



**Dormitory Authority of the State of New York (DASNY)
ABO Annual Report – Operations and Accomplishments
Fiscal Year April 1, 2016 – March 31, 2017**

MISSION STATEMENT

We commit to deliver exceptional service and professional expertise on every financing and construction project for our clients and the public, in a cost-effective manner, while advancing the policy goals of New York State.

OPERATIONS AND ACCOMPLISHMENTS

DASNY is a public benefit corporation originally established in 1944 under the laws of the State of New York (the State) to finance and build dormitories at State teachers’ colleges to house an influx of soldiers returning from World War II and attending college under the GI Bill. DASNY successfully addressed this challenge and has been responding to challenges ever since. As a result, the scope of its responsibilities has greatly expanded.

Today, DASNY is among the nation’s largest issuers of low-cost, tax-exempt bonds and one of its biggest public builders. DASNY is New York State’s developer, creating the health care, education and scientific infrastructure that forms the backbone of inclusive, sustainable communities to help them compete on the global stage.

State Programs, Policies and Economic Development Initiatives

Consistent with DASNY’s mission statement and long-standing history of public service, DASNY’s professional staff supported numerous State of New York programs, policies and economic development initiatives during Fiscal Year 2017:

New York State Programs

- Health Care Transformation (Department of Health) – Upon taking office, Governor Andrew M. Cuomo created the Medicaid Redesign Team to craft a first-year Medicaid budget proposal and develop a multiyear reform plan for the transformation of health care in New York State. In 2014, New York finalized terms and conditions with the federal government for a waiver amendment that allocates \$6.42 billion to the Delivery System Reform Incentive Payment (DSRIP) program. The purpose of the DSRIP program is to fundamentally restructure the health care delivery system in New York using federal savings generated by the State’s Medicaid reforms, creating a financially sustainable health care system. Although DASNY does not have a direct role in the DSRIP Program, DASNY has significant responsibilities under several programs which are central to achieving the State’s health care transformation goals:
 - Capital Restructuring Financing Program – The Capital Restructuring Financing Program (CRFP) is a \$1.2 billion capital grant program originally included in the FY 2015 State Budget to provide funds to health care providers for funding capital projects designed to



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improve population health, deliver care in the most appropriate setting, and be consistent with the State’s mission to move from a fee-for-service environment. To address program changes in the FY 2016 State Budget regarding the geographic distribution of funds (so that, to the extent practicable, grant awards are regionally proportional to the applications received), a new Request for Applications was released by DOH and DASNY on April 10, 2015. On March 4, 2016, DOH and DASNY announced 135 grant awards totaling approximately \$1.2 billion to qualifying institutions. Post-award work on these grants continued in FY 2017. Additionally, the FY 2017 State Budget re-appropriated \$1.2 billion from the FY 2016 budget to support this program, which is jointly administered by DASNY and the New York State Department of Health (DOH) and can be financed through the issuance of DASNY and/or New York State Urban Development Corporation (UDC) bonds.

- Health Care Facility Transformation Programs (HCFTP) – The State Budgets for FY 2015-17 include \$1.2 billion in Health Care Facility Transformation Program (HCFTP) capital grant funding, intended to strengthen and protect continued access to health care services in New York’s communities:
 - The FY 2017 State Budget included a new \$200 million **HCFTP Statewide** program to provide capital grant funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity that is part of an overall transformation plan intended to create a financially sustainable system of care. On June 14, 2016, DOH and DASNY entered into the required administration agreement for the program, and provided notice to the Senate Finance Committee, Assembly Ways and Means Committee and Division of Budget as required by law. A Request for Applications (RFA) was issued for the program on July 20, 2016, and the procurement remains open.
 - The **HCFTP Kings County** is a \$700 million capital grant program originally included in the FY 2016 State Budget to provide capital funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity intended to create a financially sustainable system of care. On December 29, 2016, DOH and DASNY entered into the required administration agreement for the program, and provided notice thereof to the Senate Finance Committee, Assembly Ways and Means Committee and Division of Budget as required by law. A Request for Applications (RFA) was issued for the program on March 9, 2017, and the procurement remains open.
 - The **HCFTP Oneida County** is a \$300 million capital grant program originally included in the FY 2016 State Budget to provide capital funding in support of projects located in the largest population center of Oneida County that consolidate



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multiple licensed health care facilities into an integrated system of care. On October 17, 2016, DOH and DASNY entered into the required administration agreement for the program, and provided notice thereof to the Senate Finance Committee, Assembly Ways and Means Committee and Division of Budget as required by law. A Request for Applications (RFA) was issued by DOH for this program on November 22, 2016, and State officials announced an award on April 3, 2017.

The FY 2017 State Budget also authorized DOH and/or DASNY to make grants or loans to support debt restructuring, and capital and non-capital projects or purposes under the transformation and other qualifying health care programs. Under this separate authorization, set forth in the Unconsolidated Laws, the projects and purposes of these grants and loans must facilitate health care transformation and support a financially sustainable system of care. Grants and loans cannot be used to support general operating expenses that have no connection to the authorized projects and purposes.

Each Health Care Facility Transformation Program is jointly administered by DASNY and the DOH in accordance with the terms of the applicable administration agreement, and the programs may be financed through the issuance of DASNY and/or the New York State Urban Development Corporation (UDC) bonds.

- Community Health Care Revolving Loan Capital Fund – The FY 2016 State Budget included a DASNY-administered \$19.5 million Community Health Care Revolving Loan Capital Fund to make loans to eligible community health care providers, improve access to affordable capital financing, and expand and improve the State’s health care capacity. The FY 2017 State Budget re-appropriated the funding. In FY 2017, DASNY, in consultation with DOH, selected Primary Care Development Corporation (PCDC) to administer the fund. Borrowers will be chosen by PCDC through an application process that is approved by DASNY and DOH.
- DASNY / OASAS Integrated Health Facilities – The FY 2017 Budget authorized DASNY to finance integrated health facilities on behalf of the Office of Alcoholism and Substance Abuse Services (OASAS). This change in legal definition expands DASNY’s role in assisting OASAS’s ability to create facilities that combine health care and recovery services. The expansion is part of the statewide effort to integrate health care and reduce hospitalizations by providing improved and more expansive routine care.
- New York Rising Storm Recovery Program (GOSR/HTFC) – In FY 2017, DASNY continued to work with the Governor’s Office for Storm Recovery (GOSR) and Housing Trust Fund Corporation (HTFC) to provide services for the New York Rising Storm Recovery Program. Further details on this program are included in the *Construction* section of this report.



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- Public Housing Support (NYCHA) – The FY 2017 State Budget re-appropriated \$100 million for a public housing modernization and improvement program benefitting housing developments owned or operated by the New York City Housing Authority (NYCHA). The appropriation requires that a capital revitalization plan be developed by the Commissioner of the New York State Division of Housing and Community Renewal, in consultation with the Chair of NYCHA, for the use of such funds, and that NYCHA enter into a construction management agreement with DASNY for the scope, procurement and administration of all contracts associated with this funding. Further details on this program are included in the *Construction* section of this report.
- NY Works (OPRHP and DEC) – In FY 2017, DASNY continued to provide design and construction management services to the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) and Department of Environmental Conservation (DEC) under the NY Works Program and further details on this program are included in the *Construction* section of this report.

State Economic Development Initiatives

- Transformational Economic Development Infrastructure and Revitalization Projects –
 - Jacob K. Javits Convention Center Expansion Project – Part G of Chapter 73 of the Laws of 2016 authorized the New York Convention Center Development Corporation (CCDC) to request that DASNY act as the construction-permitting agency, pursuant to Article 18 of the Executive Law and the regulations promulgated thereunder, for the Jacob K. Javits Convention Center project (the Javits Project). Part G further provides that when DASNY acts as the construction-permitting agency for the Javits Project, CCDC may request, and DASNY may elect, if deemed feasible and appropriate, to subject all or any part of the Javits Project to the requirements of the New York City Construction Codes of 2014 instead of the requirements of the New York State Uniform Fire Prevention and Building Code and the New York State Energy Conservation Construction Code. In FY 2017, DASNY and CCDC agreed that DASNY would assume the responsibility to act as the construction-permitting agency for the Javits Project.
 - Moynihan Station/James A. Farley Building Replacement – Pursuant to Article 18 of the Executive Law and the regulations promulgated thereunder, in FY 2017 DASNY took on the responsibility to act as the construction-permitting agency for the Urban Development Corporation’s (UDC) adaptive reuse of the James A. Farley Post Office Building and Annex as part of UDC’s Moynihan Station Civic and Land Use Improvement Project. This work includes the creation of Moynihan Train Hall connected to Penn Station.



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- State Capital Grant Programs – DASNY administers 18 capital grant programs on behalf of New York State that support community and economic development, including:
 - Nonprofit Infrastructure Capital Investment Program (NICIP) – The FY 2016 State Budget created a \$50 million capital grant program to make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of nonprofit human services organizations that serve New Yorkers. Grants are awarded through a competitive process to eligible nonprofits that provide direct services to New Yorkers through state contracts, state authorized payments, and/or state payment rates. In the FY 2017 State Budget, funding for NICIP was increased by \$50 million, and DASNY and/or UDC were authorized to issue up to \$100 million in bonds to support this program. To address funding increases resulting from the FY 2017 amendments, a new Request for Applications was released by DASNY on August 5, 2016. On January 3, 2017, 237 applicants were awarded grants totaling approximately \$100 million. Post-award work on these grants continued in FY 2017.
 - Higher Education Capital Matching Grant Program (HECap) – In FY 2017, DASNY, as staff to the HECap Board, continued to administer grants under the program’s \$210 million bonding authorization following a competitive procurement during FY 2016 and the awarding of \$35.5 million in grants by the HECap Board in March 2016. Additionally, the FY 2017 State Budget increased the authorization to award matching capital grants by \$30 million, for a maximum authorization totaling \$240 million.
 - The State and Municipal Facilities Capital Program (SAM) – The FY 2017 State Budget increased the aggregate amount of bonds that may be issued by DASNY and/or UDC under the SAM program from \$1.155 billion to \$1.54 billion. DASNY administers SAM Grants awarded by the Senate Finance Committee, the Assembly Ways and Means Committee, and the Executive.

State Policy Initiatives

- DASNY Health Care Subsidiaries – The FY 2017 State Budget extends DASNY’s authorization to form subsidiaries in the health care sector to July 1, 2018. This capability is critical to protecting DASNY from potential liabilities in the event that it takes control of the assets of a health care entity in default. This authority was first used in connection with the federal bankruptcy proceedings for North General Hospital (NGHP Holding Corporation) and second, for Interfaith Medical Center (Atlantic Avenue Healthcare Property Holding Corporation).
- New York State Design and Construction Corporation Act (DCC) – The FY 2017 State Budget established the New York State Design and Construction Corporation (the DCC) as a new DASNY subsidiary. The purposes of the DCC are to provide: (i) additional project management expertise, monitoring, and oversight on significant public works projects undertaken by any state entity; and (ii) a means to implement and recommend improvements and other project changes



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on significant public works projects, in a more timely fashion, to ensure that such projects can be accomplished, to the extent practicable, on time, within budget, and at an acceptable overall quality and cost to the State of New York.

- Service-Disabled Veteran-Owned Business (SDVOB) – In January 2015, in accordance with Executive Law Article 17B, DASNY was selected to participate in the pilot process to assist in maximizing contractual opportunities for NYS Certified Service-Disabled Veteran-Owned Businesses in the areas of Construction, Construction Related Professional Services, Commodities and Services, and Financial Services. In FY 2017, the program was expanded statewide. DASNY is dedicated to assisting SDVOBs to compete successfully in its building services and procurement programs. To that end, in FY 2017, DASNY continued to employ numerous strategies/programs designed to identify, notify, educate and support SDVOB enterprises in DASNY’s complete platform of services. Accordingly based on the Division of Service-Disabled Veterans’ Business Development Annual Report, as of December 31, 2016, DASNY ranked 3rd among 42 State Agencies and Authorities in dollar value of awards to SDVOB firms.

DASNY Operations Overview

DASNY has two main lines of business: public finance and construction services.

During FY 2017, DASNY completed 34 bond financings, including one reoffering, for a total of approximately \$ 6.7 billion. DASNY also completed eight lease transactions totaling approximately \$ 144.2 million under its Tax-Exempt Leasing Programs (TELP I and TELP II). The largest public, higher education and health care financings were:

- State Personal Income Tax, Series 2016D (\$1,119,385,000);
- New York University Revenue Bonds, Series 2016A&B (\$829,110,000); and
- Orange Regional Medical Center, Series 2017 (\$237,100,000).

Further information on these and other significant DASNY public finance accomplishments can be found in the *Executive Leadership* and *Finance* sections of this report.

DASNY is authorized to provide a broad range of construction project services to certain educational, governmental and not-for-profit institutions. DASNY works primarily in planning, design and construction, construction monitoring, and purchasing of furnishings and equipment. During FY 2017, DASNY construction expenditures for DASNY-managed projects totaled approximately \$633.7 million. In FY 2017, DASNY awarded new professional services contracts, construction contracts and associated purchase orders for client programs, totaling approximately \$497 million.



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Construction-related accomplishments for FY 2017 include:

- South Beach Psychiatric Center new bed tower and program space moved into the construction phase (\$250 million)
- Bronx Mental Health Redevelopment Phase II project at the Bronx Psychiatric Center, construction of a new 156-bed, five story facility for adults (\$119.6 million).
- SUNY Stony Brook University, construction of a new 630-space parking lot, roundabout and roadway upgrades (\$10.6 million).
- State University College at Plattsburgh, rehabilitation of Moffitt Hall, including laundry rooms, kitchen, windows, plumbing and sprinkler systems (\$10.5 million).

CHALLENGES

DASNY has taken a number of steps in recent years, including in FY 2017, to improve its ability to better compete for public finance business, and is working to reduce construction overhead costs particularly on smaller projects amid a shift away from larger projects. In addition, DASNY has increased its outreach efforts to private clients and continues to improve processes so it can better compete.

In particular, the efforts undertaken in FY 2017 include working with DOH to streamline the review associated with reimbursement of bond-financed capital expenditures for private health care clients, and applying technology to improve internal processes so DASNY can better compete. This work builds on achievements from FY 2016 which include revised financing guidelines and policies, and realigning corporate resources to remain competitive in the market. The FY 2017 initiatives are fully discussed in the *Executive Leadership* section in this report.

Challenges in the public finance sector include increased competition from other issuers of tax-exempt debt, and market conditions. Over the last several years, DASNY's business has been impacted significantly by the proliferation of local development corporations issuing tax-exempt debt, without having to comply with State oversight procedures applicable to DASNY. While significant progress has been made in the area of legislative and administrative fee relief, a number of DASNY private client customers have pursued alternatives and financed elsewhere.

In addition, the interest rate spread between taxable and tax-exempt financing has been compressed. This has impacted demand for the issuance of tax-exempt bonds in general, and a number of DASNY private client borrowers have elected to finance taxably on their own.

The impact of these market conditions were once again reflected in FY 2017, most notably in defeasances as private clients continued to refinance their bonds elsewhere. During FY 2017, there were 25 defeasances, resulting in a \$618,000 decrease in annual administrative fee revenue, and a \$9.2 million decrease in future administrative fees. This trend has resulted in a decrease in the total amount of DASNY bonds outstanding associated with private client financings when compared to



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the prior fiscal year. This loss of business, in combination with previous DASNY fee reduction actions taken to increase DASNY competitiveness, has resulted in a decline in annual revenue from private client bond administration fees from approximately \$6.7 million in FY 2016 to approximately \$5.8 million in FY 2017.

During FY 2017, DASNY experienced a decline the par amount of bonds issued in connection with public financing transactions, and an increase in private transactions. Within the approximately \$6.7 billion in bond financings completed by DASNY during FY 2017, public borrowings totaled approximately \$3.6 billion in 11 transactions, as compared to approximately \$5.6 billion in public borrowings during the prior fiscal year. Issuance was higher in the previous fiscal year due to a \$1.5 billion refunding of certain Highway Bridge and Trust Fund bonds under the Sales Tax Revenue Bond Program. Private client business increased to 22 transactions valued at approximately \$3 billion, compared to 18 transactions valued at approximately \$2.7 billion during the prior fiscal year. The volume of TELP financings decreased to eight leases valued at approximately \$144.2 million in FY 2017, compared to 13 transactions valued at approximately \$236.4 million for the prior year.

The number of DASNY construction projects increased by 3% in FY 2017 from the previous year. That follows an almost 18% increase from FY 2014 to FY 2015. While FY 2017 showed a small increase in construction expenditures, it was against an overall downward trend over the last several years. Construction expenditures for DASNY projects increased slightly by approximately 3.8% when compared to the prior fiscal year. During FY 2017, DASNY construction expenditures increased to approximately \$633.7 million, as compared to approximately \$610.6 million during FY 2016.

With the increase in project volume comes a tendency toward an increase in overhead cost to administer the projects, including the need for design and construction contractual arrangements, associated change order management and payment processing for each. The challenge DASNY faces is to maintain a competitive cost structure in managing these smaller projects, which by their nature can incur similar administrative burdens as larger scale projects, including costs associated with contract and payment management.

EXECUTIVE LEADERSHIP

In addition to the accomplishments above, several important management initiatives were undertaken and completed by DASNY during FY 2017:

- Operating Budget -- On March 8, 2017, DASNY’s Board approved DASNY’s FY 2018 operating budget, which reflected a 2.9% increase over prior year spending. Increases were primarily due to contract-driven expenses for salaries and benefits as well as planned expenses for technology modernization. While the FY 2018 budget represented an increase over prior year expenses, the adopted budget for salaries was 11% less than what was expended in FY 2011, showing that DASNY has continued its efforts to keep operating



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expenditures down. Likewise, the adopted FY 2018 budget for non-personnel expenditures was 14% lower than actual expenses in FY 2011.

The adopted FY 2018 operating budget also included increases to up-front financing fees for private institutions as well as client-friendly modifications to the administrative fee structure.

- Improving Reimbursement Process With DOH - Working closely with DOH, DASNY improved the reimbursement process for bond-financed capital expenditures for private health care clients to provide a more streamlined and efficient review. The improvements included:
 - Three sets of hard copies of supporting documentation delivered to DOH were replaced by one electronic submission;
 - Reviews and approvals by DOH are now occurring within 10 days, expediting the reimbursement to the client.
- Process Improvements -- DASNY achieved a number of process improvements through technology enhancements in FY 2017, including:
 - The automation of tasks associated with DASNY's bi-weekly check runs to pay vendors. The automation is saving between five and seven staff hours per check run.
 - The automation of recoding the transactions from approximately 2,000 monthly bank statements with DASNY's two largest trustees. This saves between five and 10 staff hours each month.
 - Implementation of Windows 10 to replace Windows 7 is enabling greater mobility, a particular benefit for DASNY staff working in the field.
 - Implementation of Microsoft's Power Business Intelligence, a tool that allows DASNY to present data in a dashboard-style format. Dashboards provide staff with accurate visibility into business operations and help with decision making.
 - Implementation of ClearCompany Online Recruitment, a service that enables recruits to submit resumes, cover letters and background check consent online while enabling them to apply for multiple positions. It enhances DASNY's outreach ability and its prospects of obtaining the best job candidates.
 - Training Public Finance staff to handle pricing and closing work undertaken by Financial Management staff to better meet the needs of private clients.
- New Energy Building Code Training – Thirty-one DASNY employees were trained in New York State's new energy building code, which went into effect on October 3, 2016 and requires newly constructed buildings across the state to be more energy efficient.
- Transformed DASNY Marketing Materials – DASNY's transformed its marketing materials to successfully answer the primary question any client or potential client would ask: What can



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DASNY do for me? The materials answer this by traveling through the stages of a project, from finance through construction, describing at each step how DASNY differentiates itself from the competition and adds value.

- Reimagined Annual Report – DASNY reimagined its annual report from a presentation of data to magazine story-telling styles that shows DASNY’s achievements in relation to those of its clients. It connects DASNY’s successes in finance and construction to their impact on the New Yorkers who use and benefit from the infrastructure that DASNY helps create.
- MWBE Surety Bond Training Program – DASNY launched a surety bond training program to help MWBE firms develop the capabilities to serve as prime contractors. The program’s 23 classes covered a range of topics, including bid preparation, budgeting, cash flow management, and project management. In addition, the training program partnered MWBE firms with surety bond providers.



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CORPORATE GOVERNANCE

The Public Authorities Reform Act of 2009 requires each State authority to adopt a mission statement and performance measurements and to review them on an annual basis. At its March 9, 2017 meeting, the DASNY Governance Committee undertook its annual review of DASNY’s Mission Statement, Performance Measures and Metrics to Quantify Performance Goals. The Governance Committee did not recommend any changes to the DASNY Mission Statement, Performance Measures and Metrics to Quantify Performance Goals.

On October 4, 2016, an amendment to the Procurement Contract Guidelines was approved by DASNY’s Governance Committee for recommendation to the full Board. The amendment provides for the inclusion of an additional type of alternative project delivery known as “Construction Manager Build” or “CM-Build.” The purpose of this amendment was to provide DASNY’s Construction Division with the ability to address client needs through this additional method of project delivery where it is permissible to do so. The Procurement Contract Guidelines were amended by DASNY’s Board on October 5, 2016 to add “Construction Manager Build” under the definition of Alternative Project Delivery System and to create a specific definition of Construction Manager Build.

LEGISLATIVE MATTERS

During FY 2017, DASNY continued to monitor legislative activity that would improve its ability to respond to client needs and advance sound policy for the State. In addition to matters referenced in the *Operations and Accomplishments*, *Executive Leadership* and *Finance* sections of this report, the following are highlights of recent legislation affecting DASNY:

- New York Consolidated Laboratory Project: The FY 2018 State Budget authorized a new life sciences laboratory public health initiative in the Capital District pursuant to a plan developed by UDC and DOH. In addition, the Infrastructure Investment Act was amended to grant DASNY and UDC authorization to construct the project using design-build project delivery method. The FY 2018 State Budget also authorizes the project to be financed through the issuance of DASNY or UDC bonds.
- Extension of DEC/Parks Authorization (NY Works): DASNY’s ability to work for the Department of Environmental Conservation and the Office Parks, Recreation and Historic Preservation was extended in the FY 2018 State Budget for another two years, expiring April 1, 2019.
- New York City Housing Authority: The FY 2018 State Budget allocated an additional \$100 million to the New York City Housing Authority, bringing the total investment by the State in these projects to \$200 million.



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FINANCE

Bond Financings

DASNY delivered approximately \$ 6.7 billion par value of bonds during FY 2017, ending with an outstanding bond portfolio of approximately \$47.9 billion. Of the total bonds outstanding, approximately 68 percent are on behalf of public programs (such as State-supported debt and school districts); approximately 23 percent are on behalf of independent higher education institutions and other not-for-profits; and approximately 9 percent are for independent health care institutions.

During FY 2017, about 54 percent of the \$6.7 billion total par value of bonds delivered by DASNY were for its public clients. DASNY delivered a total of \$3.6 billion of bonds in FY 2017 for its public clients:

Public-supported:

| | |
|--|------------------------|
| • State Personal Income Tax, 2016A, B & C | \$703,165,000 |
| • State Sales Tax, Series 2016A | \$1,089,370,000 |
| • Department of Health Revenue Refunding Bonds, Series 2016A | \$144,810,000 |
| • State Personal Income Tax, Series 2016D | \$1,119,385,000 |
| • Master BOCES Program (Oneida Herkimer Madison Issue), Series 2016 | \$24,535,000 |
| • Master BOCES Program (Genesee Valley Issue), Series 2016 | \$19,920,000 |
| • School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016 A-D | \$216,665,000 |
| • School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016 E-J | \$211,225,000 |
| • Court Facilities Lease Revenue (The County of Westchester), Series 2016 | \$22,485,000 |
| • Special Act School District Little Flower, Series 2016 | \$5,165,000 |
| • School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016 K | <u>\$62,830,000</u> |
| Total | \$3,619,555,000 |



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DASNY also delivered approximately \$3 billion of bonds in FY 2017 for its independent, private-sector clients:

| | |
|--|-------------------------|
| • Columbia University, 2016 A-1, A-2 & B | \$389,705,000 |
| • Fordham University, 2016A | \$146,465,000 |
| • Cornell University, 2016A | \$125,850,000 |
| • Pratt Institute, 2016 | \$53,360,000 |
| • NYU Hospitals Center, 2016A | \$157,270,000 |
| • New York University, Series 2016A&B | \$829,110,000 |
| • New York Institute of Technology, 2016A | \$47,910,000 |
| • Memorial Sloan Kettering, 2016 Series 1 | \$110,000,000 |
| • Parker Jewish Institute, Series 2016 | \$39,027,095 |
| • The New School, Series 2016A&B | \$402,460,000 |
| • Albany Public Library, Series 2016 | \$22,745,000 |
| • Vaughn College of Aeronautics and Technology, Series 2016A | \$54,420,000 |
| • Brightpoint Health, Series 2016A&B | \$9,845,000 |
| • Commack Public Library District Revenue Bonds, Series 2016 | \$7,835,000 |
| • Providence Rest, Series 2016 | \$22,821,500 |
| • InterAgency Council Pooled Loan Program, Series 2016B | \$29,425,000 |
| • Columbia University, Series 2017 A&B | \$190,475,000 |
| • Bank Street College of Education, Series 2017 A&B | \$20,000,000 |
| • Orange Regional Medical Center, Series 2017 | \$237,100,000 |
| • Teachers College, Series 2017 | \$43,390,000 |
| • Siena College, Series 2017 1&2 | \$38,395,000 |
| • NYSARC, Series 2017 A&B | <u>\$34,500,000</u> |
| Total | \$ 3,012,108,595 |

Tax-Exempt Equipment Leasing Program (TELP) Financings

During FY 2017, DASNY executed eight leases to finance \$ 144.2 million of DASNY’s clients’ equipment needs including medical, telecommunications and information technology equipment such as electronic medical records systems. Since the program’s inception, DASNY has helped clients secure 467 leases to finance more than \$3.5 billion in equipment including MRIs, CT scanners, computer systems, energy efficiency, and other high-tech equipment.



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Tax-Exempt Leasing Program I (Health Care)

| | |
|--|----------------------|
| United Health Services Hospitals, Inc. | \$8,800,000 |
| Hospital for Special Surgery | \$19,992,620 |
| Rochester General Hospital | \$20,000,000 |
| State University of New York University Hospital at Syracuse | \$23,000,000 |
| Kaleida Health | \$15,000,000 |
| Hebrew Home for the Aged at Riverdale | \$13,947,832 |
| Montefiore Medical Center | <u>\$33,685,553</u> |
| Total TELP I Leases | \$134,426,005 |

Tax-Exempt Leasing Program II (Higher Education & Other Not-for-Profits)

| | |
|-----------------------------|--------------------|
| NYSARC, Inc. | <u>\$9,753,266</u> |
| Total TELP II Leases | \$9,753,266 |

CONSTRUCTION

Construction Statistics

At the close of FY 2017, DASNY had a total construction workload of 949 full and modified services projects valued at over \$5.98 billion. Expenditures on projects for which DASNY provided full services during FY 2017 totaled \$633.7 million.

Projects in the pipeline as of March 31, 2017 are summarized in the table below:

| Type of DASNY Service | Number of Projects | Total Value of Projects |
|------------------------------------|--------------------|-------------------------|
| Full and modified (all phases) | 949 | \$ 5,980,589,035 |
| Preliminary phase | 262 | \$ 1,693,125,401 |
| Design phase | 466 | \$ 2,017,199,877 |
| Construction phase | 221 | \$ 2,270,263,757 |
| Full Service Projects >\$5 million | 129 | \$ 2,767,432,149 |

DASNY-managed projects completed in FY 2017 include:

- Bronx Mental Health Redevelopment Phase II project at the Bronx Psychiatric Center, construction of a new 156-bed, five story facility for adults (\$119.6 million).
- SUNY Stony Brook University, construction of a new 630-space parking lot, roundabout and roadway upgrades (\$10.6 million).
- State University College at Plattsburgh, rehabilitation of Moffitt Hall, including laundry rooms, kitchen, windows, plumbing and sprinkler systems (\$10.5 million).
- NYS Department of Environmental Conservation, Western NY Flood Control (\$9.9 million).



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- State University College at Cortland, interior renovations and mechanical system upgrades at DeGroat residence hall (\$7.6 million).
- SUNY University at Albany, renovations to Onondaga and Oneida residence halls (\$6.7 million).
- CUNY College of Staten Island, roof replacement and repairs at four buildings (\$6.9 million).
- CUNY York College, envelope repairs to Academic Core Building (\$5.4 million).

Major ongoing DASNY-managed projects include:

- Gouverneur Health, new construction and renovations (\$246.8 million)
- South Beach Psychiatric Center, new inpatient building (\$250 million)
- Hutchings Psychiatric Center, rehabilitation of Building 1 (\$22.7 million)
- LaGuardia Community College, Center 3 façade replacement (\$122.7 million)
- Bronx Family/Criminal Courthouse, interior renovations (\$60.4 million)
- Bronx Civil/Civil Supreme Courthouse, interior renovations (\$38.8 million)
- Queens College, new chiller plant (\$31.8 million)
- Hostos Community College, renovations to 500 Grand Concourse Building (\$11.62 million)
- Manhattan Psychiatric Center, renovations to the Dunlap Building (\$8.4 million)
- State University College at Plattsburgh, Whiteface Hall renovations (\$16.8 million)
- State University College at Plattsburgh, Wilson Hall renovations (\$16 million)
- State University College at Plattsburgh, Macomb and Mason halls renovations (\$15.3 million)
- SUNY College of Technology at Alfred, renovation at MacKenzie Complex (\$17.5 million)
- New York City Housing Authority, security and light system upgrades at several properties (\$46.1 million)

New projects added to DASNY’s construction pipeline during FY 2017 include:

- Queens College, Phase 2 of the Central Chiller Plant project, (\$14.78 million).
- Governor’s Office of Storm Recovery resiliency projects in Bronx, Kings, Queens, Richmond, Rockland, Schenectady, Suffolk and Ulster Counties (\$94.6 million).

New projects in programs where DASNY has various levels of oversight:

- Homeless Housing and Assistance Program: 30 projects for homeless housing located in Albany, Bronx, Cayuga, Chautauqua, Dutchess, Kings, Monroe, Nassau, New York, Oneida, Orange, Seneca, Steuben, Suffolk, Tompkins, Ulster and Westchester Counties (\$754.9 million).
- Office of Alcoholism and Substance Abuse Services: Five renovation and new construction projects in Clinton, Onondaga, Richmond and Schenectady counties (\$31.7 million).
- Office of Parks, Recreation and Historic Preservation: Two projects in Niagara County at Niagara Falls State Park (\$7.2 million).



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Construction Developments

- **State University of New York – Residence Hall Program:** DASNY completed seven capital projects with an overall project value exceeding \$40 million and 28 summer projects with an overall project value exceeding \$80 million during the summer of 2016. In addition, the 2017 summer activity includes seven capital projects with an overall project value of nearly \$80 million and 34 summer projects with a value of nearly \$30 million.
- **New York City Housing Authority (NYCHA):** The FY 2016 State Budget authorized \$100 million for public housing modernization and improvement program to improve safety and quality of life for NYCHA residents. DASNY was specified as the entity to execute the program by providing construction services for all projects within the program, which currently consists of three phases: (1) security improvement projects; (2) appliance replacement projects; and (3) Quality of Life projects.

Eighteen security projects are completed, with numerous projects in construction, procurement or scoping phases. Lighting projects are progressing through design, with construction anticipated to commence fall of 2017. Twelve developments have received appliance deliveries and DASNY is nearly half-way complete with this effort. The Quality of Life projects have entered the scoping and design phase.

- **Governor’s Office of Storm Recovery (GOSR):** DASNY’s work for GOSR includes approximately 50 projects totaling over \$130 million in NYC and on Long Island along with the 18 Upstate projects totaling nearly \$23 million. DASNY continues to advance this work through the design phase in many cases, with construction activity heating up later this summer and fall.
- **NY Works:** During FY 2017, DASNY continued to perform construction management services for the NYS Department of Environmental Conservation (DEC) and the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) under the NY Works Program, including dams, flood control and dredging projects (DEC) and the Niagara Falls State Park project (OPRHP).
- **Department of Health Certificate of Need Reviews:** DASNY continues to provide document review services. As of March 31, 2017, DASNY has contracted for 236 reviews for 105 hospitals and health care providers with a total project value of approximately \$8.8 billion. Projects reviewed include hospitals, nursing homes, ambulatory surgical centers, and diagnostic and treatment centers.
- **Construction Site Safety Initiatives:** DASNY is committed to maintaining a safe working environment at each of its construction sites. To support this commitment, DASNY holds contracts with two safety/loss control firms. The consultants assist DASNY staff and contractors in identifying ways to control hazards normally associated with an active construction site. In FY 2017, the safety/loss control consultants conducted 154 construction site surveys.



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MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (MWBE) INITIATIVES

- **MWBE 15-A Construction-Related Goal Results for FY 2017:** DASNY's construction and commodity-related MWBE Article 15-A goals for contracts executed in FY 2017 totaled 30%, (18% MBE and 12% WBE). DASNY has implemented this goal for all construction and construction-related professional services contracts issued after April 1, 2015. DASNY's results for FY 2017 were: 29.10%; 18.29% MBE and 10.81% WBE. The total cumulative MWBE expenditures for FY 2017 were \$138,636,507, which represents an increase of approximately \$20 million when compared to the last year. DASNY's FY 2017 MWBE participation compares favorably with the 20% goal that was in place when many of the applicable contracts were entered into. Taken together, these accomplishments position DASNY to better serve its clients, maintain and potentially reduce its costs, and promote inclusion in New York State contracting opportunities.
- **MWBE Financial and Professional Services:** The chart below outlines the MWBE participation for non-construction related professional services for FY 2017. Four categories, Legal, Accounting, Official Statement Printing and Risk Management are reported to Empire State Development (ESD). Financial Advisory, Swap Advisory, Underwriters for Public Transactions, Broker Dealer and Private Client Transactions with Multiple Underwriters are tracked by DASNY, but not reported to ESD.



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Summary Fiscal Year April 1, 2016 - March 31, 2017

| Non-Construction Professional Service | Total | MWBE Participation | % Participation |
|--|---------------|---------------------------|------------------------|
| Legal | \$ 10,957,763 | \$ 1480894 | 13.51 |
| Accounting | \$ 361,777 | \$ 93,441 | 25.83% |
| Financial Advisory | \$ 40,000 | \$ 0 | 0% ⁽¹⁾ |
| Official Statement Printing | \$ 127,217 | \$ 127,217 | 100.0% |
| Swap Advisory | \$ N/A | \$ N/A | N/A |
| Risk Management | \$ 706,492 | \$ 35,496 | 5.02% ⁽²⁾ |
| Underwriters for Public Transactions | \$ 2,706,554 | \$ 820,103 | 30.3% |

(1) \$25,000 engagement related to bond financing with an MWBE financial advisory firm which merged with a majority firm was expected to close prior to 3/31/17. This would have resulted in 38% MWBE Financial Advisory participation. The financing closed in early FY 2018 and could not be included for FY 2017.

(2) Values include fees paid by DASNY and commissions paid by insurance carriers in association with policies placed for DASNY. Values do not include insurance premiums, which total \$10.2 million. Brokers do not retain any part of those funds, which are paid directly to insurance carriers on DASNY's behalf.

| Non-Construction Professional Service | Total | MWBE Participation | % Participation |
|--|------------------|---------------------------|------------------------|
| Broker-Dealer ⁽³⁾ | \$ 5,086,489,500 | \$ 2,146,259,500 | 42.2% |

| Non-Construction Professional Service | Number of Transactions | Transactions with MWBE Participation | % Participation |
|--|-------------------------------|---|------------------------|
| Private Client Transactions with Multiple Underwriters | 9 | 7 | 77.78% |

(3) Blended rate including voluntary private client MWBE participation not required under Executive Law Article 15-A.

(*) Participation based upon par value transactions awarded to MWBE.



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SUSTAINABILITY PROGRAMS:

- **DASNY Green Projects in Design and Construction**

As of January 1, 2008, all DASNY projects that are new construction, additions or significant renovations must include a goal of LEED Silver or higher and be fully submitted to the United States Green Building Council (USGBC) for a rating review. As of March 31, 2017, 40 projects have received a rating of Certified or better, including three Platinum, 13 Gold, 21 Silver and three Certified.

- **LEED Accredited Professionals at DASNY**

DASNY has 26 LEED-Accredited Professionals (AP) and one Green Associates on staff to assist DASNY and its clients with the LEED certification process. DASNY encourages all employees involved with design and construction to prepare for and take the test to achieve LEED-AP status.

- **DASNY Works to Advance New York State Policy Goals**

DASNY continues to work collaboratively with other State entities to further State Policy Goals, including Executive Orders No. 88 (relating to energy efficiency, commissioning and metering), No.18 (striving to eliminate single use water bottles), and No. 4 (pertaining to green procurement and waste reduction). Where possible, DASNY incorporates these policy goals into its construction projects by striving for extremely high efficiency in every project and discussing the potential benefits of net zero designs with clients, consultants, and contractors.

DASNY incorporates the State’s policy goals into its purchasing practices. The goals include: procurement from MWBE vendors, increase in energy efficiency and use of renewable energy strategies, use of State contracts for optimal pricing and increases in percentages of green procurement.

DASNY assists with achieving the goals of Executive Order No. 4 by training State agency staff and potential State vendors and developing the specifications and definitions to assist other entities in the development of procurement processes to comply with the Order.

GRANTS AND INTERNAL OPERATIONS

- DASNY is authorized to issue bonds to finance the costs of capital grants to build, expand or renovate community facilities throughout New York. In FY 2017, DASNY sold approximately \$98 million in bonds to support community-based economic development, education, health care, high-technology, housing and public safety projects.
- DASNY administers several grant programs for the Legislature, the Governor, and in cooperation with other State agencies. Since inception of the grant programs, DASNY has received 10,175 grants totaling over \$8 billion for processing and a total of over \$5.3 billion has been disbursed to grantees. DASNY is currently administering approximately 3,900 grants totaling approximately \$1.9 billion.