



DASNY

KATHY HOCHUL
Governor

LISA GOMEZ
Chair

ROBERT J. RODRIGUEZ
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: April 21, 2025

RE: *State Environmental Quality Review (SEQR) Determination for the St. John's University 2025 Financing (Refunding) Project (Independent Colleges & Universities Program) – Queens County, New York*

MAS

Description of Proposed Action and Proposed Project. St. John's University ("St. John's" or the "University") has requested financing from the Dormitory Authority of the State of New York ("DASNY") for its *2025 Financing Project (Refunding)* (the "Proposed Project"). Based on a review of the attached *Transaction Report – Single Approval*, dated April 15, 2025, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of one or more series of fixed and/or variable rate, tax-exempt and/or taxable Series 2025 Bonds, in an amount not to exceed \$80,000,000 with maturities not to exceed 13 years, to be sold at one or more times through a negotiated offering on behalf of the University, pursuant to DASNY's *Independent Colleges & Universities Program*.

More specifically, the proceeds from the bond issuance would be used to refund all or a portion of the University's Series 2015A Bonds (approximately \$76.2 million) issued by DASNY.

About the Institution. St. John's University is an independent, not-for-profit institution of higher education chartered under the laws of the State of New York. The University was founded in 1870 and was originally incorporated in 1871 as St. John's College, Brooklyn. Today, the University's main campus is in Queens. The University also has a campus in Manhattan and international centers in Rome, Italy and Paris, France. Before the late 1990's, the University had primarily been a commuter school until a transition to residential living began with the construction of residence halls and related facilities on the Queens campus. The Rome and Paris locations also have residential housing. The University currently includes six colleges and divisions: St. John's College of Liberal Arts and Sciences, the College of Pharmacy and Health Sciences, the School of Education, the Peter J. Tobin College of Business, the Lesley H. and William L. Collins College of Professional Studies, and the School of Law. The University offers over 100 degree programs, ranging from the two-year associate level to full doctorates.

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 components are classified as follows:

The refinancing of existing debt is a Type II action as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(29). 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 a Proposed Project identified as Type II.

SHPA Determination. 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 Bond issuance. 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.

Attachments

cc: Stephen Kosier
Michael Logan
SEQR File
OPRHP File

¹ 6 N.Y.C.R.R. § 617.5(a)



Transaction Report – Single Approval

St. John's University – Jamaica, NY

April 15, 2025

PROGRAM:

Independent Colleges &
Universities

PURPOSE:

Refunding

NOT TO EXCEED AMOUNT:

\$80,000,000

NOT TO EXCEED TERM:

13 Years

INTEREST RATE TYPE:

Fixed and/or Variable

BOND TAX STATUS:

Tax-Exempt and/or Taxable

SALE TYPE:

Negotiated Offering

RATINGS:

A3/A-/NR

SECURITY:

General Obligation of the
University

Proposed New Issue Overview

The Board is being asked to adopt the necessary documents for one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds, in an amount not to exceed \$80,000,000, with maturities not to exceed 13 years, to be sold at one or more times through a negotiated offering on behalf of St. John's University (the "University").

Financing Team:

- Lead Manager – Morgan Stanley
- Co-Bond Counsel – Nixon Peabody LLP and Drohan Lee LLP
- Underwriter's Counsel – Katten Muchin Rosenman LLP

Purpose:

- Refunding of all or a portion of the University's Series 2015A Bonds issued by DASNY (\$76.2 million).

Security:

- General obligation of the University

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 the applicable funds and accounts established under the Resolution.

Financing Details:

Refunding: Proceeds from the proposed issuance are expected to refund all or a portion of the University's Series 2015A Bonds issued by DASNY. The Series 2015A Bonds have a par amount outstanding of \$79,395,000 and are callable July 1, 2025. The Bonds reach final maturity on July 1, 2037. The final maturity of the refunding bonds will not exceed the final maturity of the bonds to be refunded.

Assuming current market conditions, a total net present value savings of approximately \$5.7 million, or 7.6% of the refunded bonds, is expected from the refunding of the Series 2015A bonds.

Sources and Uses: Proceeds of approximately \$76.2 million are expected to be deposited to the refunding escrow. Costs of issuance are estimated to total approximately \$920,000. The refunding of the Series 2015A Bonds is expected to require a bond issue of approximately \$69.4 million. Other estimated sources of funds include \$6.4 million of original issue premium and \$1.3 million of debt service funds on hand. A bond issue with a not-to-exceed par amount of \$80 million is being requested.

Sources and Uses of Funds

Sources of Funds:

Bond Proceeds:	
Par Proceeds	\$ 69,395,000
Premium	6,437,908
Other Sources of Funds:	
Funds on Hand	1,263,142
Total Sources	\$ 77,096,051

Uses of Funds:

Refunding Escrow Deposits	\$ 76,176,693
Costs of Issuance	919,358
Total Uses	\$ 77,096,051

Savings Analysis

	Date	Existing Debt Service	New Debt Service	Gross Savings
	2025	555,783	530,101	25,682
	2026	8,837,850	8,254,750	583,100
	2027	8,392,850	7,805,500	587,350
	2028	8,397,100	7,811,750	585,350
	2029	8,364,000	7,776,250	587,750
	2030	8,364,250	7,780,500	583,750
	2031	8,351,000	7,767,000	584,000
	2032	8,349,250	7,766,000	583,250
	2033	8,352,750	7,766,250	586,500
	2034	8,350,500	7,767,000	583,500
	2035	8,352,000	7,767,500	584,500
	2036	8,351,250	7,767,000	584,250
	2037	8,347,500	7,764,750	582,750
Total		101,366,083	94,324,351	7,041,732

PRESENT VALUE ANALYSIS SUMMARY

NET PRESENT VALUE BENEFIT	5,661,256
NPV BENEFIT OF BONDS BEING REFUNDED	7.56%
NPV BENEFIT OF REFUNDING PRINCIPAL	8.16%



Approvals

PACB Approval (anticipated) – 4/23/25 SEQR Filing (anticipated) 4/21/25 TEFRA Hearing (anticipated) – 4/15/25

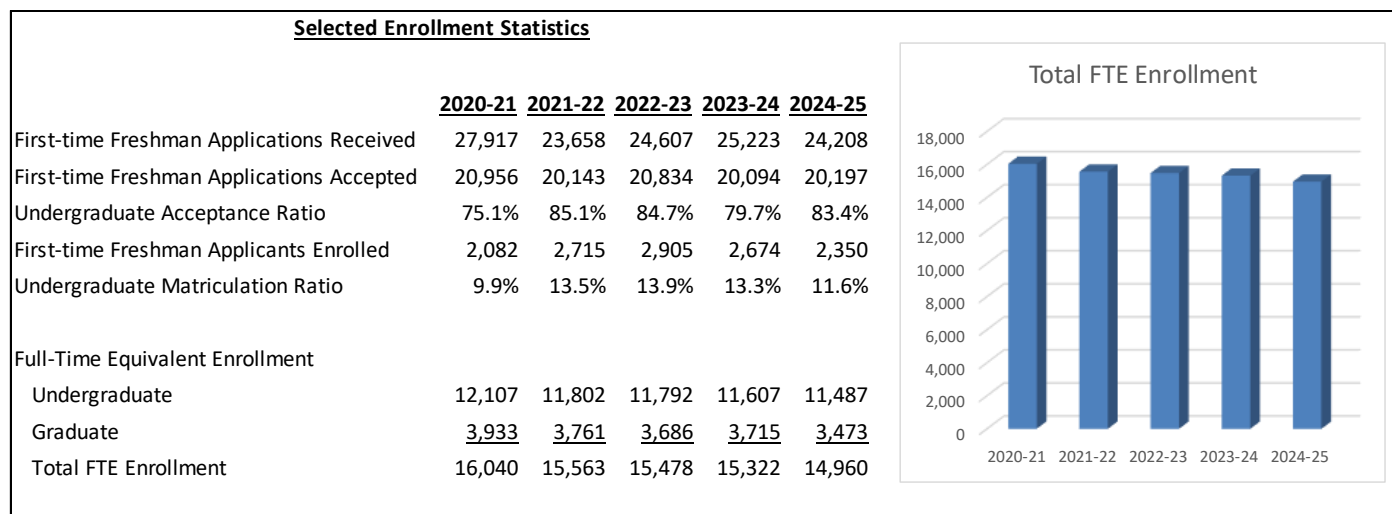
Borrower Overview

St. John's University is an independent, not-for-profit institution of higher education chartered under the laws of the State of New York. The University was founded in 1870 and was originally incorporated in 1871 as St. John's College, Brooklyn. Today, the University's main campus is in Queens. The University also has a campus in Manhattan and international centers in Rome, Italy and Paris, France. Before the late 1990's, the University had primarily been a commuter school until a transition to residential living began with the construction of residence halls and related facilities on the Queens campus. The Rome and Paris locations also have residential housing. The University currently includes six colleges and divisions: St. John's College of Liberal Arts and Sciences, the College of Pharmacy and Health Sciences, the School of Education, the Peter J. Tobin College of Business, the Lesley H. and William L. Collins College of Professional Studies, and the School of Law. The University offers over 100 degree programs, ranging from the two-year associate level to full doctorates.

Financing History:

DASNY's partnership with St. John's University began in 1970 with the issuance of its Series A Bonds. In total, DASNY has issued over \$1.5 billion for the University across 29 bond series. As of March 31, 2025, eight series of bonds remained outstanding with an outstanding par of \$383.0 million.

Enrollment:

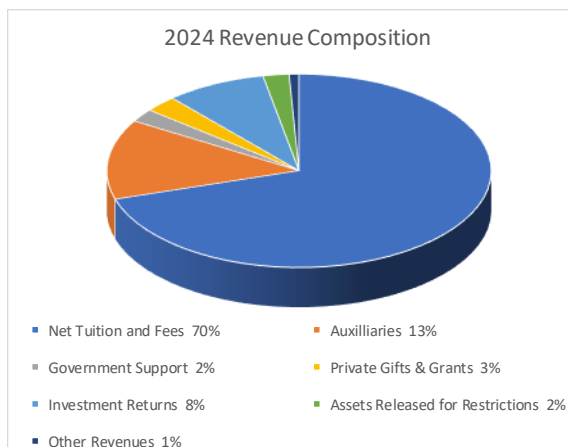


- The University closed its Long Island Graduate Center in Hauppauge effective June 30, 2022. The Long Island Graduate Center, which operated in a leased facility, enrolled approximately 187 students in fall 2019. By fall 2021, the Long Island Graduate Center enrollment declined to approximately 99 students.
- The University announced in August 2022 that it would begin the process of phasing out academic operations on its Staten Island campus, citing declining enrollment. Total enrollment at the Staten Island campus in fall 2021 was 861 students. The University concluded operations on the Staten Island campus at the end of the spring 2024 semester.
- Demand for the University's undergraduate programs has been stable over the last four years, averaging 24,424 applications annually since fall 2021.
- Total FTE enrollment was 14,960 in fall 2024, a 6.7% decline from the five-year high of 16,040 in fall 2020, reflecting the highly competitive landscape for a shrinking pool of college-age students, particularly in the Northeast. The University's Undergraduate Acceptance and Matriculation ratios have each increased, averaging 83% and 13%, respectively, over the past four years.

- Undergraduate FTE enrollment declined approximately 5% over the past five years while graduate FTE enrollment declined approximately 12% over this time. In fall 2024, undergraduate FTE enrollment represents approximately 77% of total FTE enrollment, with the remaining students enrolled in graduate programs.

Operations:

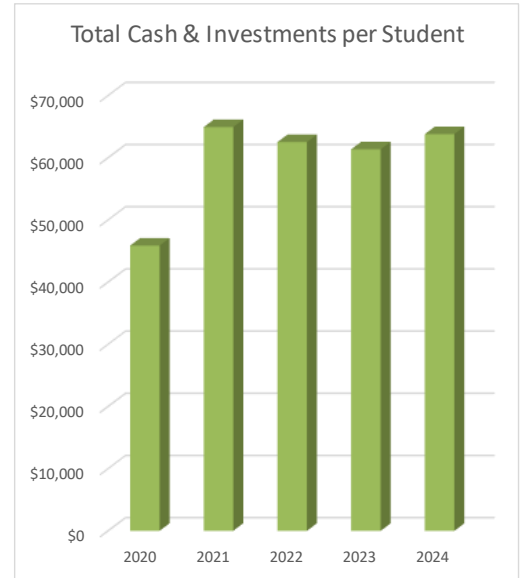
Selected Operating Statistics					
<i>(dollars in thousands)</i>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total operating revenue	\$481,232	\$430,784	\$466,422	\$478,218	\$496,436
Total operating expense	<u>468,043</u>	<u>417,935</u>	<u>463,169</u>	<u>473,464</u>	<u>495,201</u>
Change in net assets from operations	13,189	12,849	3,253	4,754	1,235
Total non-operating activities	<u>(11,836)</u>	<u>122,538</u>	<u>(57,221)</u>	<u>(28,592)</u>	<u>17,379</u>
Change in unrestricted net assets	1,353	135,387	(53,968)	(23,838)	18,614
Adjusted Operating Margin (DASNY 2023 Median: 1.3%)	3.9%	4.5%	2.9%	2.3%	0.2%
Adjusted Net Income Margin (DASNY 2023 Median: 2.6%)	1.4%	32.5%	-9.1%	-3.6%	3.7%
Annual Debt Service Coverage (DASNY 2023 Median: 2.2:1)	2.0	1.9	2.1	1.7	1.4



- The University has a consistent history of positive operating margins; however, those margins have decreased in recent years. For the 2024 fiscal year, the adjusted operating margin was 0.2%.
- Following a decline in total operating revenues to approximately \$431 million in fiscal year 2021, primarily due to the pandemic, the University's total operating revenues increased steadily to approximately \$496 million in 2024.
- Total operating expenses have outpaced total operating revenues, increasing from approximately \$418 million in 2021 to approximately \$495 million in 2024.
- The University relies on tuition and fees and other student-related revenue. Tuition and fee revenue plus auxiliary revenue was 83% in fiscal year 2024.
- Non-operating results are primarily driven by investment gains/(losses). Net income margins over the past five years, ranged from a low of -9.1% in 2022 to a high of 32.5% in 2021. Net income margin in 2024 was 3.7% compared to the 2023 DASNY median of 2.6%.

Balance Sheet:

Selected Financial Position Statistics					
<i>(dollars in thousands)</i>	2020	2021	2022	2023	2024
Total Assets	\$1,490,909	\$1,798,486	\$1,703,677	\$1,661,237	\$1,697,624
Total Liabilities	555,059	658,702	617,160	600,673	580,407
Net Assets					
Unrestricted	689,768	825,155	771,187	747,349	765,963
Temporarily Restricted	71,353	123,018	122,213	112,339	140,093
Permanently Restricted	<u>174,729</u>	<u>191,611</u>	<u>193,117</u>	<u>200,876</u>	<u>211,161</u>
Total Net Assets	\$935,850	\$1,139,784	\$1,086,517	\$1,060,564	\$1,117,217
Long-Term Debt	\$438,676	\$516,957	\$487,786	\$472,317	\$447,154
Total Cash & Investments to Operating Expenses (DASNY 2023 Median: 1.7:1)	1.7	2.5	2.1	2.0	2.0
Total Cash & Investments to Total Debt (DASNY 2023 Median: 2.2:1)	1.8	1.9	1.9	1.9	2.1
Total Cash & Investments per Student	\$45,863	\$64,940	\$62,532	\$61,367	\$63,806



- Total net assets have been steady over the past four years, averaging approximately \$1.1 million, over that time.
- Cash and Investments increased from approximately \$815 million in 2020 to \$1.04 billion in 2021. Cash and Investments averaged approximately \$985 million over the past four years.
- The University's liquidity ratios are in line with the DASNY medians. Total Cash & Investments to Operating Expenses was 2.0:1 in 2024, while the 2023 DASNY median was 1.7:1. Total Cash & Investments to Total Debt was 2.1:1 in 2024, while the 2023 DASNY median was 2.2:1.

Summary

- The Board is being asked to adopt the necessary documents for the St. John's University financing. Nixon Peabody LLP and Drohan Lee LLP, co-bond counsel, will provide the Board with an overview of certain bond document provisions 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.