

The Dormitory Authority of the State of New York Finance Committee Meeting was held by videoconference technology among DASNY's Offices in New York City, 28 Liberty Plaza, New York, New York, 6047 Transit Road, Suite 103, Buffalo, New York, and 515 Broadway, Albany, New York at 9:30 a.m. on Wednesday, July 16, 2025.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Gerard Ronski, Committee Chair, at 9:30 a.m. and a quorum was then declared present. The following Board Members and Staff were present:

Finance Committee Members Present

Gerard Ronski, Esq., Finance Committee Chair (NYCO)
Janice McKinnie, Finance Committee Member (Buffalo)
Alfonso L. Carney, Jr., Finance Committee Member (*Via Teams – Per section 3.7 of DASNY by-laws*)

Other Board Members Present – NYCO

Lisa Gomez, Board Chair
Elizabeth Velez, Board Member

Other Board Members Present - Albany

Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (*ex officio*)
Kenneth Evans – Designated Representative of the Commissioner of Health, Board Member (*ex officio*)
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (*ex officio*)

Other Board Members Absent

Beryl L. Snyder, Esq., Board Member
Joan M. Sullivan, Board Member
Kent Syverud, Board Member

Senior and Presenting Staff Members

Robert Rodriguez, President/CEO
Charlie Williams, Vice President
Stephen Curro, Managing Director, Construction
Kimberly Ellis, Chief Financial Officer
Portia Lee, Managing Director, Public Finance & Portfolio Monitoring
Jennifer Maglienti, General Counsel
Sara Potter Richards, Managing Director, Executive Direction
Ricardo Salaman, Deputy General Counsel
Matthew Bergin, Director, Public Finance
Stephen Kosier, Assistant Director, Public Finance & Portfolio Monitoring

David Ostrander, Assistant Director, Public Finance & Portfolio Monitoring
Alex Sirdine, Senior Financial Analyst
Juan Reyes-Alvarez, Financial Analyst

Various Staff Members of DASNY, including Public Finance Fellows and the 2025 Summer Interns, also joined via Teams.

PUBLIC SESSION

Approval of Meeting Minutes from the June 25, 2025 Finance Committee Meeting

Finance Committee Chair Gerrard Ronski called the meeting to order and welcomed Members and Staff. The Minutes of the June 25, 2025 Finance Committee Meeting were then unanimously approved.

American Academy of the Dramatic Arts – Single Approval Financing

Mr. Ostrander stated that the Finance Committee is being asked to recommend to the full Board, a Single Approval transaction for a financing in an amount not to exceed \$37,000,000 with a term not to exceed 35 years on behalf of the American Academy of Dramatic Arts.

Mr. Ostrander informed the Members that the Academy, which was founded in 1884, is the oldest acting school in the U.S and operates its main campus in Manhattan and a second location in Los Angeles. He stated that AADA has been a DASNY client since 2019. Mr. Ostrander further stated that the bond proceeds are expected to be used to refund The Academy's Series 2019A and 2019B Bonds issued by DASNY and restructure the debt through a new purchaser.

Mr. Ostrander stated that DASNY issued \$34,000,000 of bonds in 2019 to finance the acquisition of a student housing facility located at 118 Madison Avenue. He further stated that the bonds were privately placed and purchased by Citizens Funding Corp. and TD Bank. Mr. Ostrander stated that in accordance with the 2019 documents between AADA and the purchasers, the Academy must comply with certain financial covenants as required by the purchasers, including a minimum liquidity ratio and a minimum debt service coverage ratio.

Mr. Ostrander explained that the Academy failed to meet its debt service ratio requirement as of August 31, 2024 and as a result, entered into a Forbearance Agreement with the purchasers. He further explained that under the terms of the Agreement, the Academy agreed to a defined plan to refinance the 2019 Bonds, as well as provide monthly reports on the progress of the sale of its California campus. Mr. Ostrander informed the Members that the Academy has operated a campus in Los Angeles since 1974, but enrollment declined significantly during the pandemic and has not rebounded to pre-COVID levels. He stated that the Board of Trustees decided to close the California campus at the end of the 2025 academic year and consolidate all operations in New York at the beginning of the 2026 academic year in order to ensure the viability of the Academy going forward. Mr. Ostrander informed the Members that closing the LA campus is expected to reduce long-term debt, and after the sale of the LA properties, only the outstanding debt from this proposed transaction will remain.

Mr. Ostrander informed the members that the proposed Series 2025 Bonds are expected to be sold through a private placement to Rosemawr Management LLC, a qualified institutional buyer. He stated that the bonds are expected to be issued as fixed rate bonds with an interest only period of four years. Principal amortization is expected to commence in 2029 with a final maturity in 2060. Mr. Ostrander further stated that security for the bonds, as required by the purchaser, is expected to include a pledge of revenues and a mortgage on all real property owned by the Academy. In addition, the Purchaser will also require certain financial covenants, including a minimum liquidity requirement, a debt service coverage ratio, and an additional debt test.

Mr. Ostrander stated that the restructuring will provide debt service relief over the next four years, as the Academy consolidates its operations at the New York campus and works to stabilize enrollment. He reported that total enrollment at the Academy has dropped sharply since the pandemic across both the NY and LA campuses and, while enrollment at the NY campus has rebounded slightly, enrollment at the LA campus declined in each of the last four years. Mr. Ostrander stated that total enrollment for Fall 2024 was 311: 64% NY students and 36% LA students. He further stated that the Academy has targeted an enrollment level of 290 at the New York campus beginning in fiscal year 2027, a level at which management believes is sufficient to sustain the Academy going forward and hopes to increase enrollment to 300-325 students in the future.

Mr. Ostrander reported that, while operating margins have been positive over the past five years, the Academy anticipates operating losses during fiscal year 2025 due to the expense of sustaining the LA campus through its final year with a substantially reduced enrollment. By consolidating campuses and incorporating strategies to grow enrollment, management projects improving operating margins beginning in fiscal year 2026. Mr. Ostrander informed the Members that total net assets have grown in recent years through positive operating margins as well as investment gains, but overall liquidity remains thin when compared to operating expenses and long-term debt. He reported that as of end of fiscal year 2024, the Academy reported \$43.8 million of long-term debt on its balance sheet. He noted that approximately \$13.2 million of this amount is associated with the LA campus and will be paid off with proceeds of the property sale, and the remaining net proceeds are anticipated to be used to pay down a portion of the debt associated with this transaction and help grow the Academy's endowment.

In response to an inquiry from Mr. Carney, Mr. Ostrander stated that the proceeds from this issuance are to be used exclusively to pay off the existing debt of the 2019 bonds and there will be no new money proceeds used at either of the Academy's campuses.

Mr. Ronski asked whether the Academy's Board had reviewed and approved this borrowing. Mr. Ostrander replied that the Board has approved the transaction. He explained that the Academy has its own placement agent who worked on the restructuring the existing bonds, including reaching out to different banks in order to obtain best possible deal. Mr. Ostrander stated that the sale of the LA building is expected to occur after the closing of this transaction.

The Committee Members unanimously agreed to recommend full Board Approval of the American Academy of the Dramatic Arts Single Approval Financing.

PIT/Sales Tax – Single Approval Financing

Mr. Bergin stated that the Finance Committee is being asked to recommend to the full Board the authorization for the issuance of multiple series of tax-exempt and/or taxable, fixed and/or variable rate bonds, issued at one or more times, in an amount not to exceed \$2.6 billion. He further stated that the State would like the flexibility to issue the proposed bonds under either the Personal Income Tax Revenue Bond Program and/or the Sales Tax Revenue Bond Program.

Mr. Bergin summarized that the proceeds of the Bonds will be used for new money and refunding purposes. With respect to the new money portion, he stated that the proceeds of the Bonds may be used for any authorized purpose; however, the programs or projects expected to be financed by the Bond proceeds include the State University of New York for various projects at SUNY educational facilities and SUNY hospitals; SUNY community colleges; and Transportation initiatives for the Department of Transportation's New York Works Program. Mr. Bergin noted that in addition to the new money portion, this authorization will refund certain bonds issued under various State supported debt programs.

Mr. Bergin informed the Members that security for the Personal Income Tax Revenue Bond Program includes 50% of the receipts from the New York State personal income tax, 50% of the employer compensation expense program, and 50% of the receipts from the pass-through entity tax which are deposited into the Revenue Bond Tax Fund. He stated that security for the Sales Tax Revenue Bond Program includes a set aside of two cents of the State's 4% sales tax which is deposited in the Sales Tax Revenue Bond Tax Fund.

Mr. Bergin stated that for the fiscal year ending March 31, 2025, the debt service coverage on all outstanding State Personal Income Tax Revenue bonds was 10.0 times total debt service and the debt service coverage on all outstanding State Sales Tax Revenue bonds was 7.1 times total debt service. He further stated that the expected ratings of either program are AAA/Aa1/AA+ \AA+.

The Committee Members unanimously agreed to recommend full Board Approval of the PIT/Sales Tax Single Approval Financing.

Rockland BOCES – Single Approval Financing

Mr. Kosier stated that the Finance Committee is being asked to recommend to the full Board the adoption of documents for a bond financing in an amount not to exceed \$47.9 million on behalf of Rockland BOCES.

Mr. Kosier reported that the State's Board of Cooperative Educational Services (BOCES) program was established in 1948 by legislation to enable school districts to combine resources to provide services that otherwise would be uneconomical, inefficient, or unavailable, and he noted that BOCES offers a wide range of services and programs that school districts can choose to participate in, including special education, career and technical education, staff development, and technology support. He stated that there are currently 37 BOCES in the State serving approximately 700 school districts.

Mr. Kosier informed the Members that BOCES are funded by payments made to them by the component school districts based on their allocable share of program services and administrative

and facilities expenses. He explained that school districts pay these expenses through real property tax levies. Mr. Kosier stated that the component school district boards vote on the BOCES administrative budget each spring; however, the portion allocated to the DASNY Rentals, which includes debt service, is not subject to the vote.

Mr. Kosier stated that the State has made appropriations to the BOCES program each year since 1949 to partially offset BOCES expenses. He further stated that the State appropriations to BOCES are available to be applied to pay debt service through a direct intercept, and the State Comptroller is required by law to deduct amounts due and payable to pay the DASNY Rentals from any State Aid due to the BOCES and pay it to or upon the order of DASNY. He added that since 2001, DASNY has issued approximately \$627 million in bonds through 29 bond series on behalf of 12 separate BOCES borrowers, and as of June 30, 2025, \$247.7 million was outstanding on behalf of 9 separate BOCES borrowers.

Mr. Kosier stated that the proposed issuance will be the first DASNY bond issue on behalf of Rockland BOCES. He further stated that Rockland BOCES, located in West Nyack, provides shared services to 8 component school districts in Rockland County that together serve approximately 40,000 students. Mr. Kosier informed the Committee Members that on March 6, 2024, voters approved a \$47.9 million financing for the construction of a new 52,000 square foot, two-story building to support the growth of Rockland BOCES Career and Technical Education and STEM programs. Mr. Kosier added that SED approval for the project was received on June 24, 2025, and the DASNY SEQR review has been completed.

Mr. Kosier stated that the Bonds will be secured by direct intercept, through the State Comptroller, of any State Aid due to Rockland BOCES specifically allocated for rental payments on the DASNY Lease Agreement. He added that a pledge of all other public funds apportioned by the State due to Rockland BOCES in an amount sufficient to pay such rental payments, and a one-half-year Debt Service Reserve Fund or Reserve Fund Facility. Mr. Kosier further reported that the bonds are expected to be rated Aa2 by Moody's.

In response to a question from Mr. Ronski, Mr. Kosier confirmed that SED has issued a Certificate of Approval for this project.

The Committee Members unanimously agreed to recommend full Board Approval of the Rockland BOCES Single Approval Financing.

The Finance Committee meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary