



**DASNY**

**KATHY HOCHUL**  
Governor

**LISA GOMEZ**  
Chair

**CHARLIE WILLIAMS**  
Vice President

***Memorandum***

**TO:** Robert S. Derico, R.A. Director, Office of Environmental Affairs

**FROM:** Elisabeth Draper, Environmental Manager

**DATE:** May 6, 2024

**RE:** *State Environmental Quality Review ("SEQR") Type II Determination for the Shelter Island Public Library Society Library Additions, Alternations, and Improvements Project, Suffolk County, New York*

The Shelter Island Public Library Society (the "Library") is requesting financing from the Dormitory Authority State of New York ("DASNY") for its *Library Additions, Alternations, and Improvements Project* (the "Proposed Project"). The Proposed Action would involve DASNY's authorization of the issuance of one or more series of tax exempt, and/or taxable, fixed and/or variable rate bonds, in an amount not to exceed \$9,500,000 million, with maturities not to exceed 31-years, are expected to be sold through a negotiated offering. The Proposed Project site is located at: 37 N Ferry Rd, Shelter Island, Suffolk County, New York.

More specifically, the Proposed Project would consist of the renovation, alteration, upgrading, equipping and rehabilitation of the Library's existing 6,300-gross-square-foot ("gsf") Main Building to modernize the building with a new layout to improve functionality. A 2-story 4,500 gsf addition would be constructed and would include some or all of the following: a better-functioning multipurpose room, a quiet reading space, and distinct spaces for young adults and children. The project is also expected to include upgrades to insulation and ventilation systems, improvements to wastewater systems, installation of sustainable energy solutions, including solar panels and EV charging stations, renovations for *Americans with Disabilities Act of 1990 ("ADA")*-compliant restrooms, new elevator cab, new automatic entry doors, and additional parking.

Shelter Island Public Library Society, incorporated in 1886, is a 501(c)(3) organization operating as an association library for education purposes, chartered by the Board of Regents of the State of New York in 2010. The Library provides library services and facilities serving the residents of the Town of Shelter Island, Suffolk County, New York (the "Town"). The Town is an 8,000-acre (6.7 square miles) island community between the north and south forks of Long Island that is only accessible by ferry. There is a year-round population of approximately 2,500 residents and about five times that number in the summer. The Library district, the Town, and Shelter Island Union Free School District (the "School District") are coterminous. The Library is one of approximately 54 members of the Suffolk Cooperative Library System. The Library is governed and administered by an elected, thirteen-member Board of Trustees, functioning pursuant to the provisions of the *Education Law* and the *Not-for-Profit Corporation Law* of the State of New York.

DASNY completed this environmental review in accordance with the *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 would involve “...*the rehabilitation of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes...*”, and “...*the routine activities of educational institutions, including expansion of existing facilities by less than 10,000 square feet of gross floor area and school closings, but not changes in use related to such closings*”, which are Type II action as specifically designated 6 *N.Y.C.R.R.* § 617.5(c)(2) and 6 *N.Y.C.R.R.* § 617.5(c)(10) respectively. 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.”<sup>1</sup> Therefore, no further *SEQR* determination or procedure is required for any component of the proposed project identified as Type II.

The Proposed Project 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 the 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. 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.

#### Attachments

cc: Frederick W. Clark, III, Esq.  
Stephen J. Kosier  
*SEQR* File  
*OPRHP* File

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<sup>1</sup> 6 *N.Y.C.R.R.* § 617.5(a).



# Transaction Report Update – Adoption of Documents Shelter Island Public Library Society – Shelter Island, New York April 30, 2024

**PROGRAM:**

Public Libraries

**PURPOSE:**

New Money

**NOT TO EXCEED AMOUNT:**

\$9,500,000

**NOT TO EXCEED TERM:**

31 Years

**INTEREST RATE TYPE:**

Fixed and/or Variable

**BOND TAX STATUS:**

Tax-Exempt and/or Taxable

**SALE TYPE:**

Negotiated Offering

**EXPECTED RATINGS:**

Aa3/NR/NR

**SECURITY:**

Pledge of Revenues

Intercept of Tax Receipts

**Recent Information**

The Board adopted the Resolution to Proceed for this financing at the April 10, 2024 Board meeting. Since that time:

- PACB approval was received on April 17, 2024.
- The TEFRA hearing is scheduled for May 3, 2024.
- The SEQR Filing is anticipated to be completed May 6, 2024.

For additional information, reference the Transaction Report, dated April 2, 2024.

**Recommendation**

The Board is being asked to adopt the necessary documents for the Shelter Island Public Library Society financing. Hodgson Russ LLP and Pearlman & Miranda LLC, co-bond counsel, will provide the Board with an overview of certain bond document provisions at the May 8, 2024 Board meeting.



# Transaction Report – Resolution to Proceed Shelter Island Public Library Society – Shelter Island, New York

April 2, 2024

**PROGRAM:**

Public Libraries

**PURPOSE:**

New Money

**NOT TO EXCEED AMOUNT:**

\$9,500,000

**NOT TO EXCEED TERM:**

31 Years

**INTEREST RATE TYPE:**

Fixed and/or Variable

**BOND TAX STATUS:**

Tax-Exempt and/or Taxable

**SALE TYPE:**

Negotiated Offering

**EXPECTED RATINGS:**

Aa3/NR/NR

**SECURITY:**

Pledge of Revenues

Intercept of Tax Receipts

## Proposed New Issue Overview

The Board is being asked to adopt a resolution to proceed for one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds, in an amount not to exceed \$9,500,000, with maturities not to exceed 31 years, to be sold at one or more times, through a negotiated offering, on behalf of Shelter Island Public Library Society (the “Library”)

### Financing Team:

- Lead Manager – Raymond James
- Co-Bond Counsel – Hodgson Russ LLP and Pearlman & Miranda, LLC
- Underwriter’s Counsel – Norton Rose Fulbright

### Purpose:

- Financing the construction of additions, alterations, and improvements to the existing Library building.

### Security:

- Pledge of revenues of the Library.
- “Lockbox” to intercept collection of tax revenues of the Library for priority payment of debt service on the bonds.

### Description of the Bonds:

- The Bonds are a special obligation of DASNY.
- The Loan Agreement is a general obligation of the Library.
- The Bonds are payable from payments made under the Loan Agreement and funds and accounts established under the Resolution.

### Financing Details:

**New Money:** Bond proceeds will be used to construct additions, alterations, and improvements to the Library building located at 37 North Ferry Road, Shelter Island, New York. The existing Library building was built in 1965 and is approximately 6,300 square feet. The renovation will modernize the building with a new layout to improve how the building functions. There will be an addition of approximately 4,500 square feet which will include a better-functioning multipurpose room, a quiet reading space, and distinct spaces for young adults and children. The project is also expected to include additional parking, upgrades to insulation and ventilation systems, improvements to wastewater systems, and installation of sustainable energy solutions, including solar panels and EV charging stations.

**Sources and Uses:** The anticipated par is \$9.475 million with an estimated premium issuance of approximately \$420,000. Issuance costs, including the underwriter’s discount, are expected to total approximately \$495,000. The estimated project fund deposit is approximately \$9.5 million.



<i>Sources of Funds:</i>	<i>Series 2024</i>
Bond Proceeds	
Par Proceeds	\$ 9,475,000
Original Issue Premium	420,377
<i>Total Sources</i>	\$ 9,895,377

  

<i>Uses of Funds:</i>	
Project Fund Deposit	\$ 9,500,000
Estimated Costs of Issuance	329,287
Underwriter's Discount	66,090
<i>Total Uses</i>	\$ 9,895,377

Approvals

PACB Approval (anticipated) – April 17, 2024   TEFRA Hearing (anticipated) – April 26, 2024   SEQR Filing (anticipated)– May 6, 2024

Program Overview

New York State has approximately 740 public libraries served by 23 cooperative public library systems (the “Systems”). The Systems provide services designed to address the needs of their member libraries and to provide economies of scale in making services available to libraries that could not otherwise afford them. The Systems are designed to assure the quality of library services throughout the State. The main financial support for public libraries in New York State derives from local public funds.

A public library serves a hamlet, village, town, city, county, school district, a combination of these units, or, in certain cases, a special library district established by the State Legislature. These libraries are subject to State Education Law and the regulations of the Commissioner of Education. A board of trustees governs each library, with specific powers and responsibilities under the Education Law. Each public library board is autonomous.

The four major types of public libraries are municipal libraries (created by a village, town, city, or county government), school district libraries (created by a vote of the school district electorate or a city board of education), association libraries (created by a membership association), and special district libraries (created by the State Legislature to serve a part of one or more municipalities).

Financing History:

DASNY has financed 14 public libraries. As of December 31, 2024, DASNY had public library bonds outstanding totaling approximately \$97.0 million, on behalf of 13 public libraries. Payments under these obligations to DASNY have always been met on time and in full.

Borrower Overview

Shelter Island Public Library Society, incorporated in 1886, is a 501(c)(3) organization operating as an association library for education purposes, chartered by the Board of Regents of the State of New York in 2010. The Library provides library services and facilities serving the residents of the Town of Shelter Island, Suffolk County, New York (the “Town”). The Town is an 8,000-acre (6.7 square miles) island community between the north and south forks of Long Island that is only accessible by ferry. There is a year-round population of approximately 2,500 residents and about five times that number in the summer. The Library district, the Town, and Shelter Island Union Free School District (the “School District”) are coterminous. The Library is one of approximately 54 members of the Suffolk Cooperative Library System. The 13 Board members of the Library are elected by the residents of the Library District at elections conducted by the Library.

Association Libraries:

As an association library, the Library’s property belongs to the Association. Although the Library can encumber and dispose of its assets as its operations warrant, its property ultimately passes to the State for the benefit of the School District with which the Library is associated in the event of dissolution. In the event of dissolution of the Library, the School District would continue to levy taxes to provide for future debt service payments under the Loan Agreement.



Unlike a school district public library, an association library is not a public entity. Its employees are not engaged under the Civil Service Law and it has no power to condemn property for the acquisition of a site. However, just like public libraries, the revenues of association libraries are primarily raised from taxes imposed on their communities. Residents of the School District vote directly for the approval of the tax levy. Once approved, the Library’s tax levy is considered an annual appropriation until changed by further vote. If the Library requests an increase and the voters of the School District defeat the request, then the appropriation reverts to the amount last approved by the voters.

### Real Property Tax Collection Process:

Property taxes for the School District and the Library are levied by the School District authorities and are collected by the Town tax receiver. Each tax appears as a separate line item on the annual tax billing. Tax receipts for both the School District and the Library are then delivered by the Town tax receiver to the School District. The School District forwards 100% of the Library’s annual tax levy collectible in two equal semi-annual installments, in January and June. The Town tax receiver files a report of any uncollected taxes with the County. Pursuant to the Real Property Tax Law, the County thereafter pays to the School District the amount of the School District’s and the Library’s uncollected tax levies. Historically, the School District and the Library have received their full levies.

### Financing History:

The proposed financing will be the first DASNY issuance for the Library. The Library was added to the DASNY statute by chapter 215 of the laws of 2023. Authorization to pledge funds raised by taxes for amounts required under the loan agreement was approved by a voter referendum held on June 17, 2023.

### Security Provisions:

The Loan Agreement between the Library and DASNY will be a general obligation of the Library. Payments under the Loan Agreement will be secured by a pledge of the Library’s right to receive tax levies collected annually and turned over to the tax receiver on behalf of the Library. Under its designation by the State Legislature as an eligible public library under the Dormitory Authority Act, the Library has the power to assign and pledge to DASNY any and all public funds apportioned by the State or a political subdivision, in an amount sufficient to make all payments required by the Library pursuant to its Loan Agreement. The voter referendum effectively amended the Library’s tax levy to provide for future debt service payments under its Loan Agreement. The Loan Agreement will provide for notification to DASNY in the event of (i) the submission of any preliminary budget of the Library providing for a reduction in public funding, or (ii) any petition submitted to abolish the Library.

The proposed bonds will be secured by a pledge and assignment to the Trustee of the payments to be made by the Library to DASNY under the provisions of the Loan Agreement. DASNY, the Library, the School District, and the Town will enter into an agreement to establish a lockbox mechanism to provide additional security by ensuring that the Library’s tax revenues are available when needed to satisfy DASNY’s obligations to bondholders. As a result, the School District will remit tax revenues into the lockbox, a portion of which will be withheld to pay debt service on the bonds, before being made available to the Library.

### Summary

- Staff requests that the Board adopt a resolution to proceed on behalf of Shelter Island Public Library Society, in an amount not to exceed \$9,500,000.

*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.*



**New York State  
Parks, Recreation and  
Historic Preservation**

**KATHY HOCHUL**  
Governor

**RANDY SIMONS**  
Commissioner Pro Tempore

March 08, 2024

Christopher Sepp  
Sr. Associate, Architect  
Beatty Harvey Coco Architects  
1300 Walt Whitman Road  
Suite 102  
Melville, NY 11747

Re: DASNY  
Shelter Island Public Library - Alterations and Additions  
37 N Ferry Rd, Shelter Island, NY 11964  
24PR01975

Dear Christopher Sepp:

Thank you for requesting the comments of the Office of Parks, Recreation and Historic Preservation (OPRHP). We have reviewed the project in accordance with the New York State Historic Preservation Act of 1980 (Section 14.09 of the New York Parks, Recreation and Historic Preservation Law). These comments are those of the OPRHP and relate only to Historic/Cultural resources. They do not include potential environmental impacts to New York State Parkland that may be involved in or near your project.

Based upon this review, it is the opinion of OPRHP that no properties, including archaeological and/or historic resources, listed in or eligible for the New York State and National Registers of Historic Places will be impacted by this project.

If further correspondence is required regarding this project, please be sure to refer to the OPRHP Project Review (PR) number noted above. If you have any questions, please contact Jessica Vavrsek at the following email address:

[Jessica.Vavrsek@parks.ny.gov](mailto:Jessica.Vavrsek@parks.ny.gov)

Sincerely,

A handwritten signature in black ink that reads "R. Daniel Mackay".

R. Daniel Mackay

Deputy Commissioner for Historic Preservation  
Division for Historic Preservation