Loan Agreement also places certain restrictions on the sale or disposition of the Center’s and its affiliates’ real property. She indicated that the Hospital has executed an Inducement Agreement which will obligate it to comply with the provision of the Loan Agreement that purport to bind it as an affiliate of the Center. She further stated that each of the guarantors is expected to execute a guaranty that expressly obligates each of them to comply with the obligations of the Loan Agreement that purport to bind them as affiliates of the Center.

Ms. Wong stated that the bonds, if sold directly to one or more investors through a private placement will be sold pursuant to one or more Bond Purchase Agreements between DASNY and the investors on terms acceptable to the Center and DASNY. She noted that if issued through a direct sale to investors, the terms of the bonds so sold and their sale will comply with DASNY’s guidelines for the direct sale of its bonds to investors, which provide, among other things, that the investors be qualified institutional buyers (“QIBs”) who are purchasing for their own account and not with a view to resale, and that subsequent resales or transfers be restricted to QIBs.

Ms. Wong reported that the Center is expected to enter into a Continuing Disclosure Agreement with DASNY, the Trustee and DAC.

The Chair reminded the Members that the Finance Committee had met previously and voted to recommend the transaction to the full Board.

Mr. Ronski moved the adoption of the following entitled Resolution:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK MEMORIAL SLOAN-KETTERING CANCER CENTER 2017 SERIES 1 RESOLUTION AUTHORIZING UP TO \$465,000,000 2017 SERIES 1 BONDS

Mr. Abel seconded the motion and the Resolution was unanimously adopted.

### **Fordham University**

The President introduced Christopher J. Reitzel, Esq. of Squire, Patton Boggs LLP, and Douglas M. Seaton of D. Seaton and Associates, P.A., P.C., co-bond counsel on the transaction, and Mr. Ostrander. Mr. Ostrander updated the Members with respect to the transaction, noting

that the University's Board of Directors had approved the transaction and that, assuming DASNY Board approval, the transaction is expected to price and close by the end of the year.

Mr. Reitzel described the transaction and presented the financing documents. Mr. Reitzel stated that before the Members for their consideration is the adoption of a Series Resolution authorizing \$105,000,000 of DASNY's Fordham University Revenue Bonds, Series 2017. He noted that the Bonds will be issued pursuant to the Fordham University Revenue Bond Resolution, adopted in March 2008. He further noted that the proceeds of the Bonds may be used to: (i) advance refund all or a portion of the approximately \$89 million outstanding Fordham University Revenue Bonds, Series 2011A; and (ii) pay costs of issuance. Mr. Reitzel stated that the University's current expectation is that the Bonds will be issued as unenhanced, fixed rate Bonds. He further stated that it is currently expected that the initial issuance of Bonds will be sold by negotiated sale to a syndicate of underwriters led by Morgan Stanley and Co. LLC.

Mr. Reitzel stated that in order to give flexibility in structuring the sale and issuance of the Bonds, the Series 2017 Resolution also authorizes the sale of the Bonds by private placement and contains restrictions consistent with DASNY's guidelines for such sales. He noted that the General Resolution provides for the issuance from time to time of multiple series of bonds with each series separately secured from each other. He further noted that the Bonds are "special obligations" of DASNY payable solely out of the Revenues, which consist of the payments made by the University under the Loan Agreement.

Mr. Reitzel reported that payment of the Bonds is secured by the pledge and assignment made by the General Resolution of the Revenues, and the moneys and investments held in the funds and accounts established by the General Resolution and the Series Resolution. He stated that the Series Resolution delegates to various officers of DASNY the power to make the determinations described in the bond counsel letter and to do all things necessary or convenient in connection with the sale and issuance of the Bonds.

Mr. Seaton stated that DASNY and the University will execute a Loan Agreement, which will require the University to make timely payment of debt service on the Bonds. He noted that the University's obligation to make payments under the Loan Agreement will be a general obligation. He further noted that there will be no security interest in any revenues or other property of the University to secure the University's obligations under the Loan Agreement. Mr. Seaton stated that the Loan Agreement will contain a covenant by the University to retain a management consultant at DASNY's discretion in the event that the University's credit rating falls below the criteria established by DASNY's guidelines. He stated that if, as expected, the Bonds are publicly offered, the Bonds will be sold in a negotiated sale to Morgan Stanley and Co. LLC. Mr. Seaton noted that the Series 2017 Resolution also authorizes the execution of a bond placement agreement with any direct placement purchaser and, if applicable, the placement agent. He informed the Members that the University will enter into a Continuing Disclosure Agreement if the Bonds are publicly offered.

In response to an inquiry from the Chair, Mr. Ostrander explained that pursuant to the terms of the Loan Agreement, the University could be required to hire a management consultant if the University's credit rating falls below having at least one rating in the "A" category.

Mr. Abel moved the adoption of the following entitled Resolution:

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION  
AUTHORIZING UP TO \$105,000,000 FORDHAM UNIVERSITY REVENUE BONDS,  
SERIES 2017**

Ms. Snyder seconded the motion and the Resolution was unanimously adopted.

Mr. Abel moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations. Ms. Snyder seconded the motion, and the Meeting went into Executive Session.

**EXECUTIVE SESSION**

While in Executive Session, no action was taken other than to return to Public Session.

**PUBLIC SESSION**

The Chair announced that there would be another Special Meeting of the Board scheduled for December 6, 2017, in addition to the regularly scheduled Meeting to be held on December 13, 2017. The Chair thanked the Members again for their efforts in attending the Special Meetings that have been recently added to the Board Meeting schedule.

Mr. Ronski moved that the Meeting adjourn, Ms. Snyder seconded the motion and the Meeting was adjourned at approximately 11:23 a.m.

Respectfully submitted,

Michael E. Cusack  
Assistant Secretary