

Memorandum

TO: Jack D. Homkow, Director, Office of Environmental Affairs

FROM: Robert S. Derico, R. A., Senior Environmental Manager 

DATE: April 13, 2015

RE: *State Environmental Quality Review (SEQR) Negative Declaration Concurrence for the Orange Regional Medical Center's Medical Office Building Expansion Project, City of Middletown, Town of Wallkill, Orange County, New York*

Orange Regional Medical Center ("ORMC") has requested financing from the Dormitory Authority State of New York ("DASNY") for its *Medical Office Building Expansion Project* (the "Proposed Project"). Based on a review of the attached Credit Summary, dated April 2, 2015, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of fixed- or variable-rate, tax-exempt and/or taxable, Series 2015 bonds sold through a negotiated offering, in an amount not to exceed \$75,000,000 in funding under DASNY's Hospitals Program. ORMC is located at 707 East Main Street, City of Middletown, Orange County, New York.

More Specifically, ORMC would use bond proceeds for the construction of a new, 5-story, approximately 153,000-gross-square-foot ("gsf") Medical Office Building ("MOB") and a Cancer Center to be located on its main campus and connected to the existing Medical Center's administration building. ORMC would then relocate existing outpatient services that are currently being provided at other off-campus locations to its main campus. The Proposed Project would not result in the availability of new clinical services. It would relocate existing services from leased space in remote locations to the ORMC's main campus. ORMC is one of two hospitals in the Greater Hudson Valley Health System ("GHVHS"), the other hospital being Catskill Regional Medical Center, designated as a sole community provider in Sullivan County. GHVHS serves as the active parent to both hospitals.

The first two floors of the MOB would house all relocated outpatient diagnostic imaging services, four outpatient operating rooms and five procedure rooms. Additionally, the first two floors would include a primary care clinic, cardiac rehabilitation, laboratory services, central registration, retail pharmacy, a community-health resource center and other related support services. Floors three and four would be occupied by the Primary Care physicians and their offices. The fifth floor is currently designed as shell space for future ORMC expansion.

The Cancer Center would include both new construction and renovation of existing Medical Center space. The Cancer Center would be located on the ground floor and total approximately 22,000 gsf. Approximately 11,000 gsf of space of the existing administrative building would be renovated and another 11,000 gsf would be added on as new construction. To accommodate the relocation to other areas being displaced by the Cancer Center, approximately 4,100 square feet of adjacent space would also be renovated.

The Cancer Center would give the Medical Center the opportunity to consolidate all of its outpatient cancer services to one facility that would include radiation oncology and infusion, exam rooms and nursing stations. The buildings would be separate yet immediately adjacent to, and interconnected with, one another on the north side of the existing Medical Center campus. The new construction would be built slightly in front of the existing Medical Center, in an area currently containing landscaping. The Proposed Project would include an approximately 450-linear-foot expansion of the access road that encircles the campus as well as an approximately 807-space increase in the Medical Center's ground-level parking. The construction period is estimated at approximately one-and-one-half years, starting in April 2015 with a completion date of October 2016.

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. Additionally, DASNY, as a New York State public benefit corporation managing the Proposed Project, is required to conduct a review in conformance with the *New York State Historic Preservation Act of 1980* ("SHPA") and Part 428 of the implementing regulations of the *Parks, Recreation and Historic Preservation Law* ("PRHPL"), which governs state agency activities affecting historic or cultural properties, as well as with the requirements of the Memorandum of Understanding (dated March 18, 1998) between DASNY and the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP").

Representatives of DASNY reviewed the *Full Environmental Assessment Form* ("FEAF"), dated October 15, 2014 (attached), for the Proposed Project. The aforementioned documents were completed by ORMC and issued by the Town of Wallkill Planning Board ("TWPB"), which acted as lead agency for the purposes of conducting a coordinated review of this Type I action. TWPB distributed its lead agency request letter to all involved agencies and interested parties and on December 8, 2014, designated itself lead agency.

Additionally, representatives of DASNY discussed the Proposed Project's possible environmental impacts with representatives of ORMC, and reviewed the TWPB's *Determination of Nonsignificance* ("*Negative Declaration*") as incorporated as *SEAF-Part 3*, also dated August 8, 2014 (attached). DASNY was not an involved agency for this coordinated review, it is bound by the determination of the lead agency.¹

Based on the above, and the additional information set forth below, DASNY, as an involved agency, independently analyzed the relevant areas of environmental concern and concurs with the lead agency's (NYSDEC's) *Negative Declaration* that the Proposed Project "...will not result in any significant adverse impacts to the environment...."

¹ 6 N.Y.C.R.R. § 617.6(b)(3)(iii).

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 ten 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.

The Proposed project site was the subject of a previous archeological investigation relating to the construction of the Medical Center in 2006. At that time, consultation was initiated with OPRHP (OPRHP Project No. 06PR4643) and in its letter of November 21, 2007 (attached), OPRHP determined "*...that we have received the final report...and those requirements set out in the Data Recovery Plan have been met.*" 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: Deborah J. Paden, Esq.
Sara P. Richards, Esq.
Matthew T. Bergin
SEQR File
OPRHP File