



DASNY

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JR.**
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Memorandum

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

FROM: Joanna Oliver, AICP, Environmental Manager

DATE: March 4, 2019

RE: *State Environmental Quality Review (SEQR) Determination* for the Catholic Health System Obligated Group *2019 Financing Project* — Hospitals Program

The Dormitory Authority of the State of New York (“DASNY”) has received a funding request from the Catholic Health System Obligated Group (“CHS”) pursuant to DASNY’s Hospitals Program for its *2019 Financing Project* (the “Proposed Project”). Accordingly, the Proposed Project is subject to environmental review pursuant to the *State Environmental Quality Review Act (“SEQRA”)*. Based on a review of the attached *Transaction Summary Report* dated February 25, 2019, and supporting documentation completed by a representative of CHS, it has been determined that for purposes of *SEQRA*, the Proposed Action would consist of DASNY’s authorization of the issuance of up to \$220,000,000 in one or more series of 30-year fixed and/or variable-rate, tax-exempt and/or taxable Series 2019 bonds to be sold in a negotiated offerings and/or private placements on behalf of CHS.

The CHS is a not-for-profit corporation formed in 1998 as a regional health care system consisting of multiple hospital campuses, primary care centers, diagnostic and treatment centers, a Program of All Inclusive Care for the Elderly, and home care agencies (with related pharmacy facilities) serving Western New York.

The proceeds of DASNY’s bond issuance would be used to finance various hospital and system-wide construction and renovation projects located throughout the CHS system, including Mercy Hospital, Sisters of Charity Hospital, Kenmore Mercy Hospital, McAuley Seton Home Health Care Corporation, Mount St. Mary’s Hospital, and the implementation of an Electronic Medical Records system. The bond issuance would also be used to refund all or a portion of the DASNY Catholic Health System Obligated Group Revenue Bonds, Series 2006A, 2006B, 2006C, 2006D and 2008 bonds.

DASNY completed this environmental review in accordance with *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. Project components to be funded with the 2019 Bond proceeds include:

Hospital and Systemwide Construction and Renovation Projects

Mercy Hospital of Buffalo ("MHB") 565 Abbott Road, Buffalo, New York

- Maternity Services Renovation Phase I – The renovation of four existing Labor & Delivery rooms, two existing exam rooms, and four patient toilet rooms. Completion is anticipated in 2020.
- Maternity Services Renovation Phase II – Renovation to reconfigure five delivery rooms and two operating rooms to allow for more equipment and staff. Plumbing, electrical and sprinkler systems would be reworked to accommodate the new layouts. Completion is anticipated in 2020.
- Sterile Processing Department – The renovation of existing space on the first floor and the purchase of new decontamination, washing and sterilization equipment. The project is currently in the early Construction Document Phase.
- High Voltage Transformer Station – The replacement of electric services, substations, distribution, switches, and an additional absorption chiller. Project is underway and completion is expected June 2020.
- Air Handling Replacement – Phased replacement of air handling units and motor control centers including the addition of return exhaust fans and controls.
- USP SJC 797 800¹ – The upgrade and renovation of the existing mixing areas and storage areas of the pharmacy, approximately 3,060 gross-square-feet ("gsf") to meet new USP regulations.
- Nurse Call Station – The replacement of the existing nurse call system including wiring, installation, supporting hardware and headend equipment.

Sisters of Charity Hospital ("SOC") 2157 Main Street, Buffalo, New York

- Expansion of Endovascular Unit – The renovation and upgrade of two existing operating rooms, OR 11 and OR 12 (approximately 1,542 gsf).
- Labor & Delivery Break Rooms – Renovations to the Labor & Delivery Unit staff break room.
- Maternity Services – The renovation of all finishes in the Labor & Delivery Unit and the renovation of adjacent space (approximately 3,200 gsf) to create four new exam rooms, a sub-nursing station, a new toilet room, interview room, waiting room, and microscope room.
- Electrical Distribution Upgrade – The purchase of generators, parallel switch gear, and installation of new life safety and critical branch transfer switches at each building. Also, the separation of the primary emergency generator and secondary distribution. Project is currently underway and completion is expected March 2019.

¹ United States Pharmacopeia ("USP") General Chapter 797 and 800.

- USP SJC 797 800 – The renovation of existing space and the construction of approximately 1,500 gsf of new space to meet new USP regulations. Construction is underway and is expected to be completed by December 2019.
- Nurse Call Solution – The replacement of the existing nurse call system including wiring, installation, supporting hardware and headend equipment.

Kenmore Mercy Hospital (KMH) 2950 Elmwood Avenue, Kenmore, New York

- MRI Suite – A portion of the former Surgery Holding and Recovery Unit area (approximately 1,800 gsf) will be renovated to create a MRI suite with holding rooms, waiting rooms and a toilet room.

Mount St. Mary's Hospital ("MSM") 5300 Military Road, Lewiston, New York

- Electrical Distribution – Purchase two new generators with paralleling gear, provide dual utility feed to the hospital and construct a new generator housing structure (approximately 432 gsf).
- USP SJC 797 800 – The upgrade and renovation of the existing mixing areas and storage areas of the pharmacy to meet new USP regulations.

Catholic Infusion Pharmacy ("CHIP") 6350 Transit Road, Depew, New York

- The CHIP is not located in a hospital, but is part of the Home Care Ministry and the proposed project would renovate and upgrade the existing pharmacy to meet the new USP regulations.

Catholic Health Electronic Medical Records ("EMR") Systemwide Project

- The purchase and installing of hardware, software and equipment for an EMR system.

Completed Hospital and Systemwide Construction and Renovation Projects

Mercy Hospital of Buffalo

- Operating Room ("OR") Expansion – The work consisted of renovation of approximately 21,589 square feet to expand the existing operating suite with a new cardiac OR and storage space. The project was completed in October 2018.
- Cardiac Catheterization Lab Expansion – The renovation of vacant space on second floor to locate new cardiac catheterization labs contiguous to the existing catheterization labs and operating rooms. The project was completed in October 2018.

Sisters of Charity Hospital

- Neonatal Intensive Care Unit ("NICU") – Relocation of the NICU to the second floor to accommodate an increased number of bassinets and support functions such as Parent Infant Room, Transition Room, and Waiting Room for family and visitors. Project was completed in April 2018

Kenmore Mercy Hospital

- Operating Room Expansion Phase II – The former emergency department and support function areas on the first floor were renovated to create a new Surgery Holding and Recovery Unit (“SHRU”) and connected Post Anesthesia Care Unit (“PACU”). The new SHRU has 31 patient care holding and recovery beds (an increase from 22) to accommodate the ten ORs.

McAuley Seton Home Health Care Corporation Transitional Care Center (“TCC”) 1503 Military Road, Kenmore, New York

- The 160-bed facility for short and long-term residents was renovated and expanded in October 2016. The project included 10,985 gsf of interior renovation, a 5,100-gsf addition and the addition of 25 parking spaces.

Refunding of Existing Debt

The 2019 Bond issuance would also be used to refund all or a portion of the DASNY Catholic Health System Obligated Group Revenue Bonds, Series 2006A, 2006B, 2006C, 2006D and 2008 bonds.

The above project components have been determined to be Type II actions: the maintenance or repair involving no substantial changes in an existing structure or facility; 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; and the purchase or sale of furnishings, equipment or supplies, 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), and 6 *N.Y.C.R.R.* § 617.5(c)(31).

The construction and renovation projects that have been completed by CHS would be refinanced by the 2019 Bonds, and the refinancing of existing debt (DASNY Catholic Health System Obligated Group Revenue Bonds, Series 2006A, 2006B, 2006C, 2006D and 2008 bonds) are Type II actions 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.*”² Therefore, no further *SEQR* determination or procedure is required for any component of the Proposed Project identified as Type II.

Mercy Hospital of Buffalo New MRI Suite

Mercy Hospital of Buffalo is currently constructing a new two-story, 8,100-gsf addition to the hospital to provide patient areas, administrative offices, procedure rooms, equipment rooms and storage to create a new MRI Suite. The project is underway and completion is expected June 2019.

² 6 *N.Y.C.R.R.* § 617.5(a).

The City of Buffalo Planning Board conducted an uncoordinated *SEQR* environmental review on September 11, 2017 (see attached *SEQR* Negative Declaration Notice of Determination of Significance). Since the previous *SEQR* review was uncoordinated, DASNY is required to conduct its own uncoordinated review. At this time, DASNY is the sole remaining agency with an action (funding) subject to *SEQR*. The design and construction of a 8,100-gsf addition is an Unlisted action under 6 *N.Y.C.R.R.* § 617.2(ak). Subsequently, DASNY conducted an uncoordinated review. DASNY analyzed the relevant areas of environmental concern for the Proposed Project, and based on the above, concludes that the Proposed Project would not have a significant adverse impact on the environment.

The Proposed Action and the project components were reviewed in conformance with the *New York State Historic Preservation Act of 1980* (“*SHPA*”), especially the implementing regulations of section 14.09 of the *Parks, Recreation and Historic Preservation Law* (“*PRHPL*”), as well as with the requirements of the Memorandum of Understanding (“*MOU*”), dated March 18, 1998, between DASNY and the New York State Office of Parks, Recreation and Historic Preservation (“*OPRHP*”). In compliance with Article III, Section 3.0 of the *MOU*, *OPRHP* would be notified of the Proposed Project being funded with bond proceeds. The proposed work would involve the renovation of previously modified interior space. 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/or State Registers of Historic Places.

SSGPIPA Determination: Since the Proposed Action would include DASNY bond financing, a Smart Growth Impact Statement (“*SGIS*”) for the Proposed Project was prepared pursuant to the State of New York State Smart Growth Public Infrastructure Policy Act (“*SSGPIPA*”) procedures (see “Smart Growth Impact Statement Assessment Form [“*SGISAF*”], attached). DASNY’s Smart Growth Advisory Committee reviewed the *SGIS* and attested that the Proposed Project, to the extent practicable, would meet the smart growth criteria established by the legislation. The compatibility of the Proposed Project with the criteria of the *SSGPIPA*, Article 6 of the *ECL*, is detailed in the *SGISAF*. As indicated on the form, the Proposed Project would be generally supportive of the *SSGPIPA*, and no further *SSGPIPA* analysis is required.

Attachments

cc: Donna A. Rosen, Esq.
Gerard E. Klauser
Andrew T. Purcell
SEQR File
OPRHP File