



DASNY

KATHY HOCHUL
Governor

LISA GOMEZ
Chair

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: February 12, 2024

RE: *State Environmental Quality Review (SEQR) Determination for the New York Institute of Technology 2024 Financing Project, Old Westbury (Nassau County); Manhattan (New York County), New York*

Description of Proposed Action and Proposed Project. New York Institute of Technology (“NYIT”) has requested financing from the Dormitory Authority of the State of New York (“DASNY”) for its *2024 Financing Project* (the “Proposed Project”). Based on a review of the attached Transaction Report Update, dated February 6, 2024, 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 2024 Bonds to be sold through a negotiated offering and/or a private placement, in an amount not to exceed \$105,000,000 in funding under DASNY’s Independent Colleges & Universities Program. NYIT has campuses at 1855 Broadway, Manhattan (New York County) (the “New York City” or “NYC” campus), and Northern Boulevard at Valentines Lane, Old Westbury (Nassau County) (the “Old Westbury” or “OW” campus), New York.

2024 Financing Project. The proceeds of the bond issuance would be used to finance the *2024 Financing Project*, which would involve:

Mechanical Improvements (OW). This component of the Proposed Project would include replacement of aged heating, ventilation, and air conditioning (“HVAC”) units and improvements to the Building Management System (“BMS”), including consolidation to a single platform, at various buildings on the OW campus, including Education Hall, Green Lodge, Tower House, de Seversky Mansion, Student Activity Center, Serota Hall.

Athletic Facility Improvements (OW). This component of the Proposed Project would include improvements to the lacrosse/soccer field (replacement bleachers); President Field and Field House (site drainage, investigate/mitigate the cause of storm water flooding); President Field (replacement of the playing field and track); Student Activity Center and Field House (interior renovation: locker rooms, showers, bathrooms, student affairs, lounges); Basketball, tennis, pickleball courts (replacement of basketball and tennis courts; conversion of some tennis courts to pickleball courts); and baseball and softball fields (drainage improvements and maintenance).

Cooling Tower (NYC) / Chiller and Boiler (OW) Replacements. This component of the Proposed Project would include improvements to Medical Quad / Central Cooling Plant (OW) (replacement of aged cooling tower, chiller, pump house, and BMS); 1855 Broadway (NYC) (chiller and cooling tower replacement); Rockefeller Hall (OW) (boiler replacement); Field House (OW) (boiler replacement).

Roof Replacements (OW / NYC). This component of the Proposed Project would include roof replacements at Schure Hall (OW) (replace existing roof with EPDM); Salten Hall (OW) (replace existing roof with EPDM); Riland

and Rockefeller Hall (OW) (replace parapet EPDM and associated coping); Gerry House (OW) (reimbursement for completed replacement of slate tile with new synthetic slate, other improvements); Education Hall (OW) (reimbursement for completed replacement of slate tile with new synthetic slate, other improvements); Tower House (OW) (reimbursement for completed replacement of asphalt shingles with new asphalt shingles, new weather guard underlayment, new flashing, louvers, gutters and leaders and repairs to damaged sheathing, fascia and eaves); and 1855 Broadway (NYC) (replace existing EPDM roof with new insulation and EPDM membrane).

Facade and Foundation Waterproofing (OW). This component of the Proposed Project would include improvements to Riland & Rockefeller Halls (evaluate the building envelope and foundation to determine points of water entry into the interior of the building; make necessary corrections); Ferentinos Hall (investigate and repair various foundation leaks, as well as site drainage as necessary; survey/repair standing seam metal roof and brick façade); Midge Karr Hall (restoration of aged building facade materials, repair the foundation/site drainage to prevent water intrusion); Salten Hall (investigate and repair various foundation leaks, as well as site drainage as necessary); Serota Hall (investigate and repair various foundation leaks, as well as site drainage as necessary; survey the brick façade and make necessary repairs).

de Seversky Mansion Facade (Phase 2) (OW). This component of the Proposed Project would include repairs to windows, doors, brick facade repair, brick and marble site walls; investigate roof slate.

Flood Mitigation (OW). This component of the Proposed Project would include improvements to Ferentinos Hall (replace existing doors with flood doors; investigate engineering solutions for all concerns); Field House (provide flood barriers/doors at east entrance, and adjacent below grade stairs; investigate engineering solutions for all concerns); Salten Hall (provide flood barrier/door at the south entrance, located below grade; investigate engineering solutions for all concerns); Serota Hall (provide flood barriers/doors at east entrance and stairwell, located below grade; investigate engineering solutions for all concerns).

Simonson House Facilities Service Area Renovation (OW). This component of the Proposed Project would include a new Facilities Operations Support Office (approx. 4,500 square feet ("sf"), including locker rooms, showers, lounge, new furniture; new approx. 2,500-sf storage enclosure); salt shed replacement (new 750-sf pre-engineered metal building, new slab/foundation); fuel tanks (replacement fueling system with pre-engineered canopy, new fuel pumps, lighting, and underground fuel storage tanks; emergency generator); paving of parking lot and service area, also new site lighting.

1855 Broadway Renovations (NYC). This component of the Proposed Project would include improvements to 1855 Broadway (reimbursement for completed 9th Floor renovation of computer and engineering labs, including new walls, power, lighting, finishes, audio/visual, network data closet, and furniture; removal of asbestos containing materials ("ACMs") to facilitate the installation of flooring and sprinklers for the entire floor; and cosmetic renovation of restrooms and corridors); modernization of the 3 passage elevators; renovation of 3 academic floors (9th: renovate bio/chem labs to make them dual purpose labs and increase the hood capacity in the labs; 10th: expand fabrication lab to adjoining decommissioned computer lab; 12th: renovate existing administrative suite); provide new connection between 1849 Broadway Café and 1855 EGGC (fire doors, ADA ramp, ADA restrooms in 1849 student study/seating area; renovate 1855 lobby to provide visual barriers security, reconfigured security desk, lighting, and fire sprinkler system on the entire ground floor); new fire sprinkler system on 7th and 8th floor, including abatement of above ceiling fireproofing and new ceiling and lighting).

Education Hall Façade & Site Improvements (OW). This component of the Proposed Project would include restoration of stucco, wood trim, brick, windows, and doors; replacement of rear retaining wall, stairs, walks, and landscaping; site drainage improvements.

Academic Quad Site Upgrades (OW). This component of the Proposed Project would include improvements to the academic quad, including pavers, seating, landscaping, site lighting, walks, ramps, and shelters; roadway paving, walks, irrigation, drainage, and landscaping; replacement of site lighting system and pole mounted security camera.

Ferentinos Hall Interior Renovations (OW). This component of the Proposed Project would include renovation of building interior and reorganization of the building from School of Management to Health Professions.

Rockefeller Hall Library Renovation (OW). This component of the Proposed Project would include renovation of lower levels of COM library and student gathering spaces due to previous flooding.

Tower House Interior Renovations (OW). This component of the Proposed Project would include interior renovation of the administrative suite, HVAC and landscaping.

Gerry House Façade & Interior Renovations (OW). This component of the Proposed Project would include interior renovation to include new finishes and new lighting, upgraded HVAC; façade work would include replacement of doors and windows; exterior site work to include landscaping.

Serota Hall Lab Renovation (OW). This component of the Proposed Project would include renovation and modernization of a lab to include new finishes, new HVAC system, new electrical distribution and upgrade of AV/IT systems.

OW & NYC Wayfinding. This component of the Proposed Project would include new signage throughout the OW and NYC campuses, including monument signs, directional site signage, building signage, building directories and room signage.

Theobald Hall Renovations (OW). This component of the Proposed Project would include renovation of a lab, including new finishes, HVAC, new electrical distribution, new transformer and switch gear.

McCarthy House Repairs (OW). This component of the Proposed Project would include reimbursement for the replacement of the existing roof, including replacement of wood rakes, moldings, and gutters; replacement of structural brick retaining wall, stairs and landscaping; repair or replace the brick, stucco and wood components of the building exterior.

Paving & Sidewalks (OW). This component of the Proposed Project would include reimbursement for paving and sidewalk improvements.

Wastewater Treatment Plant Replacement (OW). This component of the Proposed Project would involve the replacement of the existing wastewater treatment plant on unused space within the plant.

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

Institution. New York Institute of Technology is an independent, not-for-profit, coeducational institution of higher learning. NYIT offers more than 90 undergraduate, graduate, and professional degrees in nearly 50 fields of study through six colleges and schools: NYIT College of Osteopathic Medicine, College of Engineering and Computing Sciences, School of Architecture and Design, College of Arts & Sciences, School of Management,

and School of Health Professions. NYIT operates two primary campuses in the metropolitan New York area; a campus in suburban Long Island at Old Westbury in Nassau County and a campus in Manhattan at 61st Street and Broadway, between Lincoln Center for the Performing Arts and Columbus Circle.

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. The Proposed Project components are classified as follows:

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

Equipment Purchases. Those elements of the Proposed Project involving “*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*” are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(31).

Maintenance or Repair. Those elements of the Proposed Project involving “*maintenance or repair involving no substantial changes in an existing structure or facility*” are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(1).

Renovation or Rehabilitation. Those elements of the Proposed Project involving “*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...*” are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(2).

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 final resolution of any cultural resources aspects of the Proposed Project is subject to SHPA and section 14.09 of PRHPL. DASNY and OPRHP are currently engaged in the consultation required under section 14.09 of PRHPL. 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.

Cc: David P. Ostrander; Alex A. Sirdine; Kevin Manieri; Michael Logan

¹ 6 N.Y.C.R.R. § 617.6(b)(3)(iii).



Transaction Report Update – Adoption of Documents New York Institute of Technology – Old Westbury, New York

February 6, 2024

PROGRAM:

Independent Colleges &
Universities

PURPOSE:

New Money

NOT TO EXCEED AMOUNT:

\$105,000,000

NOT TO EXCEED TERM:

35 Years

INTEREST RATE TYPE:

Fixed and/or Variable

BOND TAX STATUS:

Tax-Exempt and/or Taxable

SALE TYPE:

Negotiated Offering and/or
Private Placement

RATINGS: Baa2/BBB+/NR

SECURITY:

Pledge of Revenues

Recent Information

The Resolution to Proceed for this financing was adopted by the Board at the January 10, 2024 Board meeting. Since that time:

- PACB approval was received on January 24, 2024.
- The TEFRA Hearing was held on February 5, 2024.
- The SEQR determination is expected on February 12, 2024.

For additional information regarding this financing, please reference the attached “Transaction Report – Resolution to Proceed” dated January 2, 2024.

Recommendation

The Board is being asked to adopt the necessary documents for the NYIT financing. Bryant Rabbino LLP, bond counsel, will provide the Board with an overview of certain bond document provisions at the February 14, 2024 Board meeting.



Transaction Report – Resolution to Proceed

New York Institute of Technology – Old Westbury, New York

January 2, 2024

PROGRAM:

Independent Colleges & Universities

PURPOSE:

New Money

NOT TO EXCEED AMOUNT:

\$105,000,000

NOT TO EXCEED TERM:

35 Years

INTEREST RATE TYPE:

Fixed and/or Variable

BOND TAX STATUS:

Tax-Exempt and/or Taxable

SALE TYPE:

Negotiated Offering and/or Private Placement

RATINGS: Baa2/BBB+/NR

SECURITY:

Pledge of Revenues

Proposed New Issue Overview

The Board is being asked to adopt a Resolution to Proceed for one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$105,000,000 with maturities not to exceed 35 years to be sold at one or more times through a negotiated offering and/or a private placement.

Financing Team:

- Senior Manager – Morgan Stanley
- Bond Counsel – Bryant Rabbino LLP
- Underwriter’s Counsel – Katten Muchin Rosenman LLP

Purpose:

- Financing the costs associated with various construction and renovation projects located on NYIT’s Long Island and Manhattan campuses (\$97.9 million).

Security:

- The Series 2024 Bonds will include security as determined by existing market conditions for similar credits rated in the BBB category. It is anticipated that the Loan Agreement will be secured by a pledge of revenues.

Description of the Bonds:

- The Bonds are a special obligation of DASNY.
- The Loan Agreement is a general obligation of the Institute.
- The Bonds 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 issuance will be used to support a \$200 million, multi-year capital and information technology revitalization plan at the Institute’s New York campuses. Projects to be financed with bond proceeds include (1) interior renovation of the existing School of Health Professions facility on the Long Island campus to create the Biomedical Research Innovation and Imaging Center, a new 20,000 square-foot research facility with collaborative laboratories and imaging equipment (2) renovations to academic space including labs, classrooms, and offices, (3) renovations to library and student gathering spaces, (4) renovation of athletic center spaces, athletic fields, and courts, (5) roof replacements and façade repairs, (6) replacement of mechanical infrastructure, as well as various other renovation and deferred maintenance projects across the New York campuses.

Sources and Uses: Bond proceeds of approximately \$97.9 million are expected to be deposited to the project fund to finance project costs. Capitalized interest, if necessary, is estimated at \$5.2 million. Costs of Issuance and the Underwriter’s Discount are approximated in the range of \$900,000. Completing the plan of finance will require a bond issue of approximately \$100.0 million.

Sources of Funds:		Series 2024	
Bond Proceeds			
Par Proceeds		\$	100,000,000
Original Issue Premium			3,962,207
Total Sources		\$	103,962,207

Uses of Funds:			
Project Fund Deposits			
New Money		\$	97,866,395
Capitalized Interest			5,195,813
Costs of Issuance and Underwriter's Discount			900,000
Total Uses		\$	103,962,207

Approvals

PACB Approval (anticipated) – 1/24/24 TEFRA Hearing (anticipated) – 1/31/24 SEQR Filing (anticipated) – 2/12/24

Borrower Overview

New York Institute of Technology (“NYIT” or “the Institute”) is an independent, not-for-profit, coeducational institution of higher learning. NYIT offers more than 90 undergraduate, graduate, and professional degrees in nearly 50 fields of study through six colleges and schools; the NYIT College of Osteopathic Medicine (NYIT-COM), the College of Engineering and Computing Sciences, the School of Architecture and Design, the College of Arts & Sciences, the School of Management, and the School of Health Professions. The Institute currently enrolls undergraduate and graduate students representing 40 states and 72 countries.

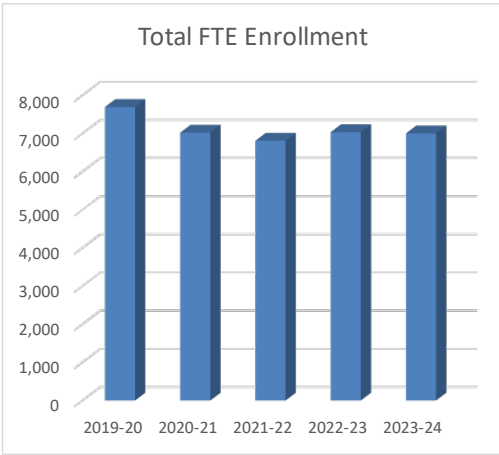
NYIT operates two primary campuses in the metropolitan New York area; a campus in suburban Long Island at Old Westbury in Nassau County and a campus in Manhattan at 61st Street and Broadway, between Lincoln Center for the Performing Arts and Columbus Circle. NYIT also operates programs in Jonesboro, Arkansas and Vancouver, B.C., Canada.

Financing History:

NYIT has issued three series of bonds through DASNY totaling \$69.3 million. On September 7, 2023, the Institute fully redeemed its Series 2016A and Series 2020A Bonds and currently has no DASNY Bonds outstanding. The 2016A and 2020A Bonds were secured by a mortgage on the Long Island campus which was terminated when the bonds were redeemed.

Enrollment:

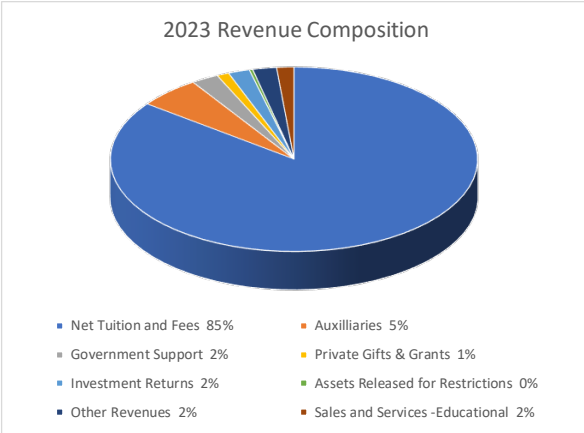
Selected Enrollment Statistics					
	2019-20	2020-21	2021-22	2022-23	2023-24
First-time Freshman Applications Received	10,547	10,054	10,494	11,551	11,300
First-time Freshman Applications Accepted	7,938	8,320	8,416	8,735	8,826
Undergraduate Acceptance Ratio	75.3%	82.8%	80.2%	75.6%	78.1%
First-time Freshman Applicants Enrolled	863	741	970	886	880
Undergraduate Matriculation Ratio	10.9%	8.9%	11.5%	10.1%	10.0%
Total FTE Enrollment					
Undergraduate	4,128	3,505	3,271	3,180	3,231
Graduate	3,566	3,517	3,539	3,852	3,769
Total Headcount Enrollment	7,694	7,022	6,810	7,032	7,000



- With a variety of programs ranging from architecture to osteopathic medicine, and locations in Manhattan, Long Island, Arkansas, and Canada, NYIT offers a wide range of programs and locations that attract both regional and international students.
- Demand for the Institute’s undergraduate programs has increased in recent years. While freshman applications declined in fall 2020 due to the COVID-19 pandemic, applications rebounded in fall 2021 and increased to over 11,000 for both fall 2022 and fall 2023. Management attributes the growth in applications to broader brand awareness, growing academic reputation, and increased offerings in student services and experiences.
- Freshman enrollment exceeded pre-pandemic levels in each of the past three years and were the highest levels in a decade.
- Following a sharp decline during the pandemic, total undergraduate FTE enrollment has been steady at approximately 3,200 students over the past three years.
- Graduate enrollment at NYIT has averaged approximately 3,600 students over five years. The Institute’s medical school, the College of Osteopathic Medicine, is the first college of osteopathic medicine in New York and one of the largest medical schools in the U.S. with over 1,200 students. A second NYIT-COM site is located at Arkansas State University with an additional 460 students. Combined applications for both COM sites increased by 23.6% over the last five years.
- NYIT recently announced a goal of becoming an R2 research university (defined as “high research activity” under the Carnegie Classification) within five years and has added Ph.D. doctoral programs to support that initiative.
- NYIT continues to attract a large contingent of international students who account for approximately 30% of total FTE enrollment. While the percentage of international students has declined in recent years, the Institute’s budget plans do not rely heavily on international students and its primary focus is recruiting domestic students.

Operations:

<u>Selected Operating Statistics</u>					
<i>(dollars in thousands)</i>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total operating revenue	\$275,004	\$254,513	\$262,362	\$269,215	\$281,617
Total operating expense	<u>267,257</u>	<u>234,254</u>	<u>253,142</u>	<u>255,249</u>	<u>269,469</u>
Change in net assets from operations	7,747	20,259	9,220	13,966	12,148
Total non-operating activities	<u>(8,845)</u>	<u>(10,925)</u>	<u>8,748</u>	<u>24,217</u>	<u>2,665</u>
Change in unrestricted net assets	(1,098)	9,334	17,968	38,183	14,813
Adjusted Operating Margin (DASNY 2022 Median: 4.3%)	3.6%	9.4%	4.3%	8.6%	5.0%
Adjusted Net Income Margin (DASNY 2022 Median: 3.9%)	0.4%	5.2%	7.6%	17.3%	6.0%
Annual Debt Service Coverage (DASNY 2022 Median: 2.9:1)	3.6	5.3	11.2	14.6	10.5

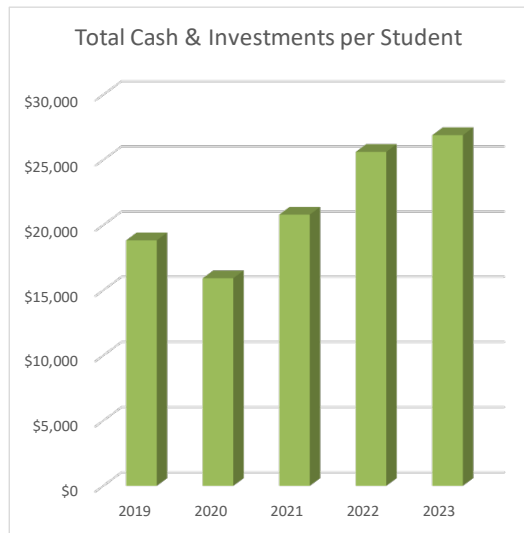


- NYIT has a history of effective fiscal management which has resulted in positive operating margins. Despite challenges related to the COVID-19 pandemic, the Institute posted operating surpluses in each of the last five years, averaging \$12.7 million annually.
- NYIT’s adjusted operating margins averaged 6.2% over five years, exceeding the 2022 DASNY Median of 4.3%. Management is forecasting a positive operating margin for fiscal year 2024. The Institute’s history of positive operating margins reflects management’s ability to adjust operating expenses based on fluctuating enrollment and revenues.
- Operating results for fiscal years 2021 and 2022 were positively impacted by the receipt of \$12.9 million in institutional Higher Education Emergency Relief Fund (“HEERF”) grant funding.
- The Institute’s revenues are highly dependent on student enrollment. For fiscal year 2023, net tuition and fee revenue accounted for 85% of NYIT’s operating revenue while auxiliaries made up an additional 5%. The reliance on student-generated revenue highlights the need to maintain or grow current enrollment levels.
- Fundraising has improved, but remains a small percentage of total revenues, averaging \$1.3 million annually over five years.

- NYIT’s historical debt coverage has exceeded its peers, averaging 9:1 over five years. The 2022 DASNY Median Debt Service Coverage was 2.9:1.

Balance Sheet:

Selected Financial Position Statistics					
<i>(dollars in thousands)</i>	2019	2020	2021	2022	2023
Total Assets	\$318,333	\$278,903	\$405,132	\$422,759	\$440,803
Total Liabilities	166,885	118,069	224,915	204,625	206,006
Net Assets					
Unrestricted	139,560	148,894	166,861	205,044	219,857
Temporarily Restricted	6,299	6,161	7,485	6,909	8,563
Permanently Restricted	<u>5,589</u>	<u>5,779</u>	<u>5,871</u>	<u>6,181</u>	<u>6,377</u>
Total Net Assets	\$151,448	\$160,834	\$180,217	\$218,134	\$234,797
Long-Term Debt	\$30,490	\$32,361	\$22,476	\$20,310	\$18,078
Total Cash & Investments to Operating Expenses (DASNY 2022 Median: 1.9:1)	0.6	0.5	0.6	0.7	0.7
Total Cash & Investments to Total Debt (DASNY 2022 Median: 2.3:1)	4.9	3.8	1.0	1.3	1.4
Total Cash & Investments per Student	\$18,833	\$15,925	\$20,802	\$25,618	\$26,898



- Positive operating margins have contributed to continuous net asset growth over the last five years. NYIT reported \$234.8 million of net assets as of fiscal year-end 2023, an increase of 55.0%.
- Cash and Investments grew by 27.5% over five years, allowing the Institute to pay off its long-term debt in 2023, reduce accounts payable balances, and fund ongoing capital projects.
- NYIT has identified approximately \$200 million of needed capital expenditures between 2023 and 2026. These projects are expected to be funded with a combination of the proceeds from the proposed bond issuance, capital reserve funds, working capital, and a small amount of fundraising.
- The Institute has several non-cancellable operating leases for student housing facilities in New York, Arkansas, and Vancouver that expire in various years through 2036. The lease agreements were recognized as right-of-use assets and lease liabilities on the Institute’s balance sheet beginning in fiscal year 2021. Debt ratios beginning in fiscal year 2021 reflect the impact of the accounting change.
- Following the redemption of DASNY’s 2016A and 2020A Bonds in September, 2023, NYIT currently has no long-term debt outstanding. The proposed issuance will add \$100 million in long-term debt to the Institute’s balance sheet. Annual debt service is estimated at \$6.4 million, a level below the NYIT’s average debt service over the previous ten years. Management’s financial projections, which factor in the anticipated debt service on the 2024 bonds, show operating margins averaging approximately 4% over the next five years.

Recommendation

- Staff recommends that the Board adopt a Resolution to Proceed for one or more series of bonds with terms not to exceed 35 years in an amount not to exceed \$105,000,000 on behalf of New York Institute of Technology.

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.