



DASNY

KATHY HOCHUL
Governor

ALFONSO L. CARNEY, JR.
Chair

REUBEN R. MCDANIEL, III
President & CEO

Memorandum

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

FROM: Matthew A. Stanley, AICP, Senior Environmental Manager, Office of Environmental Affairs

DATE: October 11, 2021

RE: *State Environmental Quality Review (SEQR) Determination* for the Fordham University 2021 Financing Project, Bronx (Bronx County) and Manhattan (New York County), New York

Description of Proposed Action and Proposed Project. Fordham University (“Fordham” or the “University”) has requested financing from the Dormitory Authority of the State of New York (“DASNY”) for its *2021 Financing Project* (the “Proposed Project”). Based on a review of the attached Transaction Summary Update, dated October 5, 2021, it has been determined that the Proposed Action would involve DASNY’s authorization of the issuance of one or more series of tax-exempt and/or taxable, fixed- and/or variable-rate Series 2021 Bonds to be sold through a negotiated offering and/or a private placement, in an amount not to exceed \$205,000,000 in funding under DASNY’s Independent Colleges & Universities Program. The two main campuses of the University are the Rose Hill Campus, 441 East Fordham Road, Bronx (Bronx County), and Lincoln Center Campus, 113 West 60th Street, Manhattan (New York County), New York.

2021 Financing Project. The proceeds of the bond issuance would be used to finance the *2021 Financing Project*, which would involve:

Refunding. Refunding all or a portion of the University’s Series 2012, Series 2014, and Series 2016A Bonds issued by DASNY.

McGinley Student Center Renovation and Expansion. Renovation and expansion of the McGinley Student Center (“McGinley”), including the construction of an approximately 71,000 gross-square-foot (“gsf”) new building adjacent and connected to McGinley, Rose Hill Gymnasium, and Lombardi Memorial Center; and approximately 93,880 gsf of renovations to the existing McGinley facility.

Thebaud Hall Boiler Plant. Replacement of high-pressure boilers that supply heat, hot water, and air conditioning to most of campus. Additional work would include structural repairs to Thebaud Hall (Rose Hill Campus) to accommodate the new boilers.

Old Quinn Library Classroom Conversion. Conversion of the vacant former Quinn Library space in the Leon Lowenstein Center (Lincoln Center Campus) to six classrooms/two storage rooms.

Cunniffe House Roof. Replacement of the roof on the north side of Cunniffe House (Rose Hill Campus).

Sustainability. Replacement of aging infrastructure with more sustainable energy producing equipment.

Deferred Maintenance, Renovations, Information Technology, and Miscellaneous Repairs. Various activities, including fire alarm modifications, elevator modernization, roof upgrades, steam leak repair, exhaust system upgrades, kitchen fire suppression system modifications, hydraulic jack replacement, skylight upgrades and scaffolding, chair rental and maintenance, elevator shaft facade repairs, carbon monoxide detection system, facade repairs, security booth renovations, underground piping, bulkhead roof upgrades, riser repairs, and roof drain system expansion and modifications, information technology improvements, design and civil engineering services, and capital planning and program management administration.

Together, these various project elements constitute the “Proposed Project” for purposes of SEQR compliance.

Institution. Fordham University is an independent, not-for-profit, coeducational, nonsectarian institution of higher education that was founded in 1841 and was granted its charter in 1846 by the State of New York. Fordham offers a wide selection of curricula, which lead to baccalaureate, masters, and doctorate degrees. Today, Fordham University comprises primarily three campuses — two residential and one commuter. The Rose Hill Campus, adjacent to the New York Botanical Gardens in the Bronx, and the Lincoln Center Campus, adjacent to the Lincoln Center for the Performing Arts on Manhattan’s Westside, are both residential campuses. The Westchester Campus located in Harrison, New York, is largely a commuter branch of the University. Fordham University serves approximately 16,364 undergraduate and graduate students at all locations.

SEQR Determination. DASNY conducted this environmental review in compliance 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.

Refunding. Refinancing of existing debt is a Type II action as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(29).

McGinley Student Center Renovation and Expansion. The McGinley project was the subject of a coordinated SEQR review, with DASNY as SEQR lead agency, resulting in the issuance of a *SEQR Negative Declaration Notice of Determination of Nonsignificance*, dated December 9, 2019. No further SEQR review is required for this component of the Proposed Project.

Thebaud Hall Boiler Plant. The Thebaud Hall project would involve the “*replacement, rehabilitation, or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy or fire codes...*”, “*conducting concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary to the formulation of a proposal for action...*” and the “*purchase or sale of furnishings, equipment or supplies...*” which are Type II actions as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(2), 6 *N.Y.C.R.R.* § 617.5(c)(27) and 6 *N.Y.C.R.R.* § 617.5(c)(31), respectively.

Old Quinn Library Classroom Conversion / Cunniffe House Roof. “*Replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes, unless such action meets or exceeds any of the thresholds in Part 617.4*” is a Type II action as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(2).

Sustainability. The project components described above would involve “*the purchase or sale of furnishings, equipment or supplies, including surplus government property, other than the following: land, radioactive material, pesticides, herbicides, or other hazardous materials.*” These would be Type II actions as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(31).

Deferred Maintenance, Renovations, Information Technology, and Miscellaneous Repairs. These activities would involve “maintenance or repair involving no substantial changes in an existing structure or facility”, “replacement, rehabilitation, or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy or fire codes...”, “conducting concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary to the formulation of a proposal for action...” and the “purchase or sale of furnishings, equipment or supplies...” which are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(1), 6 N.Y.C.R.R. § 617.5(c)(2), 6 N.Y.C.R.R. § 617.5(c)(27) and 6 N.Y.C.R.R. § 617.5(c)(31), respectively.

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.”¹ Therefore, no further SEQR determination or procedure is required for any component of the Proposed Project identified as Type II.

SHPA Determination. The Proposed Project 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 the 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.

The *McGinley Student Center Renovation and Expansion* was reviewed under SHPA by OPRHP’s State Historic Preservation Office (“SHPO”), concluding with a Letter of Resolution, dated March 5, 2020, among Fordham, DASNY, and OPRHP.

Thebaud Hall Boiler Plant. The Thebaud Hall project was reviewed by SHPO. In a letter dated May 19, 2020, attached, SHPO rendered the following opinion:

“Based upon our review, we understand that a new boiler addition is no longer proposed to be constructed, and that the basement will be renovated for this purpose instead. It is OPRHP’s opinion that the proposed work will have No Adverse Impact upon historic resources.”

It is the opinion of DASNY that the Proposed Project would have no impact on historical or cultural resources in or eligible for inclusion in the National and State Registers of Historic Places.

SSGPIPA Determination. The *McGinley Student Center Renovation and Expansion* was previously analyzed for consistency with the State of New York *Smart Growth Public Infrastructure Policy Act (“SGPIPA”)*, Article 6 of the New York ECL, for a variety of policy areas related to land use and sustainable development. The *Smart Growth Impact Statement Assessment Form (“SGISAF”)* is included with this determination.

All other components of the Proposed Project are considered Type II under SEQR and are therefore not subject to SSGPIPA.

¹ 6 N.Y.C.R.R. § 617.6(b)(3)(iii).

Transaction Summary Update

Fordham University
New York, New York

October 5, 2021

Program: Independent Colleges & Universities

Purpose: Refunding / New Money

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 \$205,000,000 with maturities not to exceed 31 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Senior Manager – Morgan Stanley
- Co-Bond Counsel – Nixon Peabody and D. Seaton and Associates
- Underwriter's Counsel – Katten Muchin Rosenman

Purpose:

- Refunding all or a portion of the University's Series 2012, Series 2014, and Series 2016A Bonds issued by DASNY (\$182.0 million).
- Financing of a portion of the costs associated with the renovation and expansion of the University's campus center located on the Rose Hill Campus in the Bronx, and/or certain renovation, repair, and replacement projects located on the University's campuses (\$14.9 million).

Security:

- General obligation of the University.

Current Ratings: Moody's: A2 (Stable)
S&P: A (Stable)
Fitch: NR

Overview

Fordham University is an independent, not-for-profit, coeducational, nonsectarian institution of higher learning principally located in the City of New York. Fordham was founded in 1841 and was granted its charter in 1846 by the State of New York. The University offers degrees ranging from the associate to the doctorate.

Fordham's original campus sits on 85 acres known as Rose Hill, adjacent to the New York Botanical Gardens in the Bronx. Located at the Rose Hill Campus are the Fordham College at Rose Hill, the College of Business Administration, the Fordham College of Liberal Studies and two graduate schools, the Graduate School of Arts and Sciences and the Graduate School of Religion and Religious Education. The Lincoln Center Campus, set on eight acres adjacent to Lincoln Center for the Performing Arts on the West Side of Manhattan, was established in 1961 and is home to the Fordham College at Lincoln Center, the Fordham College of Liberal Studies, and four graduate and professional schools, the School of Law, the Graduate School of Business Administration, the Graduate School of Education and the Graduate School of Social

Service. The Westchester Campus located in Harrison, New York houses branches of Fordham's graduate schools of education, social service and business administration, as well as a branch of Fordham College of Liberal Studies. Additionally, the University maintains a field station, the Calder Conservation and Ecology Center, on 114 acres of land in Armonk, N.Y.

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 – September 8, 2021
- PACB Approval – September 15, 2021
- TEFRA Hearing – October 6, 2021*
- SEQR Filing – October 11, 2021*

*Anticipated date.

Recommendation

Staff recommends that the Board adopt the necessary documents for one or more series of bonds with maturities not to exceed 31 years in an amount not to exceed \$205,000,000.

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.

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.



Transaction Summary

Fordham University
New York, New York

September 1, 2021

Program: Independent Colleges & Universities

Purpose: Refunding / New Money

New Issue Details

Approximately \$194,015,000 in fixed and/or variable rate, tax-exempt and/or taxable bonds with maturities not to exceed 31 years are to be sold at one or more times through a negotiated offering and/or a private placement.

Purpose:

- Refunding all or a portion of the University's Series 2012, Series 2014, and Series 2016A Bonds issued by DASNY (\$182.0 million).
- Financing of a portion of the costs associated with the renovation and expansion of the University's campus center located on the Rose Hill Campus in the Bronx, and/or certain renovation, repair, and replacement projects located on the University's campuses (\$14.9 million).

Security:

- General obligation of the University.

Current Ratings: Moody's: A2 (Stable)
S&P: A (Stable)
Fitch: NR

Overview

Fordham University is an independent, not-for-profit, coeducational, nonsectarian institution of higher learning principally located in the City of New York. Fordham was founded in 1841 and was granted its charter in 1846 by the State of New York. The University offers degrees ranging from the associate to the doctorate.

Fordham's original campus sits on 85 acres known as Rose Hill, adjacent to the New York Botanical Gardens in the Bronx. Located at the Rose Hill Campus are the Fordham College at Rose Hill, the College of Business Administration, the Fordham College of Liberal Studies and two graduate schools, the Graduate School of Arts and Sciences and the Graduate School of Religion and Religious Education. The Lincoln Center Campus, set on eight acres adjacent to Lincoln Center for the Performing Arts on the West Side of Manhattan, was established in 1961 and is home to the Fordham College at Lincoln Center, the Fordham College of Liberal Studies, and four graduate and professional schools, the School of Law, the Graduate School of Business Administration, the Graduate School of Education and the Graduate School of Social Service. The Westchester Campus located in Harrison, New York houses branches of Fordham's graduate schools of education, social service and business administration, as well as a branch of Fordham College of Liberal Studies. Additionally, the University maintains a field station, the

Calder Conservation and Ecology Center, on 114 acres of land in Armonk, N.Y.

Additional Information

- **Demand** - Demand for the University's programs has increased in each of the last five years. Applications totaled 47,936 for fall 2020, holding steady from 2019 despite disruptions caused by the COVID-19 pandemic.
- **Enrollment** - Full-time equivalent enrollment has increased in four out of the last years. The University reported 14,726 FTEs for the fall of 2020, down from a 5-year high of 15,400 FTEs in the fall of 2019.
- **Operations** - Operating margins have been positive in each of the last five years, averaging \$11.7 million.
- **Debt Service Coverage** - Fordham's debt coverage levels have averaged 2.6:1 annually since fiscal year 2016.
- **Tuition Dependency** - Fordham relies on tuition and fees and other student related revenue. For fiscal year 2020, tuition and fees accounted for 74% of total revenue while auxiliary revenue represented an additional 10%.
- **Debt Service Savings** - Assuming current market conditions, a total net present value savings in the range of \$19.8 million, or 12.3% of the refunded bonds, is expected from the refunding of the Series 2012, 2014, and 2016A bonds

Recommendation

The attached staff report recommends that the Board adopt a Resolution to Proceed for one or more series of bonds with maturities not to exceed 31 years in an amount not to exceed \$205,000,000.

This Transaction Summary 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.



Transaction Report

Fordham University

INSTITUTION: Fordham University (“Fordham” or the “University”) is an independent, not-for-profit, coeducational, nonsectarian institution of higher learning principally located in the City of New York. Fordham was founded in 1841 and was granted its charter in 1846 by the State of New York. The University offers degrees ranging from the associate to the doctorate.

Fordham’s original campus sits on 85 acres known as Rose Hill, adjacent to the New York Botanical Gardens in the Bronx. Located at the Rose Hill Campus are the Fordham College at Rose Hill, the College of Business Administration, the Fordham College of Liberal Studies and two graduate schools, the Graduate School of Arts and Sciences and the Graduate School of Religion and Religious Education. The Lincoln Center Campus, set on eight acres adjacent to Lincoln Center for the Performing Arts on the West Side of Manhattan, was established in 1961 and is home to the Fordham College at Lincoln Center, the Fordham College of Liberal Studies, and four graduate and professional schools, the School of Law, the Graduate School of Business Administration, the Graduate School of Education and the Graduate School of Social Service. The Westchester Campus located in Harrison, New York houses branches of Fordham’s graduate schools of education, social service and business administration, as well as a branch of Fordham College of Liberal Studies. Additionally, the University maintains a field station, the Calder Conservation and Ecology Center, on 114 acres of land in Armonk, N.Y.

DASNY FINANCING HISTORY: DASNY’s experience with Fordham University dates back to 1965. As of July 31, 2021 approximately \$486.5 million in bonds remained outstanding as shown in Table 1 below.

The University has always met its obligations to DASNY on time and in full.

THE REFUNDING PLAN: Proceeds from the proposed issuance are expected to refund all or a portion of the University’s Series 2012, Series 2014, and Series 2016A Bonds issued by DASNY. The Series 2012 Bonds have a current par amount outstanding of \$20,145,000 and are callable on or after July 1, 2022. The University intends to either advance refund the Series 2012 Bonds with taxable bonds or utilize a forward delivery of tax-exempt bonds, whereby the bonds would price as early as October 2021 and close on or after April 2, 2022 when the issuance would qualify as a current refunding. Although this would result in a forward yield premium, the forward delivery will allow the College to issue tax-exempt refunding bonds while taking advantage of current interest rates. The Series 2014 Bonds have a current par outstanding of \$47,530,000 and are callable on or after July 1, 2024. The University intends to advance refund the Series 2014 Bonds with taxable bonds. The Series 2016A Bonds have a current par amount outstanding of \$131,700,000. It is anticipated that the University will refund \$32,000,000 of Series 2016A stepped coupon bonds maturing on July 1, 2038. These stepped coupon bonds are currently callable. The remaining 2016A bonds are not callable until July 1, 2026. While the University may not choose to refund the balance at this time using taxable bonds, the full amount of 2016A Bonds has been included in this authorization in the event that market conditions are favorable.

Assuming current market conditions, a total net present value savings in the range of \$19.8 million, or 12.3% of the refunded bonds, is expected from the refunding of the Series 2012, 2014, and 2016A bonds as shown in Attachment I.

THE PROJECT: Proceeds from the proposed issuance are also expected to be used to finance a portion of the costs associated with improvements to the University’s campus center located on the Rose Hill Campus in the Bronx. These costs include (1) the construction of an approximately 71,000 square foot, three-level addition adjacent and connected to the existing McGinley Student Center, Rose Hill Gymnasium, and Lombardi Memorial Center (2) the renovation and improvement of the existing space, and (3) the acquisition and installation of furniture and equipment. The University financed a major portion of project costs associated with the campus center construction through its Series 2020 Bonds issued by DASNY. In addition to the projects associated with the campus center, bond proceeds may be used to finance certain renovation, repair, and replacement projects located on the University’s campuses.

FINANCING DETAILS: The proposed issuance is expected to be sold through multiple series of Bonds, including both tax-exempt and taxable tranches. Bond proceeds of approximately \$182.0 million are expected to be deposited to the refunding escrow. Project costs totaling approximately \$14.9 million are expected to be funded with bond proceeds. Issuance costs, including DASNY’s fee, counsel fees, and underwriter’s discount, are estimated in the range of \$1.3 million. Completing the plan of finance is expected to

<u>Series</u>	<u>Defeasance or Maturity</u>	<u>Amount Issued (000's)</u>	<u>Amount Outstanding (000's)</u>
1965 through 1998		\$249,885	\$ -
Series 2002	2012	94,095	-
Series 2004	2014	27,385	-
Series 2005A1	2008	47,875	-
Series 2005A2	2008	47,875	-
Series 2008A1	2032	48,610	32,075
Series 2008A2	2032	48,285	31,830
Series 2008B	2016	115,000	-
Series 2011A	2036	96,645	-
Series 2011B	2016	50,000	-
Series 2012	2032	42,320	20,145
Series 2014	2044	61,815	47,530
Series 2016A	2041	146,465	131,700
Series 2017	2036	78,050	78,050
Series 2020	2050	145,190	145,190
		<u>\$1,299,495</u>	<u>\$486,520</u>

require a bond issue of approximately \$194.0 million. A table of the estimated sources and uses of funds is provided in Attachment II.

Ratings: Moody's Investors Service has assigned a rating of "A2" to the outstanding obligations of the University with a "Stable Outlook". Standard & Poor's has rated the University's obligations "A" with a "Stable Outlook".

Security Provisions: 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 under the Loan Agreement.

Table 2 – Selected Enrollment Statistics

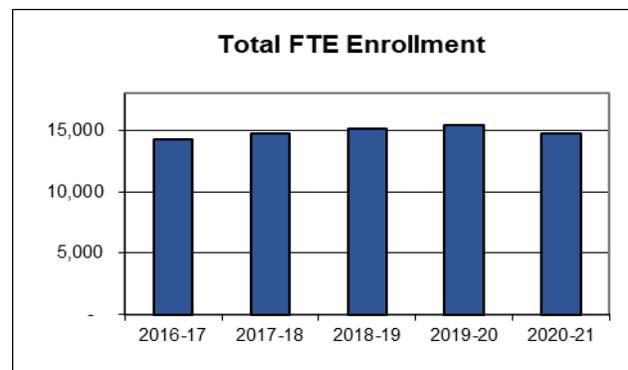
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
First-time Freshman Applications Received	44,816	45,147	46,308	47,930	47,936
First-time Freshman Applications Accepted	20,268	20,966	21,313	21,988	25,180
Undergraduate Acceptance Ratio	45.2%	46.4%	46.0%	45.9%	52.5%
First-time Freshman Applicants Enrolled	2,199	2,283	2,299	2,270	2,086
Undergraduate Matriculation Ratio	10.8%	10.9%	10.8%	10.3%	8.3%
Mean SAT Scores (Entering Freshmen)	1,266	1,321	1,335	1,340	1,319
Headcount Enrollment					
Full-Time	12,884	13,390	13,736	13,600	12,882
Part-Time	<u>2,698</u>	<u>2,647</u>	<u>2,779</u>	<u>3,372</u>	<u>3,482</u>
Total	15,582	16,037	16,515	16,972	16,364
Full-time Equivalent Enrollment					
Undergraduate	9,007	9,368	9,392	9,519	9,165
Graduate	<u>5,236</u>	<u>5,364</u>	<u>5,733</u>	<u>5,881</u>	<u>5,561</u>
Total	14,243	14,732	15,125	15,400	14,726

ENROLLMENT: Fordham offers undergraduate, graduate, and professional degree programs on campuses in the Bronx, Manhattan, and Westchester County. Full-time equivalent enrollment has increased in four out of the last five years. The University reported 14,726 FTEs for the fall of 2020, down from a 5-year high of 15,400 FTEs in the fall of 2019. Undergraduate enrollment represents just over 62% of total FTE enrollment with the remaining students enrolled in graduate and professional programs such as law and business.

Demand for the University's programs has increased in each of the last five years. Applications totaled 47,936 for fall 2020, holding steady from 2019 despite disruptions caused by the COVID-19 pandemic. The University's acceptance ratio showed an 6.7% increase from fall 2019 to fall 2020. Student quality has not been compromised as evidenced by the mean SAT score for each incoming freshman class averaging 1,316 for the last five years.

The new residence tower which opened in fall 2014 at the Lincoln Center campus and the new law school (projects that were partially financed with proceeds from the DASNY Series 2011 Bonds), along with a number of new program offerings, have positively impacted student demand. Construction of the new campus center is currently underway and is expected to be completed in 2025 (partially funded with DASNY Series 2020 Bonds). This is also expected to help in the University's recruitment efforts.

The chart below illustrates the University's increasing FTE enrollment between the fall of 2016 to 2019 and the subsequent decline in the fall of 2020.



Competition: Fordham draws about 70% of its first-time freshmen from the Northeast, including about 35% from New York State and the balance from New England, New Jersey and Pennsylvania. Despite the shift in population out of the Northeast, the University is expected to continue to benefit from its location in the New York City metropolitan area. Fordham continues to advance its reputation as a national university as evidenced by a historically low percentage of incoming freshmen hailing from New York City. The University reports that its largest cross-applications are with New York University, Boston University, Boston College, Villanova University and George Washington University.

Table 3 – Selected Operating Statistics

<i>(dollars in thousands)</i>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total operating revenue	\$588,387	\$596,508	\$631,615	\$661,239	\$665,559
Total operating expense	<u>580,117</u>	<u>592,348</u>	<u>617,107</u>	<u>635,194</u>	<u>660,060</u>
Change in net assets from operations	8,270	4,160	14,508	26,045	5,499
Total non-operating activities	<u>(50,147)</u>	<u>29,113</u>	<u>(11,109)</u>	<u>(10,286)</u>	<u>(17,374)</u>
Change in unrestricted net assets	(41,877)	33,273	3,399	15,759	(11,875)
Plus: Total depreciation/amortization	51,899	51,147	56,427	57,302	58,419
Plus: Total interest paid (expense)	<u>19,996</u>	<u>18,344</u>	<u>17,526</u>	<u>16,665</u>	<u>19,025</u>
Adjusted change in net assets	\$30,018	\$102,764	\$77,352	\$89,726	\$65,569
Cash provided by operating activities	\$37,687	\$32,010	\$65,953	\$40,127	\$27,205
Total annual debt service	\$34,148	\$36,013	\$32,935	\$34,221	\$37,155
Adjusted Operating Margin (DASNY 2020 Median: 0.6%)	3.0%	2.0%	2.8%	4.6%	1.6%
Adjusted Net Income Margin (DASNY 2020 Median: 2.1%)	-5.4%	6.8%	1.1%	3.0%	-1.0%
Debt Service to Operating Expenses (DASNY 2020 Median: 4.6%)	5.9%	6.1%	5.3%	5.4%	5.6%
Annual Debt Service Coverage (DASNY 2020 Median: 2:1)	2.6	2.3	2.8	3.1	2.4

OPERATIONS: Fordham continues to report positive operating results, despite significant capital spending in recent years and the impact of the COVID-19 pandemic on operations during fiscal year 2020. Operating Margins have averaged \$11.7 million over the last five years, ranging from a low of \$4.2 million in fiscal year 2017 to a high of \$26.0 million in fiscal year 2019. Fiscal year 2020 operations were negatively impacted by the pandemic, with the University issuing refunds to students for housing and food services totaling approximately \$24.9 million following the shift to remote learning. This amount was partially offset by Higher Education Emergency Relief Fund (HEERF) act funding totaling approximately \$2.2 million that was recognized in fiscal year 2020. In total, Fordham has been awarded approximately \$22.7 million in institutional funding through three rounds of HEERF, in addition to funds received for student financial aid. The balance of the HEERF funding will be recognized as revenue in fiscal years 2021 and 2022.

The University has undertaken a large number of capital projects at both its Rose Hill and Lincoln Center campuses in recent years. Lower margins in fiscal years 2016 and 2017 can be attributed to several one-time expenses associated with new properties on the Lincoln Center campus.

Net income margins were positive in three of the past five years. Fluctuations from year to year are largely the result of realized and unrealized investment gains and losses. Non-operating losses in fiscal years 2016 and 2020 can mainly be attributed to changes in investment returns of negative \$32.3 million and negative \$13.6 million, respectively. For fiscal year 2017, positive investment returns of \$20.6 million led to a positive change in unrestricted assets of \$33.3 million. In fiscal year 2018 non-operating losses were mainly due to a provision for voluntary separation benefits of \$10.5 million.

Fordham relies on tuition and fees and other student related revenue. Tuition and fees accounted for 74% of the University's total revenue for fiscal year 2020, in excess of the 2020 DASNY median of 57% for higher education institutions. Another 10% was represented by auxiliary revenue (primarily room and board) bringing the percentage of total revenue reliant upon student charges to about 84%. While tuition dependency is partially mitigated by the University's program diversity, it emphasizes the importance of continuing to attract a stable student population. Net tuition per FTE student has increased slightly over five years, reaching \$31,833 for fiscal year 2020.

Fordham's debt coverage levels have averaged 2.6:1 annually since fiscal year 2016.

The following chart presents the revenue composition for Fordham for fiscal year 2020.

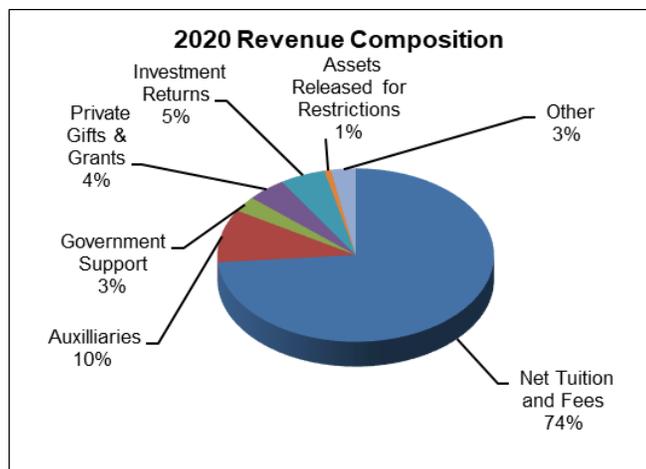


Table 4 – Selected Financial Position Statistics

<i>(dollars in thousands)</i>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Assets	\$1,814,671	\$1,908,604	\$1,963,267	\$2,016,384	\$2,151,423
Total Liabilities	636,826	617,057	630,020	630,968	786,584
Net Assets					
Unrestricted	630,312	663,585	666,930	682,743	670,868
Temporarily Restricted	245,866	296,035	313,353	323,353	301,465
Permanently Restricted	<u>301,667</u>	<u>331,927</u>	<u>352,964</u>	<u>379,320</u>	<u>392,506</u>
Total Net Assets	\$1,177,845	\$1,291,547	\$1,333,247	\$1,385,416	\$1,364,839
Long-Term Debt	\$456,578	\$439,596	\$429,400	\$411,364	\$557,238
Total Cash & Investments to Operating Expenses (DASNY 2020 Median: 1.7:1)	1.1	1.2	1.3	1.4	1.3
Total Cash & Investments to Total Debt (DASNY 2020 Median: 2.6:1)	1.5	1.7	1.9	2.1	1.5
Total Cash & Investments per Student	\$47,745	\$51,962	\$55,371	\$57,229	\$54,817

BALANCE SHEET: The University’s unrestricted net assets have increased by \$40.6 million since fiscal year 2016, primarily due to operating surpluses as well as net investment appreciation. Total net assets have increased by \$187.0 million, or 16%, over five years, reaching over \$1.36 billion in fiscal year 2020.

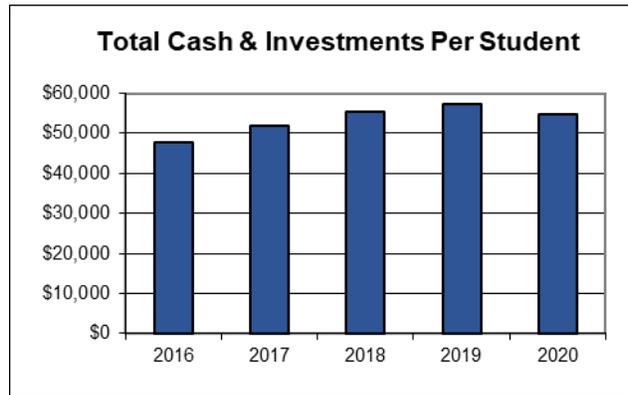
Total Cash & Investments to Total Debt was 1.5 times at fiscal year-end 2020 (DASNY Median: 2.6 times) while Total Cash & Investments to Operating Expenses was 1.3 times (DASNY Median: 1.7 times).

Fundraising has been positive, averaging just over \$60 million annually over the last five years. The University completed its most recent capital campaign dedicated to financial aid, raising a total of \$175 million in honor of its 175th anniversary in July 2019.

At FYE 2020, the University held approximately \$162.9 million in financial assets, including unrestricted investments, to manage short-term liquidity. In addition, the University maintains a committed line of credit of \$50 million which can be drawn upon to manage liquidity needs.

Fordham had long-term debt totaling \$557.2 million as of FYE 2020, the majority of which was issued through DASNY. Approximately 14% of this debt is variable rate. The University has one floating-to-fixed rate swap on its Series 2008A Bonds which carried a fair value of negative \$11.7 million as of FYE 2020. No collateral posting was required as of FYE 2020.

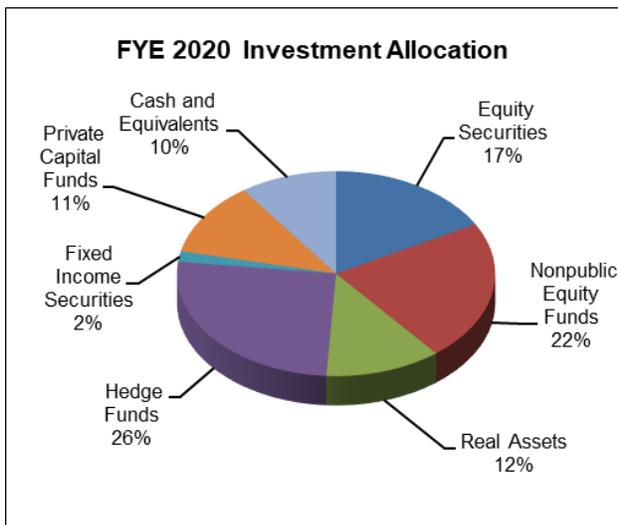
The following chart illustrates the University’s total resources for the past five years.



ENDOWMENT AND INVESTMENTS: The University's endowment consists of approximately 1,044 individual funds established for a variety of purposes. At June 30, 2020, the University reported endowment and other investments valued at over \$819 million. The value of the University's endowment was reported at \$763.5 million as of fiscal year end 2020.

To preserve the value of the endowment and provide a predictable flow of funds to support operations, Fordham has a spending policy which is applied annually to a rolling three-year value for those endowment funds that are part of the investment pool. The approved spending rate is currently 4.5%. The amount appropriated for expenditure totaled \$30.2 million for fiscal year 2020.

The chart below presents the composition of the University's investments as of June 30, 2020.



SUMMARY: Staff recommends the Board adopt a Resolution to Proceed for one or more series of bonds in an amount not to exceed \$205,000,000.

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.



**Fordham University
Savings Analysis**

Date	Existing D/S	New D/S	Gross Savings
2022	6,646,617	5,877,135	769,482
2023	9,132,950	7,943,544	1,189,406
2024	8,797,150	7,606,698	1,190,452
2025	8,806,350	7,613,310	1,193,040
2026	10,196,950	9,005,028	1,191,922
2027	10,675,850	9,487,901	1,187,950
2028	10,676,600	9,484,153	1,192,447
2029	9,747,500	8,556,159	1,191,342
2030	14,168,250	12,975,171	1,193,079
2031	14,601,800	13,413,641	1,188,159
2032	14,728,056	13,538,302	1,189,754
2033	13,150,875	11,956,152	1,194,723
2034	13,159,275	11,970,458	1,188,817
2035	13,160,475	11,965,913	1,194,562
2036	19,831,381	18,641,748	1,189,633
2037	20,826,788	19,639,065	1,187,723
2038	20,738,425	19,547,740	1,190,685
2039	13,236,944	12,043,220	1,193,724
2040	13,159,000	11,967,454	1,191,546
2041	13,062,000	11,869,167	1,192,833
2042	3,241,000	2,398,812	842,188
2043	3,236,000	2,394,703	841,297
2044	3,239,250	2,398,537	840,713
Total	268,219,485	242,294,012	25,925,474

PRESENT VALUE ANALYSIS SUMMARY

Total PV Debt Service Savings.....	19,826,442
Less: Prior Funds on Hand.....	-
Plus: Refunding Funds on Hand.....	<u>12,642</u>
NET PRESENT VALUE BENEFIT.....	19,839,084
 NPV BENEFIT OF BONDS BEING REFUNDED.....	 12.34%
NPV BENEFIT OF REFUNDING PRINCIPAL.....	11.08%



**Fordham University
Sources and Uses of Funds**

Sources of Funds:

Bond Proceeds		
Par Proceeds	\$	194,015,000
Original Issue Premium		4,174,282
<i>Total Sources</i>	\$	198,189,282

Uses of Funds:

		% of Par
Project Fund Deposit	\$	14,904,093
Refunding Escrow Deposits		182,032,055
Costs of Issuance and Underwriter's Discount		1,253,134 0.65%
<i>Total Uses</i>	\$	198,189,282

All Figures in 000's	Balance Sheets				
	2016	2017	2018	2019	2020
Assets					
Cash and Cash Equivalents	\$ 1,939	1,242	14,581	13,377	25,176
Accounts Receivable	5,565	10,630	11,598	16,975	20,054
Contributions Receivable	51,154	62,128	53,798	69,839	63,233
Grants, Loans and Other Receivables	20,068	11,260	10,325	8,851	7,630
Short-Term Investments	0	0	0	0	0
Investments	660,335	738,854	801,142	852,210	819,004
Property, Plant and Equipment, Net	1,068,716	1,063,245	1,048,183	1,028,513	1,061,178
Deposits Held Under Debt Agreements	2,046	546	499	616	132,892
Prepaid Expenses and Other Assets	4,848	20,699	23,141	26,003	22,256
Right to Use Leased Property	0	0	0	0	0
Total Assets	\$ 1,814,671	1,908,604	1,963,267	2,016,384	2,151,423
Liabilities					
Accounts Payable and Accrued Expenses	\$ 68,082	62,852	59,888	76,500	84,679
Deposits and Deferred Revenues	30,657	37,099	53,860	54,710	52,397
Federal Grants and Student Loans	4,720	0	0	0	0
Pension and Postretirement Benefits	57,178	58,786	61,032	67,824	72,854
Short-term Debt Obligations	0	0	0	0	0
Long-Term Debt	456,578	439,596	429,400	411,364	557,238
Lease Obligations	0	0	0	0	0
Due to Related Organizations	0	0	0	0	0
Asset Retirement Obligation	0	0	0	0	0
Other Liabilities	19,611	18,724	25,840	20,570	19,416
Total Liabilities	\$ 636,826	617,057	630,020	630,968	786,584
Net Assets					
Unrestricted	\$ 630,312	663,585	666,930	682,743	670,868
Temporarily Restricted	245,866	296,035	313,353	323,353	301,465
Permanently Restricted	301,667	331,927	352,964	379,320	392,506
Total Net Assets	\$ 1,177,845	1,291,547	1,333,247	1,385,416	1,364,839
Total Liabilities and Net Assets	\$ 1,814,671	1,908,604	1,963,267	2,016,384	2,151,423

All Figures in 000's	Statement of Activities				
	2016	2017	2018	2019	2020
Operating Revenue					
Tuition and Fees	\$ 593,711	626,747	669,108	708,121	745,822
Less Financial Aid	-179,641	-205,200	-221,712	-236,245	-255,588
Net Tuition and Fees	\$ 414,070	421,547	447,396	471,876	490,234
Sales and Service of Auxiliaries	\$ 78,397	81,394	82,157	83,442	66,007
Government Grants and Contracts	15,980	16,972	16,148	14,632	19,227
Private Gifts and Grants	27,957	27,540	28,371	31,483	30,246
Investment Return	27,246	27,845	32,065	32,501	35,459
Other Revenues	17,856	16,739	20,862	21,119	19,210
Sales and Services -Educational	0	0	0	0	0
Hospital and Faculty Patient Care	0	0	0	0	0
Assets Released from Restriction	6,881	4,471	4,616	6,186	5,176
Total Operating Revenue	\$ 588,387	596,508	631,615	661,239	665,559
Operating Expense					
Instruction and Research	\$ 234,644	235,497	363,502	374,617	394,759
Academic Support	89,519	89,392	172,902	175,849	176,904
Student Services	75,313	83,115	0	0	0
Institutional Support	71,576	76,603	80,703	84,728	88,397
Facilities Expense	0	0	0	0	0
Auxiliary Expense	89,536	89,324	0	0	0
Sponsored Programs	0	0	0	0	0
Other Operating Expense	19,529	18,417	0	0	0
Hospital and Faculty Patient Care	0	0	0	0	0
Total Operating Expense	\$ 580,117	592,348	617,107	635,194	660,060
Chg in Unrestricted Net Assets from Operating Activities	\$ 8,270	4,160	14,508	26,045	5,499
Non-Operating Activities					
Net Excess Investment Return/(Loss)	\$ -32,333	20,583	354	-13,394	-13,591
Capital Gifts and Contributions	0	0	0	0	0
Assets Released from Restriction	0	0	0	0	0
Other Non-Operating Items, Net	-14,094	2,600	-15,123	3,416	-6,587
Pension & Postretirement Obligations	0	0	3,660	-308	2,804
Change in Value of Derivatives	-3,720	5,930	0	0	0
Extraordinary Gain/(Loss)	0	0	0	0	0
Total Non-Operating Activities	\$ -50,147	29,113	-11,109	-10,286	-17,374
Change in Unrestricted Net Assets	\$ -41,877	33,273	3,399	15,759	-11,875

Independent Higher Education Institutions

Financial and Operating Ratios

	Year					2020 DASNY Median
	2016	2017	2018	2019	2020	
<u>Liquidity Ratios</u>						
Total Cash & Investments to Operating Expenses (x)	1.1	1.2	1.3	1.4	1.3	1.7
Total Cash & Investments to Total Debt (x)	1.5	1.7	1.9	2.1	1.5	2.6
Expendable Resources to LT Debt (x)	0.6	0.8	0.8	0.9	0.6	1.1
Total Cash & Investments per Student (\$)	\$47,745	\$51,962	\$55,371	\$57,229	\$54,817	\$76,798
Cash Income (%)	6.3%	5.3%	10.4%	6.0%	4.1%	0.3%
Operating Cash Flow to Debt Service (x)	1.10	0.89	2.00	1.17	0.73	0.08
<u>Capital Ratios</u>						
Capital Spending (x)	1.6	0.9	0.7	0.6	1.5	0.8
Age of Facility (Yrs)	9.19	9.77	9.66	10.35	11.05	13.95
Debt Service to Operating Expenses (%)	5.9%	6.1%	5.3%	5.4%	5.6%	4.6%
Annual Debt Service Coverage (x)	2.6	2.3	2.8	3.1	2.4	2.0
Total Debt to Total Capitalization (x)	0.3	0.3	0.2	0.2	0.3	0.2
LT Debt per Student (\$)	\$32,916	\$30,864	\$29,147	\$27,198	\$36,184	\$34,312
<u>Productivity and Demand Ratios</u>						
Primary Matriculation (Yield) (%)	10.9%	10.8%	10.9%	10.8%	10.3%	29.3%
Primary Selectivity (Acceptance) (%)	47.6%	45.2%	46.4%	46.0%	45.9%	53.5%
Student/Faculty (x)	13.0	13.6	14.3	13.9	13.7	10.7
Tuition Discount (%)	30.3%	32.7%	33.1%	33.4%	34.3%	34.3%
Educational Core Services (%)	39.2%	39.0%	57.2%	56.3%	58.9%	41.3%
<u>Profitability and Operating Ratios</u>						
Operating Margin (%)	3.0%	2.0%	2.8%	4.6%	1.6%	0.6%
Net Income Margin (%)	-5.4%	6.8%	1.1%	3.0%	-1.0%	2.1%
Net Tuition per Student (\$)	\$29,851	\$29,597	\$30,369	\$31,198	\$31,833	\$28,335
Return on Net Assets (%)	-4.4%	9.2%	3.2%	3.8%	-1.5%	0.5%
Return on Average Investment Value (%)	-4.4%	13.0%	6.2%	2.6%	-0.4%	2.9%
Net Tuition Dependency (%)	69.2%	69.7%	70.5%	70.9%	73.1%	56.7%
Tuition and Auxiliaries (%)	82.3%	83.2%	83.4%	83.4%	83.0%	74.8%
Federal Financial Ratio (x)	2.24	3.00	2.65	2.84	2.51	2.33

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW
YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO
PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE
THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE
FINANCING OF FACILITIES FOR
FORDHAM UNIVERSITY

Resolved that the staff and bond counsel be authorized to proceed to take the necessary action and prepare the appropriate documents to provide for the financing of facilities for Fordham University, provided, however, that the adoption of this Resolution imposes no duty on the part of DASNY to issue obligations for or on behalf of Fordham University.

This Resolution shall take effect immediately.



**Parks, Recreation,
and Historic Preservation**

ANDREW M. CUOMO
Governor

ERIK KULLESEID
Commissioner

May 19, 2020

Sara Stein
Senior Environmental Manager
DASNY
One Penn Plaza
New York, NY 10119

Re: DASNY
Reconstruction, Renovation and Upgrade of Fordham University's Main Steam Boiler
Plant (MSBP)
441 E. Fordham Rd, Bronx, NY 10458
20PR03009
HECap #13242

Dear Ms. Stein:

Thank you for continuing to consult with the Division for Historic Preservation of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the submitted materials in accordance with the New York State Historic Preservation Act of 1980 (section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the Division for Historic Preservation and relate only to Historic/Cultural resources.

We have reviewed the revised project drawings that were provided to our office on May 19th, 2020. Based upon our review, we understand that a new boiler addition is no longer proposed to be constructed, and that the basement will be renovated for this purpose instead. It is OPRHP's opinion that the proposed work will have No Adverse Impact upon historic resources.

If additional information or correspondence is required regarding this project it should be provided via our Cultural Resource Information System (CRIS) at <https://cris.parks.ny.gov/>. Once on the CRIS site, you can log in as a guest and choose "submit" at the very top menu. Next choose "submit new information for an existing project" at the very bottom of the page. You will need this project number and your e-mail address. If you have any questions, I can be reached at (518) 268-2182.

Sincerely,

Olivia Brazee
Historic Site Restoration Coordinator
olivia.brazee@parks.ny.gov

via e-mail only