

The Dormitory Authority of the State of New York met in a Regular Meeting at DASNY's New York City Office, One Penn Plaza, 52nd Floor, New York, New York at 9:30 a.m. on Wednesday, February 8, 2017.

The Meeting was called to order by the Chair. Roll call was taken and a quorum was present. Those Members present for and absent from the Meeting were as follows:

Members Present

Alfonso L. Carney, Jr., Chair, Member
Sandra M. Shapard, Secretary, Member
Jonathan H. Gardner, Esq., Member
Beryl L. Snyder, Esq., Member
Gerard Romski, Esq., Member
Paul S. Ellis, Esq., Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Member (ex officio)
Tracy Fay Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Members Absent:

John B. Johnson, Jr., Vice Chair, Member
Mary Ellen Elia, Commissioner of Education, Member (ex officio)

Also Present - Dormitory Authority Staff:

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Stephen D. Curro, Managing Director of Construction
Caroline V. Griffin, Chief of Staff
Debra Pulenskey Drescher, Esq., Managing General Counsel
Debbie Paden, Esq., Managing General Counsel
Larry N. Volk, Senior Director, Portfolio Monitoring
Daniel W. Petroff, Chief of Strategic and Business Development
Freeman M. Klopott, Director, Communications and Marketing
Sara P. Richards, Esq., Associate Counsel
David P. Ostrander, Senior Financial Analyst
Matthew T. Bergin, Assistant Director, Public Finance and Portfolio Monitoring
Gerard E. Klauser, Senior Financial Analyst
Tiffany N. Bryant, Special Assistant to the President
Boby J. Manjila, Senior System Specialist

Others Present

Virginia Wong, Esq.

Nixon Peabody, LLP

Vivian Drohan, Esq.

Drohan Lee, LLP

PUBLIC SESSION

The Chair called the Meeting to order. He acknowledged the technical assistance of Bobby J. Manila, Senior System Specialist, who will be celebrating the anniversary of his eleventh year with DASNY tomorrow. The Chair thanked Mr. Manila for his help in setting up the IT technical aspects of the Board Meetings and arranging for the Meetings to be webcast. The Minutes of the January 11, 2017 Regular Meeting were reviewed and approved.

Finance Committee Report

Finance Committee Chair Ronski reported that the Finance Committee met on Tuesday, February 7, 2017, and that after discussion, decided unanimously to recommend the following transactions to the full Board for approval: Teachers College and The Silvercrest Center for Nursing and Rehabilitation.

Teachers College

The President introduced Virginia Wong, Esq. of Nixon Peabody, LLP and Vivian Drohan, Esq. of Drohan Lee, LLP, co-bond counsel on the transaction, and Mr. Ostrander.

Mr. Ostrander presented the Single Approval Credit Summary and Staff Report recommending 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 \$50,000,000 for a term not to exceed 23 years on behalf of Teachers College. He stated that proceeds of the Series 2017 Bonds are expected to be used to refund all or a portion of the DASNY Series 2009 Bonds issued on behalf of the College. Mr. Ostrander further stated that, assuming current market conditions, a total net present value savings of approximately \$5.3 million, or 12.1% of the refunded bonds, is expected from the proposed refunding.

Mr. Ostrander informed the Members that it is currently anticipated that DASNY will issue one series of tax-exempt, fixed rate bonds. He stated that the College is currently rated A1 by Moody's and A+ by Standard & Poor's, with both rating agencies assigning a Stable Outlook to the College. Mr. Ostrander noted that, as such, Teachers College qualifies for an unsecured borrowing under DASNY's Financing Guidelines for Independent Institutions.

Mr. Ostrander stated that Teachers College continues to maintain its reputation as one of the top graduate schools of education in the nation, which is enhanced by its affiliation with Columbia University. He informed the Members that the number of annual applications has averaged 6,900 over the last five years, and that the matriculation ratio has averaged 56%. Mr. Ostrander stated that the College remains selective, with an average Acceptance Ratio of 51.4% over five years. He further stated that Teachers College has posted an operating surplus

in each of the last five years, averaging \$7.8 million annually. Mr. Ostrander reported that tuition and fees accounted for 55% of the College's revenues in fiscal year 2015. Mr. Ostrander stated that the College's balance sheet reflects growing financial resources. He explained that unrestricted net assets increased by 53.2% over five years, totaling \$101.3 million as of the end of fiscal year 2016, while expendable resources reached \$162.5 million, a 12.9% increase. Mr. Ostrander stated that the College is currently in the midst of a \$300 million fundraising campaign, the largest ever by a graduate school of education. He informed the Members that to date, \$271 million has been raised for target areas such as scholarships, campus improvements, and new programs.

Ms. Wong further described the transaction and presented the financing documents. She stated that before the Members for their consideration is the adoption of a Series Resolution authorizing the issuance of up to \$50,000,000 of one or more series of tax-exempt and/or taxable, fixed and/or variable rate bonds in an amount not to exceed \$50,000,000 for a term not to exceed 23 years on behalf of Teachers College. Ms. Wong further stated that the proceeds of the Series 2017 Bonds are expected to be used to refund all or a portion of DASNY's Series 2009 Bonds issued on behalf of Teacher's College, and to pay costs of issuance. She informed the Members that the Series 2009 Bonds were issued to refund DASNY's Series 2007 Bonds issued on behalf of Teacher's College and to finance various renovations and upgrades to buildings and infrastructure throughout the campus.

Ms. Drohan then described the delegations and authorizations to DASNY Authorized Officers provided in the Series Resolution.

Mr. Ronski moved the adoption of the following entitled Resolution:

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK SERIES RESOLUTION
AUTHORIZING UP TO \$50,000,000 TEACHERS COLLEGE REVENUE BONDS**

Ms. Snyder seconded the motion and the Resolution was unanimously adopted.

The Silvercrest Center for Nursing and Rehabilitation

Mr. Bergin presented the Credit Summary and Staff Report recommending 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 \$18,500,000 for a term not to exceed 19 years on behalf of The Silvercrest Center for Nursing and Rehabilitation. He stated that the Series 2017 Bonds will be sold through a private placement with TD Bank and as such, the bonds will not be rated. He noted that the Institution does not have an underlying rating.

Mr. Bergin informed the Members that Silvercrest is a not-for-profit corporation that operates a 320-bed skilled nursing facility in Queens, New York, with 80 of its beds dedicated to ventilator patients. He stated that the proceeds of the Series 2017 Bonds will be used to refinance Silvercrest's taxable mortgage loan with TD Bank and to refinance Silvercrest's capital lease with California First National Bank. Mr. Bergin further stated that approximately \$4.5 million of bond proceeds will be used for equipment purchases, renovations and upgrades to the facility. Mr. Bergin stated that the Series 2017 Bonds will be secured by a mortgage on

the facility, a pledge of gross receipts, and a security interest in furniture, fixtures and equipment.

Mr. Bergin informed the Members that operationally, results have been mixed for Silvercrest. Mr. Bergin explained that operating margin, excess margin and net profit margin were all positive in 2011, 2012 and 2015. He noted that in 2015, Vital Access Provider grant monies bolstered the operating gain. Mr. Bergin further noted that although Silvercrest experienced losses in 2013 and 2014, Silvercrest's numbers compared favorably to the DASNY median in those years. He explained that the 2014 Statewide industry medians and DASNY medians were all negative with regard to operating margins, excess margins and net profit margins.

Mr. Bergin explained that the Institution is a member of The New York Presbyterian Health Care System and has a large specialty service with 80 dedicated ventilator beds. He stated that the Institution has high occupancy rates. Mr. Bergin noted that Silvercrest has a five-star overall rating from the Centers for Medicare and Medicaid Services ("CMS"). He informed the Members that the Institution is highly dependent on the Medicaid reimbursement system, has limited liquidity, and has benefitted from Vital Access Provider grant funds.

Mr. Bergin stated that the proposed financing will extend the maturities on the existing debt, thereby enhancing the Institution's liquidity. He explained that the proposed refinancing will extend the existing maturity of the taxable mortgage loan and lease from 2023 to 2036 and the lease from 2019 to 2036. Mr. Bergin noted, however, that the original maturity of the mortgage loan which financed the construction of the facility and then was refinanced with the current mortgage loan was 2031, and the capital lease has an existing maturity of 2029. He emphasized that each extension of debt will be subject to tax law constraints and review by bond counsel.

Mr. Bergin informed the Members that DOH issued a memo in support of the refinancing transaction and asked Ms. Raleigh to discuss the position of the Department of Health ("DOH") with respect to Silvercrest. Ms. Raleigh stated that the Institution is a five-star, high-quality not-for-profit institution that provides skilled nursing care to an elderly population, as well as ventilator-dependent patients. She outlined the reasons why DOH believes an exception to its current policy regarding the extension of debt maturity is warranted. Ms. Raleigh stated that the State of New York has invested Vital Access Provider ("VAP") funds in this institution that provides needed services in the geographic area. She explained that the VAP funds financed initiatives to improve efficiency and quality and that DOH would like to see Silvercrest function without this type of State assistance. Ms. Raleigh noted that increased liquidity will help the Institution to achieve this goal. She informed the Members that Silvercrest developed a sustainability plan that does not rely on State assistance going forward. Ms. Raleigh stated that at the present time, the Institution is in technical default with its lender because it has not maintained the required debt service coverage ratios. She noted that extending the maturity of the debt will improve cash flow. Ms. Raleigh noted that the proposed extensions of debt will be reviewed by bond counsel and may be less than the maturities DOH has approved. She emphasized that DOH views Silvercrest as a high-quality facility which is needed in the community.

Ms. Raleigh stated that DOH does not authorize exceptions to its extension of debt policy very often. She explained, however, that DOH expects that there will be more requests for exceptions in the future, as skilled nursing facilities transition to value-based payments and Medicaid managed care. Ms. Raleigh informed the Members that DOH considered the request for an exception to its guidelines in great detail, and that extensive discussions occurred. She explained that DOH required a plan for sustainability, and other financial information, and carefully considered the benefits of the refinancing with extended maturities. Ms. Raleigh stated that DOH will continue to evaluate the viability of Silvercrest in the future. She noted that Silvercrest is in compliance with all required DOH filings, including construction notices.

Mr. Gardner asked whether TD Bank is the purchaser of the Series 2017 Bonds and Ms. Raleigh replied in the affirmative. In response to a question from Mr. Gardner, Ms. Paden confirmed that the Series 2017 Bonds can only be sold and subsequently resold to Qualified Institutional Buyers (“QIBs”), and that this restriction will be set forth on the face of the bonds. She noted that this restriction will also be set forth in representations made by the purchaser of the bonds as a condition to the issuance of the bonds.

Ms. Shapard asked for additional background with respect to DOH’s decision to approve the extension of the debt maturities. Ms. Raleigh stated that DOH considered a great deal of information prior to approving the extensions. She explained that the factors leading to DOH’s determination include Silvercrest’s relationship with New York Presbyterian Hospital, the Institution’s provision of ventilator services and its plan to offer additional specialty services in the future. Ms. Raleigh further explained that the Institution plans to offer dialysis services to the Hospital’s current patient population. She noted that Silvercrest has previously been unable to admit patients in need of dialysis services. Ms. Raleigh stated that the dialysis services will be provided by an affiliate of New York-Presbyterian Hospital. She informed the Members that Silvercrest is following recommendations and trends in the industry to offer more specialized rehabilitation services, as opposed to exclusively providing general geriatric care. Ms. Raleigh stated that in the opinion of DOH, these efforts, combined with the refinancing, will help to increase Silvercrest’s revenues.

Ms. Shapard pointed out that the State has provided significant financial assistance to the Institution already. She noted that Silvercrest’s operating margins are low. Ms. Shapard observed that typically, lenders do not like to extend debt maturity or front-load savings, both of which are present in this transaction. Mr. Bergin stated that Silvercrest provides high-quality services, including a comparatively large ventilator unit. He further stated that there is a high need in the area for the services provided by the Institution. Mr. Bergin noted that since this is a private placement transaction, TD Bank, the lender, will be the only bondholder. He informed the Members that in 2008, Silvercrest refinanced its existing mortgage debt and shortened the maturity from 2031 to 2023. Mr. Bergin explained that this prior transaction adversely impacted the liquidity of the Institution and as a result, it is now seeking to extend the term of the debt in order to decrease its debt service payments. He emphasized that in addition to providing services to ventilator-dependent patients, the Institution is seeking to provide in-patient hospice and dialysis services. Mr. Bergin stated that Silvercrest is also seeking to diversify its services in order to provide a continuum of care to its patients. He emphasized that if approved, the term of the mortgage debt would extend only five years beyond the original maturity date of 2031.

Ms. Shapard asked whether there is savings in each year and Mr. Bergin replied in the negative. Mr. Bergin explained that the existing debt service is based on level principal, not level debt service. He stated that with the refinancing, there will be level debt service payments, and that gross savings will be higher in the initial years. In response to a question from the Chair, Mr. Bergin confirmed that Silvercrest has a financial consultant advising it at the present time. Mr. Volk reminded the Members that in a private placement transaction, DASNY has few rights or responsibilities and the purchaser bears more of the risks.

Ms. Snyder asked whether Silvercrest is in compliance with the terms of its mortgage loan documents. Mr. Volk replied that certain covenants set forth in the mortgage have been breached. Ms. Snyder stated that she finds it persuasive that the lender is willing to purchase the refinancing bonds. Mr. Volk confirmed that the terms of the proposed transaction have been negotiated by TD Bank and Silvercrest. Mr. Gardner agreed with Ms. Snyder that the fact that the purchaser of the Series 2017 Bonds is also the current lender, is familiar with the Institution, and is supportive of the transaction, is a positive factor. Mr. Gardner stated that he is pleased that the Series 2017 Bonds will be marketed to QIBs and not the general public. He further stated that DOH's memo makes clear that the facility is a high quality facility that provides needed services.

Mr. Ronski informed the Members that the Finance Committee discussed this transaction at the Finance Committee Meeting the previous day and considered several factors prior to recommending approval. He explained that: (1) the Institution's affiliation with the New York Presbyterian Health Care System; (2) the support of DOH; (3) the support of TD Bank as the lender and bond purchaser; and (4) the fact that the Series 2017 Bonds may only be sold to QIBs, led the Committee to recommend the transaction to the full Board for approval. Mr. Ronski acknowledged Ms. Shapard's concerns, but stated his belief that these concerns were mitigated by the aforementioned factors. Ms. Lee stated that DOH has provided financial assistance to Silvercrest in the past, but is now recommending the extension of debt maturity as one step to increase cash flow for the Institution so that it can move forward without additional State aid. She noted that the maturity date was originally 2031 and thus represents a five year extension from the terms of the original financing. Ms. Lee further noted that under the refinancing transaction, there will be level debt service payments. She emphasized that the fact that savings are greater in the early years has more to do with the existing debt structure and not the new one.

Mr. Volk pointed out that Silvercrest's operating margins compare favorably to those of other not-for-profit nursing homes. He stated that the entire industry has experienced market stress over the past few years and profitability medians for the industry, both Statewide and in DASNY's portfolio, are negative overall. Ms. Raleigh concurred with Mr. Volk, and emphasized that DOH considered all of these concerns carefully prior to approving the extension of debt maturity to increase liquidity and to allow the Institution to transition to Medicaid managed care and value-based payments. She noted that the Institution is cash flow positive. Ms. Shapard inquired whether the VAP funds are derived from grant funds or appropriations. Ms. Raleigh responded that the VAP funds are appropriated for operations and include federal matching funds. She stated that the program has been in existence for some time. In response to a question from Ms. Shapard, Ms. Raleigh stated that the decision as to whether to award these funds, as well as the recipients of the funds, rests with DOH.

Ms. Shapard thanked DOH, DASNY Board Members, and staff for addressing her concerns so thoroughly. She stated that she appreciates the discussions and deliberation that took place regarding this matter, and indicated that she more fully understands the reasons behind the recommendation as a result. Mr. Ronski asked that the provisions in the underlying documents be discussed with the Members at the next Regular Meeting. The Chair thanked Ms. Shapard, DOH, and staff for their questions and comments. He stated that he appreciated the robust consideration and discussion.

Ms. Raleigh moved the adoption of the following entitled Resolution:

A RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AUTHORIZING STAFF AND BOND COUNSEL TO PROCEED TO TAKE THE NECESSARY ACTION TO PREPARE THE APPROPRIATE DOCUMENTS TO PROVIDE FOR THE FINANCING OF FACILITIES FOR THE SILVERCREST CENTER FOR NURSING AND REHABILITATION

Mr. Gardner seconded the motion and the Resolution was adopted.

President's Report

The President highlighted some of the key elements in Governor Andrew M. Cuomo's annual State of the State and Executive Budget proposal. He informed the Members that the Governor delivered his "Excelsior, Ever Upward" agenda in six regional State-of-the-State addresses in early January. The President stated that the Governor proposed his 2018 Fiscal Year Executive Budget on January 17, 2017, and that spending growth is below 2 percent.

The President informed the Members that the State-of-the-State addresses and the Budget centered largely on the Middle Class Recovery Act and the New York Promise Agenda. He explained that the centerpiece of the Middle Class Recovery Act is a tuition-free degree program at all New York State public colleges and universities for families and individuals earning up to \$125,000. The President further explained that the New York Promise Agenda proposals include the Dream Act, which grants undocumented immigrants access to State financial assistance programs for college; raises the age of criminal responsibility for 16 and 17 years-olds; and expands homeless services.

The President discussed initiatives that relate to DASNY directly. He stated that the Executive Budget proposes a New York Consolidated Laboratory Project, which would be constructed by DASNY on behalf of the New York State Department of Health ("DOH"). He explained that the proposed Budget includes \$150 million for this life sciences public health initiative, which would combine several outdated DOH laboratories from various locations in the Capital Region into one modern, efficient facility. The President further explained that this proposal would enable DASNY to use design-build, construction manager-build, or construction manager at-risk for the laboratory project.

The President stated that the proposed Budget includes a provision to extend design-build to all State entities and DASNY projects. He noted that the State of New York is continuing to expand the use of this cost- and time-saving procurement mechanism. The President informed the Members that the proposed Budget includes a provision that would make permanent

DASNY's authority to work for the New York State Department of Environmental Conservation and the New York State Office of Parks, Recreation and Historic Preservation. He stated that DASNY's work in connection with the Governor's New York Works infrastructure program has been very well-received. The President further stated that staff will be monitoring Budget negotiations and another update will be provided in April when the new fiscal year begins.

The President informed the Members that he delivered the keynote address at a dinner hosted by the Construction Managers Association of America's Metro NY/NJ Chapter, where he highlighted the important role that DASNY plays in delivering projects to expand economic growth for the middle class. He stated that by financing and building classrooms, laboratories and hospitals, DASNY helps to create jobs while enabling New York State's colleges and universities to attract the best educators in the world and ensure that all New Yorkers, regardless of class, race or gender, have access to the jobs of the new economy. The President further stated that he underscored that the work undertaken by CMAA Members for DASNY is funded, to a large extent, with municipal bonds. He noted that the work they do for DASNY's finance clients and the clients of other issuers is also funded with tax-exempt bonds. The President reported that he encouraged the audience to advocate for maintaining the tax-exempt status of municipal bonds.

Ms. Snyder inquired about the timeline for the new DOH Laboratory project. Mr. Cusack responded that, if the legislation is approved, the project is anticipated to take between one and four years to complete, including site selection. The President emphasized that the authorization to utilize alternative delivery methods is critical to move important projects forward more quickly.

Financial Report

Ms. Nadeau delivered the Financial Report. She informed the Members that staff is requesting the adoption of a resolution to modify the Investment Policy and Guidelines to authorize irrevocable letters of credit issued by a Federal Home Loan Bank as an acceptable form of collateral for certain deposits. Ms. Nadeau explained that the letters of credit would be used to collateralize un-invested cash held primarily in DASNY's operating and disbursement accounts and would not currently be applicable to monies held under the terms of a bond resolution.

Ms. Nadeau stated that the banks with which DASNY currently does business are currently using treasury securities to secure deposits. She further stated that since 2005, Federal Home Loan Bank letters of credit have been used to collateralize State monies. Ms. Nadeau noted that the Office of the State Comptroller ("OSC") currently has a \$2 billion Federal Home Loan Bank letter of credit pledged to secure its deposits.

Ms. Nadeau informed the Members that utilizing Federal Home Loan Bank letters of credit reduces DASNY's risk in several ways. She explained that Federal Home Loan Bank letters of credit are less expensive, are not subject to market fluctuations, are payable on demand, and are faster to liquidate than securities during times of market turnaround. In response to a question from Mr. Ronski, Ms. Paden stated that the Board is being asked to approve the use of this type of letter of credit. She further stated that staff will verify that

DASNY's interests are protected and will review each of the letters of credit to be obtained. Mr. Cusack confirmed that this would include a legal review by DASNY Counsel even though this is not specifically stated in the Resolution.

Ms. Shapard moved the adoption of the following entitled Resolution:

RESOLUTION OF THE MEMBERS OF THE BOARD OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) AMENDING THE DASNY INVESTMENT POLICY AND GUIDELINES

Ms. Snyder seconded the motion and the Resolution was unanimously adopted.

President's Report (continued)

The President informed the Members that Staff is requesting an expansion of the definition of clients that can access DASNY's Health Care Portfolio Management Fund to include human service providers. He directed the Members' attention to the draft resolution in the Board Materials. Ms. Lee stated that the \$10 million fund was created in 1996 to help support healthcare organizations in DASNY's portfolio. She explained that an expansion to include human service providers would enable DASNY to provide similar support to those organizations. Mr. Volk stated that to date, DASNY has loaned approximately \$8 million to ten entities, and that approximately 90% of these funds have been repaid. He further stated that there are currently DASNY bonds outstanding for approximately thirty-five human service providers associated with private client financings. Mr. Volk explained that since 2010, these bonds have been issued on a programmatic and unenhanced basis. He further explained that the expanded definition would enable the monies in the fund to be loaned to such providers in appropriate circumstances. Mr. Gardner observed that this flexibility would enable DASNY to act quickly to assist these providers if necessary.

In response to a question from Ms. Shapard, Mr. Volk stated that the interest earnings on the fund have been sufficient to replenish the amounts that have been loaned. Mr. Corrigan stated that excess interest earnings from the fund were transferred to one of the three Reserve Funds established by the Board at its July Meeting. Ms. Shapard asked whether staff is aware of any anticipated loans to human services providers at this time. Mr. Volk responded that there are no specific current expectations for use of the fund. He stated that there are a number of stressors on the industry generally, including the rise in minimum wage and a transition from direct State payments to payments by managed care companies, both of which could cause cash flow issues.

Mr. Ellis moved the adoption of the following entitled Resolutions:

RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK RENAMING THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) HEALTH CARE PORTFOLIO MANAGEMENT FUND AND EXPANDING THE USES THEREOF; and

RESOLUTION OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK
APPROVING REVISED GUIDELINES FOR THE USE OF MONIES IN THE
DORMITORY AUTHORITY OF THE STATE OF NEW YORK (DASNY) HEALTH CARE
AND HUMAN SERVICE PROVIDER PORTFOLIO MANAGEMENT FUND

Ms. Shapard seconded the motion and the Resolutions were unanimously adopted.

Public Finance and Portfolio Monitoring Report

Ms. Lee informed the Members that since her last written report, DASNY priced the NYSARC, Inc. and Orange Regional Medical Center transactions. She reported that the Federal Reserve left interest rates unchanged at its meeting last week. Ms. Lee further stated that municipal supply is expected to be approximately \$7.5 billion this week, and that inflows have been modest over the last several weeks. She reported that since the last Regular Meeting, the 10-and 30-year MMD has increased by six and nine basis points, respectively.

President's Report (cont'd)

The President reported that the SUNY University at Albany's Mohawk Tower has been awarded LEED Gold status by the U.S. Green Business Council. He informed the Members that the 24-story, 440-bed residence hall was renovated using highly durable and sustainable materials. The President stated that the hall project provided contemporary, natural finishes that both modernize and "green" the building's interiors. He further stated that Mohawk Tower is one of three new LEED certifications of DASNY projects, including the Staten Island Courthouse and Buffalo State Tower 1. The President reported that these certifications bring DASNY's total number of LEED Certified projects to 40.

Construction Report

Mr. Curro directed the Members' attention to the photograph on the cover of this month's Construction Projects Report. He stated that the picture depicts the NYS Office of Alcoholism and Substance Abuse Services – Odyssey House Building 13 project. Mr. Curro informed the Members that the \$25.7 million project consisted of the gut rehabilitation of a 50,000 square foot facility on Wards Island. He stated that design of the phased project started in March 2010 and that construction was completed in February 2017. Mr. Curro further stated that challenges to the project included the lack of a steel frame, as well as the difficulty of adding new mechanical systems into an existing dated structure. He noted that a multi-purpose room was added to the third floor.

Mr. Curro informed the Members that DASNY provided modified basic services in connection with the project. He explained that with this delivery method, DASNY does not hold the contracts, but provides certain administrative services. He stated that DASNY has commenced seven new construction projects since its last Regular Meeting: five CUNY projects totaling approximately \$43 million; one \$6 million SUNY project; and one \$10 million Governor's Office of Storm Recovery ("GOSR") project. Mr. Curro reported that construction expenditures through December 31, 2016 were approximately \$459 million, compared to \$478 million for the same period the prior year.

Mr. Curro provided a brief update with respect to several construction projects. He stated that work continues for all trades at the Court Officers Training Academy and that the windows were delivered in January. Mr. Curro further stated that window installation is expected to continue through March. He informed the Members that finish work has begun in Building 1, exterior utilities work is on-going, and mechanical/electrical/plumbing work continues in Building 2. Mr. Curro reported that the expected completion date is May 2017.

Mr. Curro stated that pile and foundation /shear wall work at the South Beach Psychiatric Center continues in advance of steel fabrication and erection, which will begin in late Spring 2017. He informed the Members that DASNY continues to meet on a monthly basis with the Office of Mental Health (“OMH”). Mr. Curro reported that the final pre-design work has been completed for SUNY Brockport, including a geotechnical investigation. He stated that this work will be done prior to finalizing the design-build contract. Mr. Curro further stated that construction is expected to be completed in August 2018. He noted that the project is being used as a case study that will be presented to the Construction Division on Friday as part of DASNY internal training. With respect to SUNY Purchase, Mr. Curro reported that 100% design documents are in for design review with an anticipated bid date of March 2017.

Mr. Curro informed the Members that the SUNY Summer Program is comprised of seven capital projects totaling approximately \$95 million and 33 summer rehabilitation projects totaling approximately \$28 million. He stated that of these projects, six capital projects and 33 summer rehabilitation projects will be completed for the Fall 2017 semester. Mr. Curro reported that security installation projects continue at various New York City Housing Authority (“NYCHA”) developments, including scoping, cost estimating, environmental surveys, construction, and turnover to NYCHA. He stated that work on the appliance purchase and installation component continues, as well, with plans to increase efforts beginning in March, based upon the vendor’s ability to acquire stock. Mr. Curro informed the Members that DASNY received a project list last week outlining approximately \$47 million of quality of life projects. He stated that DASNY is meeting with NYCHA tomorrow for a kick-off meeting to discuss the projects.

General Counsel’s Report

Mr. Cusack stated that before the Members for their consideration is a Declaration of Intent Resolution requested by the Office of Mental Health (“OMH”) on behalf of two Voluntary Agencies with mental health facilities construction projects licensed by OMH and funded in part by OMH and financed, in part, with the proceeds of DASNY tax-exempt bonds. Mr. Cusack explained that the development time frame for these facilities is anticipated to be a minimum of one to two years. He further explained that pursuant to current Internal Revenue Service regulations, in the absence of a formal Declaration of Intent Resolution, the Voluntary Agencies would only be able to look back and finance project costs incurred within 60 days prior to the date of closing. Mr. Cusack informed the Members that the adoption of this Resolution would expand this window to include costs incurred from the date of the Resolution. He emphasized that the adoption of the Resolution does not obligate DASNY to issue bonds to finance these projects, but rather positions the Voluntary Agencies to utilize DASNY bond proceeds for reimbursement of costs incurred more than 60 days prior to the closing date.

Mr. Swierczewski, moved the adoption of the following entitled Resolution:

MENTAL HEALTH SERVICES FACILITIES IMPROVEMENT, STATE PERSONAL INCOME TAX (GENERAL PURPOSE) OR STATE SALES TAX REVENUE BONDS OFFICIAL INTENT RESOLUTION

Mr. Gardner seconded the motion and the Resolution was unanimously adopted.

Mr. Cusack updated the Board on a recent change to the pre-approved list of Underwriter's Counsel approved by the Board on September 7, 2016. He explained that all or substantially all of the Public Finance Practice Group of Winston & Strawn, LLP has moved to the law firm of Katten Muchin Rosenman, LLP. Mr. Cusack reminded the Members that although DASNY pre-approves the law firms on the Underwriter's Counsel list, the attorney-client relationship is between the underwriter and its counsel, and not DASNY.

Mr. Cusack informed the Members that DASNY's Legal Services RFP sets forth the requirements for such a change, and stated that the new law firm provided all necessary documentation to Counsel's Office for review. Mr. Cusack stated that the attorneys who have moved to Katten Muchin Rosenman are acting as Underwriter's Counsel on the ongoing Orange Regional Medical Center Obligated Group and Columbia University transactions. He further stated that the parties met all timetables required for DASNY to approve this modification administratively. In response to a question from Ms. Shapard, Ms. Paden advised the Members that Underwriter's Counsel for the Orange Regional Medical Center financing will be Katten Muchin Rosenman, LLP and the Underwriter's Counsel for Columbia University will be co-counsel from both Katten Muchin Rosenman, LLP and Winston & Strawn, LLP.

Ms. Snyder moved that the Members go into Executive Session to discuss the financial and credit history of particular corporations, and the employment history of particular persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons. Ms. Shapard seconded the motion and the Meeting went to Executive Session.

EXECUTIVE SESSION

During Executive Session no action was taken other than a motion to return to Public Session.

PUBLIC SESSION

Mr. Gardner moved that the Meeting adjourn, Mr. Ronski seconded the motion and the Meeting was adjourned at approximately 11:38 a.m.

Respectfully submitted,

Michael E. Cusack
Assistant Secretary