

A Video Conference Meeting of the Dormitory Authority of the State of New York (“DASNY”) among DASNY’s Offices in New York City, 28 Liberty Plaza, New York, New York, 515 Broadway, Albany, New York and 6047 Transit Road, Suite 103, Buffalo, New York was held on Wednesday, March 13, 2024, with proceedings commencing 10:45am.

CALL TO ORDER / ROLL CALL

The meeting was called to order by Alfonso Carney, Board Chair at 10:45am and a quorum was declared present.

Ms. Richards called the roll. The following Board Members and Staff were present:

Board Members Present (NYCO)

Alfonso L. Carney, Jr. – Chair
Gerard Ronski, Esq. – Vice Chair
Beryl L. Snyder, Esq. – Secretary
Wellington Chen—Board Member
Lisa Gomez—Board Member

Board Members Present (Albany Office)

Joan M. Sullivan – Board Member
Ken Evans, Designated representative of the Commissioner of Health, Board Member (ex officio)
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (ex officio)

Board Members Present (Buffalo Office)

Janice McKinnie – Board Member

Board Members Absent

Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (ex officio)

Staff Members Present

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Nadine Fontaine, Esq., General Counsel
Kimberly A. Ellis, Chief Financial Officer
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Stephen Curro, Managing Director, Construction
Ricardo Salaman, Esq., Deputy General Counsel
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration

Jeffrey Gordon, Senior Director, Communications and Marketing
Jenilee Flinton, Director, Internal Audit
Craig Schreivogl, Director, Portfolio Monitoring
Steve Kosier, Assistant Director, Public Finance and Portfolio Monitoring
Karen E. Ehlinger, Manager, Internal Control Analysis
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant

Election of Officers - Resolution

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

A RESOLUTION OF THE ATLANTIC AVENUE HEALTHCARE PROPERTY
HOLDING CORPORATION REAFFIRMING AND ELECTING OFFICERS
OF THE CORPORATION

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

Upon a motion by Ms. Gomez and a second by Mr. Chen, the minutes of the August 10, 2022 Atlantic Avenue Board Meeting were approved unanimously.

Transfer of Property – Vital Brooklyn - 528 Prospect Place

Craig Schreivogl stated that the Atlantic Avenue subsidiary owns certain real property as a result of the bankruptcy of Interfaith Medical Center, a Secured Hospital. He further stated that before the Members for consideration is a Resolution authorizing the transfer of the recently subdivided, 40-space surface parking lot behind the existing Bishop Walker Health Center located at 528 Prospect Place in Brooklyn. Mr. Schreivogl explained that the subdivided parking lot is proposed to be transferred, developed into an affordable housing project, and would then be known as 575 Park Place.

Mr. Schreivogl reminded the Members that the 2019-20 State Budget authorized Atlantic Avenue to transfer four parcels pursuant to the Governor's Vital Brooklyn Plan for the purpose of increasing access to, and quality of, health care services, and creating affordable housing, all as is part of an overall effort to transform Central Brooklyn. He stated the Board has previously approved the transfer of three of the four parcels, and this is the fourth and final parcel for conveyance. He summarized that these approvals occurred on September 9, 2020, when the Board approved the transfer of the first parcel, located at 483-503 Herkimer Street in Brooklyn; January 5, 2022, when the Board approved the transfer of 1038 Broadway in Brooklyn; and August 10th, 2022, when the Board approved the transfer of the third parcel, located at 1366 East New York Avenue.

Mr. Schreivogl informed the Members that the New York State Division of Homes and Community Renewal (HCR) has selected a Development Team for the site subsequent to an RFP process. He stated that the Project Plan for the site has been approved by the Commissioner of HCR, the Department of Health, and the Division of the Budget consistent with the requirements of the Special Legislation. He noted that neither DASNY nor its Atlantic Avenue subsidiary have approval authority over the specific Project Plan.

Mr. Schreivogl explained that the site will be developed into a newly constructed 5-story building with approximately 43 affordable housing rental units, a community service facility space used to house ambulatory health care services and 37 parking spaces for health care staff. He further explained that the health clinic will be leased to and operated by Brookdale Hospital Medical Center, which merged with Interfaith Medical Center in 2021 and was the surviving entity. Mr. Schreivogl stated that healthcare services expected to be provided at the new clinic include General and Pediatric Dentistry, Pediatric Primary Care and select Pediatric Specialty Services. He noted that these services will complement the existing healthcare services already provided next door at Bishop Walker Health Center.

Mr. Schreivogl stated that the cost to hold this and other properties related to Atlantic Avenue is not creating financial obligations on DASNY or its Atlantic Avenue subsidiary. He explained that funds were set aside at the time of Interfaith's exit from bankruptcy to help cover any expenses associated with holding the property. Mr. Schreivogl stated that while Atlantic Avenue is responsible for making insurance related payments on the property, sufficient funds exist to cover those expenses for many years.

In response to a question from Chair Carney, Mr. Schreivogl responded that the closing is expected to occur mid-year, after which pre-development and construction can begin.

Mr. Ronski inquired about the number of parcels remaining. Mr. Schreivogl responded that he would provide a full list of the properties but in sum, after conveying the 4 Vital Brooklyn properties, the subsidiary will still own the Bishop Walker clinic, located about 1.4 miles away from the main Interfaith campus; the main Interfaith 280-bed hospital campus; an adjacent dental clinic that is leased back to Interfaith; and some other smaller properties and parking areas. He stated that the Interfaith lease extends through 2028, as Interfaith owes Atlantic Avenue a note for lease payment arrearages that totals about \$28 million that comes due in 2028. Mr. Schreivogl noted that the arrangement will be re-evaluated at that time.

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

RESOLUTION APPROVING THE TRANSFER OF REAL PROPERTY LOCATED AT 528
PROSPECT PLACE (a/k/a 575 PARK PLACE), BROOKLYN, NEW YORK

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

Ms. Gomez indicated that 2028 will approach quickly, and asked DASNY Staff to provide a detailed update and plan well in advance of that time. President McDaniel agreed to provide this information at a future meeting.

Mission Statement, Performance Measures and Metrics – Annual Review

Ms. Richards informed the Members that the Atlantic Avenue Governance Committee reviewed the Mission Statement, Performance Measures and Metrics at its meeting yesterday and no revisions or changes are being recommended at this time. The Board unanimously agreed that no changes are needed to these documents at the present time, and the review was completed.

By-Laws – Amendment – Resolution

Ms. Richards informed the Members that staff recommends certain changes to Section 3.7 of the by-laws. She stated that Section 3.7 would permit video conferencing of board and committee meetings from one or more remote locations joined together by video conference. Ms. Richards explained that Members would have the ability to participate from a private location in the event of certain specified extraordinary circumstances, consistent with those set forth in the DASNY by-laws.

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

A RESOLUTION OF THE MEMBERS OF THE ATLANTIC AVENUE HEALTHCARE PROPERTY HOLDING CORPORATION (A SUBSIDIARY OF THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK) APPROVING THE AMENDMENT OF SECTION 3.7 OF THE DASNY BY-LAWS TO AUTHORIZE BOARD MEETINGS TO BE HELD BY VIDEOCONFERENCE AND SETTING FORTH EXTRAORDINARY CIRCUMSTANCES WHEREBY A MEMBER MAY PARTICIPATE FROM A PRIVATE LOCATION NOT OPEN TO THE PUBLIC

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

President's Report

Mr. Schreivogl delivered the President's Report at the request of President McDaniel. He summarized the history of the Interfaith property and explained that the Atlantic Avenue subsidiary continues to lease property back to Interfaith following the Medical Center's emergence from bankruptcy in 2013. He further stated that with nominal lease payments now prepaid by Interfaith through 2028, Atlantic Avenue uses its sizeable reserves to pay property insurance costs, while Interfaith is responsible for all other property related costs.

Mr. Schreivogl summarized that Interfaith Medical Center and Kingsbrook Jewish Medical Center formally merged into Brookdale Hospital Medical Center in January 2021. He stated that Interfaith and Kingsbrook are now commonly referred to as the Interfaith Division and the Kingsbrook Division; however, Brookdale Hospital Medical Center is the sole surviving entity.

Mr. Schreivogl informed the Members that Interfaith and the entire One Brooklyn Health System continued to progress with its transformation plan using funds from a \$664 million State Grant that was awarded by DOH in 2018. He reported that to date, approximately 40% of grant funding has been disbursed to OBHS by DOH toward the various project components and approximately 10 of 25 main projects have reportedly been completed. Mr. Schreivogl reported that the three priorities of this plan remain the establishment of a 30-plus site ambulatory care network; integrated IT system improvements to standardize clinical and patient accounting applications; and facility infrastructure investments to support the clinical restructuring of the System.

Mr. Schreivogl reported that, under the auspices of the Governor's Vital Brooklyn initiative and in combination with special legislation passed four years ago, a third parcel owned by Atlantic Avenue was conveyed in August 2022 while the fourth and final transfer was approved by this Board today, thereby completing all necessary actions by the Atlantic Avenue Board regarding Vital Brooklyn. He informed the Members that DASNY Staff is working with NYS Homes and Community Renewal, DOH and DOB on a plan that would release mortgages on two Kingsbrook

properties for low-income housing projects. Mr. Schreivogl explained that, while these Vital Brooklyn projects do not require any Atlantic Board action because Atlantic Avenue does not own Kingsbrook properties, there is a mortgage on the entire Kingsbrook campus, including these two parcels, which helps secure a \$29 million note owed to Atlantic Avenue for old lease payments not made by Interfaith. He further explained that as such, Atlantic Avenue would be giving up a small portion of security which collateralizes the note.

Mr. Schreivogl reported that, like many other safety net hospitals, Interfaith and OBHS endured continued challenges this past year and received increased levels of operating assistance from New York State. He stated that this subsidy increased significantly 1) to address volumes that have not returned to pre-COVID levels; 2) to address the winding down of Federal funding assistance to help with COVID related expenses and resulting lost revenue due to the pandemic; (3) to assist with significant increases in labor costs due to staffing shortages and an exponential increase in agency usage; and (4) to help with financial challenges incurred from a late 2022 cyberattack. He stated that while the Institution remains highly dependent upon State support and will likely continue to be dependent through this fiscal year, DOH and DASNY are hopeful that ongoing transformation efforts at OBHS will strengthen the System and reduce the ongoing annual subsidy required from the State.

Ms. Snyder moved adjournment of the meeting; Mr. Chen seconded the motion and the meeting was adjourned at 11:08 a.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary