



**DASNY**

**KATHY HOCHUL**  
Governor

**LISA GOMEZ**  
Chair

**ROBERT J. RODRIGUEZ**  
President & CEO

***Memorandum***

**TO:** Sara P. Richards, Esq., Managing Director, Executive Direction

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

**DATE:** April 22, 2025

**RE:** *State Environmental Quality Review (SEQR) Determination for Cornell University's 2025 Commercial Paper Notes – New Money (Independent Colleges and Universities Program) – City of Ithaca, Tompkins County, New York*

***Description of Proposed Action and Proposed Project.*** Cornell University (“CU” or the “University”) has requested financing from the Dormitory Authority of the State of New York (“DASNY”) for its *2025 Commercial Paper Notes – Refinancing* (the “Proposed Project”). Based on a review of the attached *Transaction Report – Single Approval*, dated April 15, 2025 (the “Transaction Report”), it has been determined that the Proposed Action would involve DASNY’s authorization of the necessary amendments to Cornell University’s commercial paper program to allow for the issuance of multiple series of tax-exempt commercial paper notes (the “Notes”), pursuant to a plan of financing under DASNY’s Independent Colleges and Universities Program. In addition, approximately \$14,000,000 of the 2025 Commercial Paper Notes would be utilized by CU for the refinancing of costs associated with the acquisition of 301 College Avenue, as described below.

CU commercial paper program was initially approved in 1998 and was most recently amended in 2020. The existing documents allow for the University to issue up to \$200,000,000 of tax-exempt commercial paper notes at any one time with an aggregate amount of note issuance capped at \$1,500,000,000. The University is requesting that the amount outstanding at any one time be increased to \$1,000,000,000 and that the aggregate issuance cap be eliminated. These amendments allow Cornell to increase capacity under the program and provide the University with additional flexibility to issue through either the DASNY tax-exempt program or through Cornell’s own taxable program. The University’s Board has limited the issuance of commercial paper at \$1,000,000,000 outstanding at any one time across both programs. The documents will also be amended to require DASNY Board approval for future projects not currently contemplated in the Financing Details section of the Transaction Report. This provision, along with the removal of the aggregate issuance cap, is consistent with other commercial paper programs recently approved by DASNY.

**2025 Commercial Paper Notes:** The proceeds of the Notes are expected to be loaned to CU to refinance all or a portion of the cost of acquiring, renovating, equipping or otherwise providing for the Proposed Project, as described below:

**301 College Avenue.** The Notes would be utilized by CU for the refinancing of costs associated with the acquisition of the existing student residence located at 301 College Avenue, in the City of Ithaca, New York. The existing, approximately 50,000 gross square feet facility is a 102 bed, 26-unit, student housing property located in Ithaca. The building improvements were constructed in 1998 and included four (4) studio units, six (6) 3-bedroom ("BR"), 1-bathroom ("BA") units, six (6) 4BR/1BA units, four (4) 5BR/1BA units, and six (6) 6BR/2BA units. In addition, the building includes 11,885 square feet of ground level commercial space (office space and food service space). The building is equipped with an on-site laundry facility and a 43-space, at grade parking area.

The building is located along the eastern side of College Avenue and the western side of Linden Avenue. The site is comprised of a 0.595-acres (Tax parcel 67.-1-1) and is located within Ithaca's Mixed Use ("MU-2") and Collegetown Residential ("CR-4") zoning districts and is served by existing public utilities.

**About the Institution.** Cornell University is a private, not-for-profit institution of higher learning chartered and operated under the laws of the State of New York. The University was founded by Ezra Cornell whose original endowment was augmented by a substantial land grant from the State of New York received under the Federal Land Grant (Morrill) Act of 1862. Today, the University comprises privately funded schools and colleges and four State-supported schools located in Ithaca, New York, as well as Weill Cornell Medicine located in Manhattan and the Cornell Tech Campus located on Roosevelt Island.

The privately funded Endowed Colleges and academic units in Ithaca are the College of Architecture, Art and Planning; the College of Arts and Sciences; the College of Engineering; the Graduate School; the Law School; the School of Continuing Education and Summer Sessions; and University Libraries. The SC Johnson College of Business is a blended College with two Endowed Colleges: School of Hotel Administration and the Johnson School of Management, as well as a contract college unit, the Dyson School. The Contract Colleges are the College of Agriculture and Life Sciences; the College of Human Ecology; the School of Industrial and Labor Relations; and the College of Veterinary Medicine. Cornell's Contract Colleges have been assigned by State legislation with specific responsibilities in research and extension directed to support State needs. The Contract Colleges enroll approximately 34-percent of the student body and conduct 36-percent of total research expenditures of the University. The cost of construction and acquisition for certain Contract College facilities is borne primarily by the State.

Weill Cornell Medicine is comprised of the Weill Cornell Medical College, Weill Cornell Graduate School of Medical Sciences, and the Weill Cornell Physician Organization. The Medical College and the Weill Graduate School conduct instructional and research activities in the medical field, and, through the Physician Organization, the physician members generate clinical practice income for Cornell from their professional services to patients.

Cornell Tech is a technology, business, law and design campus focused on research, technology commercialization, and graduate-level education at the professional master's, doctoral and postdoctoral levels.

**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 State Environmental Quality Review (“SEQR”) process.*

The Proposed Project described herein would involve routine agency administration and management and the refinancing of costs associated with the acquisition of 301 College Avenue by the University. The *“routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment”*; and the *“refinancing existing debt,”* are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(26) and 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.”*<sup>1</sup> Therefore, no further SEQR determination or procedure is required for any component of the 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 (“S/NR”).*

Attachment

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

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<sup>1</sup> 6 N.Y.C.R.R. § 617.5(a)



## Transaction Report – Single Approval

### Cornell University - Ithaca, New York

April 15, 2025

#### PROGRAM:

Independent Colleges &  
Universities

#### PURPOSE:

Commercial Paper Notes - New  
Money

#### NOT TO EXCEED AMOUNT:

\$1,000,000,000 outstanding at  
any one time

#### NOT TO EXCEED TERM:

270 days from each issuance, up  
to 30 years

#### INTEREST RATE TYPE:

Fixed Rate Notes

#### NOTE TAX STATUS:

Tax-Exempt and/or Taxable

#### SALE TYPE:

Negotiated Offering

#### RATINGS:

Long-term – Aa1/AA  
Short-term – P-1/A-1+

#### SECURITY:

General Obligation

#### Proposed Commercial Paper Amendments

The Board is being asked to authorize the necessary amendments to Cornell University's commercial paper program to allow for the issuance of multiple series of tax-exempt commercial paper notes in an amount not to exceed \$1,000,000,000 outstanding at any one time.

The Cornell commercial paper program was initially approved in 1998 and was most recently amended in 2020. The existing documents allow for the University to issue up to \$200,000,000 of tax-exempt commercial paper notes at any one time with an aggregate amount of note issuance capped at \$1,500,000,000. The University is requesting that the amount outstanding at any one time be increased to \$1,000,000,000 and that the aggregate issuance cap be eliminated. These amendments allow Cornell to increase capacity under the program and provide the University with additional flexibility to issue through either the DASNY tax-exempt program or through Cornell's own taxable program. The University's Board has limited the issuance of commercial paper at \$1,000,000,000 outstanding at any one time across both programs. The documents will also be amended to require DASNY Board approval for future projects not currently contemplated in the Financing Details section below. This provision, along with the removal of the aggregate issuance cap, is consistent with other commercial paper programs recently approved by DASNY.

Cornell intends to finance the capital projects as described in the Financing Details section below using the proceeds from the issuance of Commercial paper notes ("CP Notes" or "Notes"). The interest rate on each CP Note will be fixed to maturity. If the Note is rolled to a new maturity, a new interest rate is set at the time of issuance. Each CP Note maturity will not exceed 270 days and can be rolled for a period of up to 30 years from the date of first issuance. Since the University's outstanding obligations carry a Aa1 rating from Moody's and a AA rating from S&P, the University is expected to act as its own liquidity facility provider to pay the principal and interest on the Notes when due at maturity, if necessary.

#### Financing Team:

- Dealers – BofA Securities, Inc. and JP Morgan
- Co-Bond Counsel – Orrick Herrington & Sutcliffe and Pearlman & Miranda
- Dealer's Counsel – Ballard Spahr

#### Purpose:

- Financing of various construction, renovation, and/or acquisition projects located throughout the University system, as described more specifically in the Financing Details section below (up to \$1.0 billion outstanding at any one time).

#### Security:

- It is anticipated that the Loan Agreement will be a general unsecured obligation of the University and no security interest in any revenues or assets of the University will be granted by the University to DASNY under the Loan Agreement.

- The Notes are expected to be assigned a short-term rating of P-1 from Moody's and A-1+ from S&P, the highest rating for short-term debt. It is anticipated that the University will act as its own liquidity facility provider to pay the principal and interest on the Notes when due at maturity, if necessary.

#### Description of the Notes:

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

#### Financing Details:

**New Money:** Proceeds from the proposed note issuance(s) are expected to refinance the purchase of 301 College Avenue, a 50,000 square foot student housing facility located near Cornell's Ithaca campus.

Other projects to be financed with note proceeds may include various renovation, deferred maintenance, and replacement projects located at various facilities across the Cornell system. Note issuances may also be used to finance additional projects not listed above, but previously approved for bond financing through DASNY. DASNY Board approval will be required for any future note issuances to finance projects not listed above and not previously approved for bond financing through DASNY.

#### Approvals

TEFRA Hearing – March 12, 2025 SEQR Filing – April 21, 2025 (anticipated) PACB Approval – April 23, 2025 (anticipated)

#### Borrower Overview

Cornell University is a private, not-for-profit institution of higher learning chartered and operated under the laws of the State of New York. The University was founded by Ezra Cornell whose original endowment was augmented by a substantial land grant from the State of New York received under the Federal Land Grant (Morrill) Act of 1862. Today, the University comprises privately funded schools and colleges and four State-supported schools located in Ithaca, New York, as well as Weill Cornell Medicine located in Manhattan and the Cornell Tech Campus located on Roosevelt Island.

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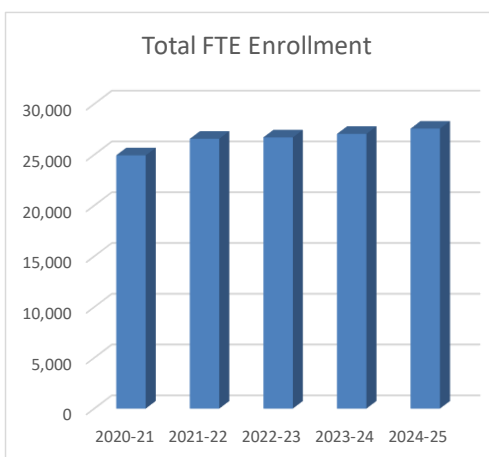
#### Financing History:

Cornell has been a DASNY client since 1961. To date, DASNY has issued over \$3.4 billion in debt on behalf of the University. As of December 31, 2024, approximately \$1.2 billion remained outstanding. There are currently no commercial paper notes outstanding under the University's tax-exempt program through DASNY.

## Enrollment:

### Selected Enrollment Statistics

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
First-time Freshman Applications Received	51,500	67,380	71,164	67,846	65,612
First-time Freshman Applications Accepted	5,514	5,852	5,168	5,358	5,516
Undergraduate Acceptance Ratio	10.7%	8.7%	7.3%	7.9%	8.4%
First-time Freshman Applicants Enrolled	3,296	3,765	3,491	3,537	3,525
Undergraduate Matriculation Ratio	59.8%	64.3%	67.6%	66.0%	63.9%
Full-Time Equivalent Enrollment					
Undergraduate	14,743	15,468	15,704	15,970	16,024
Graduate	<u>10,199</u>	<u>11,106</u>	<u>11,006</u>	<u>11,084</u>	<u>11,547</u>
Total FTE Enrollment	24,942	26,574	26,710	27,054	27,571

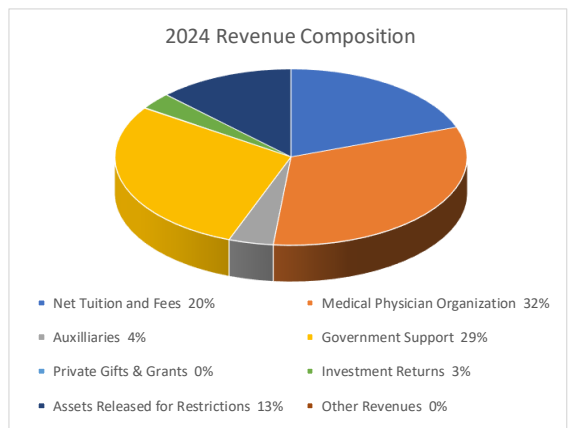


- The University has experienced strong demand and increasing enrollment over the last five years. Total FTE enrollment increased by 10.5% over five years, reaching a five-year high of 27,571 for fall 2024. Enrollment increased across both undergraduate and graduate programs.
- Freshman applications have averaged 64,700 annually over five years. During that time Cornell has become increasingly selective, accepting only 8.4% of applications for fall 2024.
- Cornell's reputation draws students from across the United States and internationally. Approximately 25% of all students come from New York State, followed by about 12% from Mid-Atlantic States, 6% from New England, and 31% from other areas of the Country. Cornell draws 26% of its student population internationally.

## Operations:

### Selected Operating Statistics

<i>(dollars in thousands)</i>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total operating revenue	\$4,308,204	\$4,540,970	\$5,118,932	\$5,384,352	\$5,694,235
Total operating expense	<u>4,516,557</u>	<u>4,504,141</u>	<u>4,987,123</u>	<u>5,411,033</u>	<u>5,933,874</u>
Change in net assets from operations	(208,353)	36,829	131,809	(26,681)	(239,639)
Total non-operating activities	<u>(185,089)</u>	<u>767,087</u>	<u>145,026</u>	<u>98,367</u>	<u>114,368</u>
Change in unrestricted net assets	(393,442)	803,916	276,835	71,686	(125,271)
Adjusted Operating Margin (DASNY 2023 Median: 1.3%)	-3.7%	1.9%	4.8%	1.3%	-2.3%
Adjusted Net Income Margin (DASNY 2023 Median: 2.6%)	-7.9%	18.6%	7.5%	3.1%	-0.4%
Annual Debt Service Coverage (DASNY 2023 Median: 2.2:1)	2.0	3.3	4.9	3.6	0.8

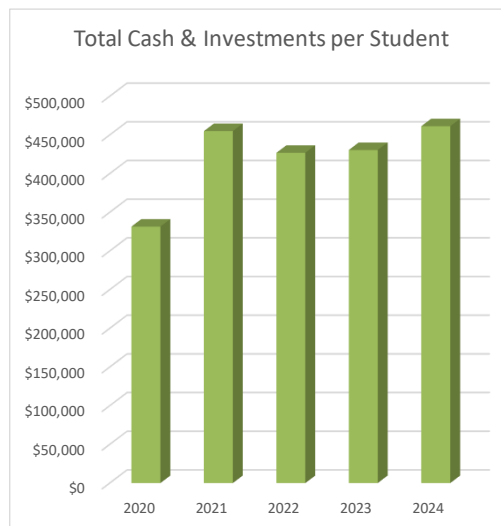


- Cornell has posted operating margins ranging from a high of \$131.8 million in fiscal year 2022 to a low of negative \$239.6 million in fiscal year 2024. The operating loss in 2024 was driven by a 9.6% increase in total expenses from FY 2023 to FY 2024 compared to revenue growth of 5.6% during that same period.
- The University has been successful in steadily increasing annual tuition rates while maintaining a consistent level of financial aid. Over the last five years, tuition revenue has grown by 21.4%, from \$1.2 billion in 2020 to \$1.5 billion in 2024, while the University's tuition discount rate has averaged 36.8%. Consequently, Net Tuition per FTE Student steadily increased from \$31,626 to \$34,263 during this period, a positive indicator of demand and profitability.

- Cornell's revenue composition is diverse. For fiscal year 2024, only 24% of revenues came from student-generated sources (20% from Tuition & Fees and 4% from Auxiliaries). Government support, consisting largely of sponsored research funding and state appropriations for the four contract colleges, accounted for 29% of revenues.

## Balance Sheet:

<b>Selected Financial Position Statistics</b>					
<i>(dollars in thousands)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Assets	\$14,850,618	\$17,907,729	\$17,961,299	\$18,221,061	\$19,548,619
Total Liabilities	4,529,786	4,457,854	4,246,947	4,182,935	5,022,353
<b>Net Assets</b>					
Unrestricted	3,029,185	3,833,101	4,109,936	4,181,622	4,056,351
Temporarily Restricted	0	0	0	0	0
Permanently Restricted	<u>7,291,647</u>	<u>9,616,774</u>	<u>9,604,416</u>	<u>9,856,504</u>	<u>10,469,915</u>
Total Net Assets	\$10,320,832	\$13,449,875	\$13,714,352	\$14,038,126	\$14,526,266
<b>Long-Term Debt</b>	\$1,918,482	\$1,876,730	\$2,036,670	\$1,978,761	\$2,497,549
Total Cash & Investments to Operating Expenses (DASNY 2023 Median: 1.7:1)	1.9	2.5	2.3	2.1	2.1
Total Cash & Investments to Total Debt (DASNY 2023 Median: 2.2:1)	3.4	4.6	4.5	4.7	4.1
Total Cash & Investments per Student	\$331,506	\$454,990	\$426,868	\$430,521	\$461,210



- Cornell's balance sheet reflects growing financial resources and liquidity. Unrestricted net assets increased by 33.9% over five years, from \$3.0 billion in fiscal year 2020 to \$4.1 billion in fiscal year 2024.
- Cash and Investments totaled \$12.5 billion as of fiscal year end 2024, an increase of 48% over five years. The University's Total Cash & Investments to Operating Expenses was 2.1:1 (DASNY 2023 Median of 1.7:1) for fiscal year 2024, while Total Cash and Investments to Total Debt was 4.1:1 (DASNY 2023 Median of 2.2:1).
- A portion of the University's 2024 fixed rate bond issuance through DASNY refunded outstanding variable rate debt, reducing the University's variable rate exposure by \$308.6 million and eliminating the swap liabilities associated with those bonds.

## Recommendation

- The Board is being asked to authorize the necessary amendments to Cornell University's commercial paper program to allow for the issuance of multiple series of tax-exempt commercial paper notes in an amount not to exceed \$1,000,000,000 outstanding at any one time. Orrick Herrington & Sutcliffe and Pearlman & Miranda, co-bond counsel, will provide the Board with an overview of the document amendments at the April 23, 2025 Board meeting.

*This report 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.*

*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.*