MEMORANDUM

June 29, 2020

TO: Members of the Board of Trustees

FROM: Kristina M. Johnson, Chancellor

SUBJECT: Residence Hall Program Bonds Issue for State Fiscal Year 2020/21 & 2021/22

Action Requested

The proposed resolution approves and authorizes the issuance of new bond indebtedness for the purpose of restructuring debt service payments currently due in FY 2020/21 and 2021/22 under the existing residential hall financing program. The resolution also authorizes the dissemination of financial information in the form of a Preliminary Official Statement and Official Statement and other pertinent documentation in connection with the issuance of these new bonds.

Resolution

I recommend the adoption of the following resolution:

Whereas pursuant to Resolution 95-181, adopted September 20, 1995, the State University of New York and the Dormitory Authority of the State of New York (“DASNY”) entered into a Lease and Agreement, dated as of September 20, 1995, in support of a financing program for State University residence halls and related facilities (“1995 Lease and Agreement”); and

Whereas pursuant to Resolution 2003-82, adopted September 16, 2003, and in connection with a restructuring of the residence hall program, DASNY and the State University entered into an Eighth Supplemental Lease and Agreement, dated as of September 24, 2003, amending and restating in its entirety the 1995 Lease and Agreement (the “2003 Lease and Agreement”); and
Whereas pursuant to Resolution 2013-014, adopted March 19, 2013, authorizing the restructuring of the financing program for the State University in accordance with Chapter 57 of the Laws of New York 2013, Part B, the State University and DASNY executed the 2013 Lease Amendment and 2013 Financing and Development Agreement; and

Whereas as a result of the COVID 19 pandemic, Governor Andrew M. Cuomo declared a State disaster emergency for the entire State of New York on March 7, 2020 and SUNY transitioned from on-campus to remote-based instruction for the remaining portion of the 2020 Spring Semester; and

Whereas SUNY campuses and System Administration continually demonstrate high quality oversight of the program; and

Whereas the ultimate duration and scope of adverse health and economic consequences of the COVID 19 pandemic are generally unknown, the Board recognizes it is critically important and prudent to exercise strategic forward-looking risk management that places the SUNY residential hall program in the best financial position should the pandemic have a prolonged existence; and

Whereas the Board considers the restructuring of the residential hall program debt to make available near-term cash flow relief to the campuses over a one (1) year or two (2)-year period where the campuses will have no or low debt service payments to be prudent risk management; and

Whereas in order to restructure the upcoming debt, DASNY expects to issue one or more series of revenue bonds (the “Bonds”) to refund certain existing bond indebtedness; now, therefore, be it

Resolved that the Chancellor, or designee, provided she is satisfied with the need, terms and adequate market access, be and hereby is authorized to undertake and complete the restructuring of debt service payments currently due or in the next two fiscal years, through the issuance of new refunding bond indebtedness; and, be it further

Resolved that the Chancellor, or designee, be and hereby is authorized, in the name and on behalf of the State University to negotiate, execute, deliver and/or approve the following documents, and any other documents necessary in connection with the sale and issuance of the Bonds:
a) Preliminary Official Statement and Official Statement to be distributed in connection with the offering and sale of the Bonds; and

b) Agreement to Provide Continuing Disclosure; and

c) any further instruments, agreements, certificates, evidence of indebtedness or other documents which may be necessary or appropriate to complete the issuance of the Bonds or to carry out the foregoing.

**Background**

This resolution specifically authorizes the issuance in a private or public offering of new refunding bonds (whether on a taxable or tax-exempt basis) to be used to restructure existing debt service. It also authorizes the dissemination of pertinent financial information under the existing financing program, established in 1995 and restructured in 2003 and 2013, to finance new residence halls and improvements on existing residence halls.

Under the current dormitory financing program, debt service on bonds is paid from rents and other income derived from the use of the financed facilities, and not from State appropriations.

It is anticipated that the Bonds will be issued in one or more series and may be issued in both fixed and variable rate modes, depending upon market conditions at the time of issue.