



DASNY

ANDREW M. CUOMO
Governor

ALFONSO L. CARNEY, JR.
Chair

REUBEN R. MCDANIEL, III
President & CEO

Memorandum

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

FROM: Sara E. Stein, AICP, LEED-AP, Senior Environmental Manager
Office of Environmental Affairs

DATE: September 1, 2020

RE: *State Environmental Quality Review (SEQR) Type II Determination* for the Greenburgh Eleven Union Free School District's *2020 Financing Project* (Special Act School Districts Program)

The Greenburgh Eleven Union Free School District ("Greenburgh Eleven" or the "School District") has requested financing from the Dormitory Authority of the State of New York ("DASNY") for its *2020 Financing Project* (the "Proposed Project"), pursuant to DASNY's Special Act School Districts Program. Accordingly, the Proposed Project is subject to environmental review pursuant to the *State Environmental Quality Review Act* ("SEQRA").

Based on a review of the attached *Transaction Summary* dated August 28, 2020 (attached), it has been determined that, for purposes of *SEQRA*, the Proposed Action would consist of DASNY's authorization of the issuance of an amount not to exceed \$8,685,000 in fixed- and/or variable-rate, tax-exempt and/or taxable, Series 2020 Bonds (the "Bonds"), with a term not to exceed 20 years, to be sold at one or more times through a private placement on behalf of Greenburgh Eleven. More specifically, the proceeds from the Series 2020 bond issue would be used to pay costs associated with various repairs and renovations to the School District's Bethune Building located at 1 Echo Hill Drive, Dobbs Ferry, Westchester County, New York. The proposed repairs and renovations would total approximately \$6.85 million and consist of repairs to the walls, windows and roof due to water intrusion, a new fire alarm system, renovation of existing interior space for accessibility due to consolidation from two buildings to one, drainage repairs, a new heating, ventilating and air conditioning ("HVAC") system, plumbing repairs, building security renovations and a new canopy at the building's lower-level entrance.

About the Institution

Greenburgh Eleven was established in 1928. The School District is a public school district on the grounds of a private agency, the Children's Village. The Children's Village is a renowned residential treatment center and facility in operation since 1851 that presently serves approximately 140 emotionally disabled students. Greenburgh Eleven is governed by a Board of Education consisting of seven members, five of whom are appointed from the Children's Village Board of Trustees, and two who are appointed by the Commissioner of

Education. The School District is located in Dobbs Ferry, New York, and provides services for residential and day students. Students are referred by other school districts or through their Committee on Special Education.

SEQR Determination

DASNY completed this environmental review in accordance with 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.

It has been determined that “*maintenance or repair involving no substantial changes in an existing structure or facility*” is a Type II action as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(1) of SEQR. The Proposed Project would also involve the “*replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes...*”, “*routine activities of educational institutions, including expansion of existing facilities by less than 10,000 square feet of gross floor area and school closings*” and the “*purchase or sale of furnishings, equipment or supplies...*”, which are Type II actions as specifically designated 6 N.Y.C.R.R. § 617.5(c)(2), 6 N.Y.C.R.R. § 617.5(c)(10) and 6 N.Y.C.R.R. § 617.5(c)(31) of SEQR, respectively. Type II “actions have been determined not to have significant impact on the environment or are otherwise precluded from environmental review under ECL, Article 8 (6 N.Y.C.R.R. § 617.5[a]).” Therefore, no further SEQR determination or procedure is required for any component of the Proposed Project identified as Type II at this time.

SHPA Determination

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 DASNY and the New York State Office of Parks, Recreation, and Historic Preservation (“OPRHP”).

The Proposed Project was submitted to OPRHP for review (OPRHP Project No. 20PR03551). In its letter dated June 16, 2020 (attached), OPRHP rendered an opinion that “*...no properties, including archaeological and/or historic resources, listed in or eligible for the New York State and National Registers of Historic Places [“S/NR”] will be impacted by this project.*” Likewise, it is the opinion of DASNY that the Proposed Project would have no impact on historic or cultural resources in or eligible for inclusion in the S/NR.

Attachments

cc: Frederick W. Clark III, Esq.
Matthew T. Bergin
Gerard E. Klauser
SEQR File
OPRHP

Transaction Summary

Greenburgh Eleven UFSD
Dobbs Ferry, New York

August 28, 2020

Program: Special Act School Districts

Purpose: Private Placement/New Money

New Issue Details

Approximately \$8,040,000 in fixed and/or variable rate, tax-exempt and/or taxable, Series 2020 Bonds, with a term not to exceed 20 years, are expected to be sold through a private placement with Nuveen Investments and Victory Capital Management.

Purpose

- Repairs and renovations to the existing school building (\$6,848,112).
- Financing fees (\$497,119).
- Debt Service Reserve Fund (\$694,769).

Security

- Standby intercept of State operating aid.
- Assignment of Part 1 Tuition and Building Aid.
- Leasehold interest and other real property interests required by the Purchasers.

Expected Ratings: NR/NR/NR

Overview

Special Act School Districts were created by the legislature for the purpose of providing education services to students who reside in affiliated child care agencies and/or day students. Child care agencies affiliated with the Special Act School Districts primarily serve students placed there under Article 81 of NYS Education Law by family court, local social services districts, the Office of Children and Family Services ("OCFS") and Office of Mental Health. Local public school districts, based on the recommendations of their Committee on Special Education ("CSE"), may also place students with disabilities in Special Act School Districts for day or residential services. In August, 1988, legislation was passed enabling DASNY to finance the renovation and construction of educational facilities for Special Act School Districts. DASNY issued its first series of bonds under the legislation in July, 1990.

Greenburgh Eleven Union Free School District ("Greenburgh Eleven" or the "School District") was established in 1928. The School District is a public school district on the grounds of a private agency, the Children's Village. The Children's Village is a renowned residential treatment center and facility in operation since 1851, and services approximately 140 emotionally disabled students. Greenburgh Eleven is governed by a Board of Education consisting of seven members, five of whom are appointed from the Children's Village Board of Trustees and two who are appointed by the Commissioner of Education.

The School District is located in Dobbs Ferry, New York and provides services for residential and day students. Students are referred by other school districts or through their Committee on Special Education.

Additional Information

- **Necessity of Services:** The programs and services provided by Greenburgh Eleven are necessary to enable the local school and social services districts to comply with State and Federal mandates.
- **Timeliness of Debt Service Payments:** The enabling legislation provides a structure that facilitates timely debt service payments. Building Aid and Part 1 Tuition are paid directly to the Comptroller. Upon certification by DASNY of the Annual Rentals due under the Lease Agreement, the Comptroller is to pay such amounts to the trustee.
- **Standby Intercept of State Aid:** Greenburgh Eleven will assign to DASNY its Part 1 Tuition. If a referring local school or social service district fails to pay Part 1 Tuition when due, the Comptroller can intercept State aid otherwise payable to the local district up to an amount equal to the Part 1 Tuition due.
- **Demand Risk:** Local school districts and social service districts policies on placement of children needing special education could change.
- **Appropriation Risk:** The obligation of the Comptroller to pay amounts from the School Financing Reserve Fund is subject to and dependent upon annual appropriations made by the State legislature.

Recommendation

The State Education Department and Division of Budget approved a financing in an amount not to exceed \$8,685,000. The Series 2020 Bonds are expected to be privately placed with Nuveen and Victory Capital, both of whom are QIB's. The attached staff report recommends that the Board adopt a Resolution to Proceed for a bond issue in an amount not to exceed \$8,685,000.

This Transaction Summary 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.

Special Act School Districts Program – Greenburgh Eleven UFSD

SPECIAL ACT SCHOOL DISTRICTS

PROGRAM: Special Act School Districts were created by the legislature for the purpose of providing education services to students who reside in affiliated child care agencies and/or day students. Childcare agencies affiliated with the Special Act School Districts primarily serve students placed there under Article 81 of NYS Education Law by family court, local social services districts, the Office of Children and Family Services and Office of Mental Health. Local public school districts, based on the recommendations of their Committee on Special Education (“CSE”), may also place students with disabilities in Special Act School Districts for day or residential services.

Legislation enabling DASNY to finance and construct facilities for Special Act Schools was enacted in August, 1988 (the “Financing Act”). The Financing Act authorizes DASNY to enter into leases, subleases, or other agreements (the “Lease Agreement”) with participating Special Act Schools (“Participating Districts”) to provide for the financing, design, construction and improvement of educational facilities. The Lease Agreement requires the Participating District to pay, or cause to be paid, to DASNY annual payments that equal the principal of and interest on bonds plus all fees and expenses of DASNY and the trustee in relation to the issuance of bonds on behalf of the Participating District (the “Annual Rentals”). Pursuant to the Lease Agreement the Participating District assigns its property rights, but not its obligations, to DASNY, and DASNY will assign such interest back to the Participating District for the Annual Rentals.

Pursuant to the Education Law, Special Act School Districts receive State aid for capital expenditures and debt service for school building purposes (“Building Aid”). The amount of Building Aid each Special Act School District receives is based on an aid ratio calculation contained in the Education Law and equals, on average, approximately 50% of the capital costs of such Special Act School District. Tuition rates for the Special Act School Districts are established by the Commissioner of Education and are paid to the Special Act School Districts by the local public school district or social service district that placed the child in the Special Act School District. Pursuant to the Financing Act, tuition rates are established in two parts. Part one is equal to the cost per child of the balance of the Annual Rentals due to DASNY after Building Aid has been calculated (“Part 1 Tuition”) and part two is equal to the cost to provide educational services. Each

Participating District’s obligation to pay Annual Rentals under its Lease Agreement is secured by its assignment of its Building Aid and Part 1 Tuition to DASNY.

The Financing Act establishes a fund in the custody of the State Comptroller (the “School Financing Reserve Fund”) and, within the fund, a special account for each Participating District. The School Financing Reserve Fund consists of Building Aid and Part 1 Tuition payments. Building Aid and Part 1 Tuition payments are paid directly to the Comptroller. The Financing Act also provides that upon certification by DASNY of the Annual Rentals due under each Lease Agreement, the Comptroller is to pay such amounts to the trustee designated by DASNY. Further, the Financing Act and the Education Law authorize the intercept of State education aid to local school districts and State social services reimbursements to social service districts that fail to pay Part 1 Tuition. Such funds are deposited in the Participating District’s account in the School Financing Reserve Fund. The obligation of the Comptroller to pay amounts from the School Financing Reserve Fund upon certification of DASNY is subject to and dependent upon annual appropriations made by the State legislature. In the event of a school closure, Part 1 tuition would no longer be paid into the School Financing Reserve Fund. Attachment I is a flow of funds chart for the Special Act School Districts Program.

DASNY Financing History: DASNY has issued seven series of bonds on behalf of Special Act Schools. As of July 31, 2020, three series of bonds remain outstanding as shown in Table 1 below. Greenburgh Eleven was a participant in the Series 1998 bond issue and their bonds were redeemed in full on July 1, 2012. Currently, Greenburgh Eleven has no bonds outstanding.

Table 1 -- Outstanding DASNY Debt

<u>Series</u>	<u>Final Maturity or Defeasance</u>	<u>Amount Issued (000’s)</u>	<u>Amount Outstanding (000’s)</u>
1990	1998	\$ 61,831	\$ 0
1995	2019	29,770	0
1998	2015	74,220	0
1999	2019	24,185	0
2013	2033	9,082	5,902
2014	2033	5,645	4,580
2016	2036	5,165	4,470
		\$ 209,898	\$ 14,952

THE BORROWER: Greenburgh Eleven Union Free School District (“Greenburgh Eleven” or the “School District”) was established in 1928. The School District is a public school district on the grounds of a private agency, the Children’s Village. The Children’s Village is a renowned residential treatment center and facility in operation since 1851, and services approximately 140 emotionally disabled students. Greenburgh Eleven is governed by a Board of Education consisting of seven members, five of whom are appointed from the Children’s Village Board of Trustees and two who are appointed by the Commissioner of Education.

The School District provides educational services for up to 140 students in Kindergarten – Grade 12. Emphasis is placed upon diagnostic assessment of students. The support staff includes school psychologists, guidance counselors, teachers of the speech and hearing handicapped, physical and occupational therapists. Positive Behavior Interventions and Supports (PBIS) is the District’s behavior management program which emphasizes respect, responsibility and safety. This program complements the goals of helping students become self-confident, independent learners who will be able to successfully meet the challenges in the workplace when they leave Greenburgh Eleven.

THE PROJECT: The Project consists of repairs and replacement construction which includes wall systems, windows and roof due to water intrusion, a new fire alarm system, renovation of existing space for accessibility due to consolidation from two buildings to one, drainage repair, HVAC, plumbing repairs and building security renovations.

FINANCING DETAILS: The State Education Department and Division of Budget have approved a financing in an amount not to exceed \$8,685,000 to finance the Project. The approved amount includes Project costs up to \$6,848,112 and related financing costs of up to \$1,836,888. Greenburgh Eleven expects to issue fixed rate bonds at a rate of 5.75% with a 20-year maturity. The tax-exempt bonds will be issued through a private placement with Nuveen Investments and Victory Capital Management, (“the Purchasers”). The Bonds are anticipated to have an optional 10-year call and the repayments will be based on a 20-year amortization. Attachment II presents an estimate of the sources and uses of funds for the proposed financing.

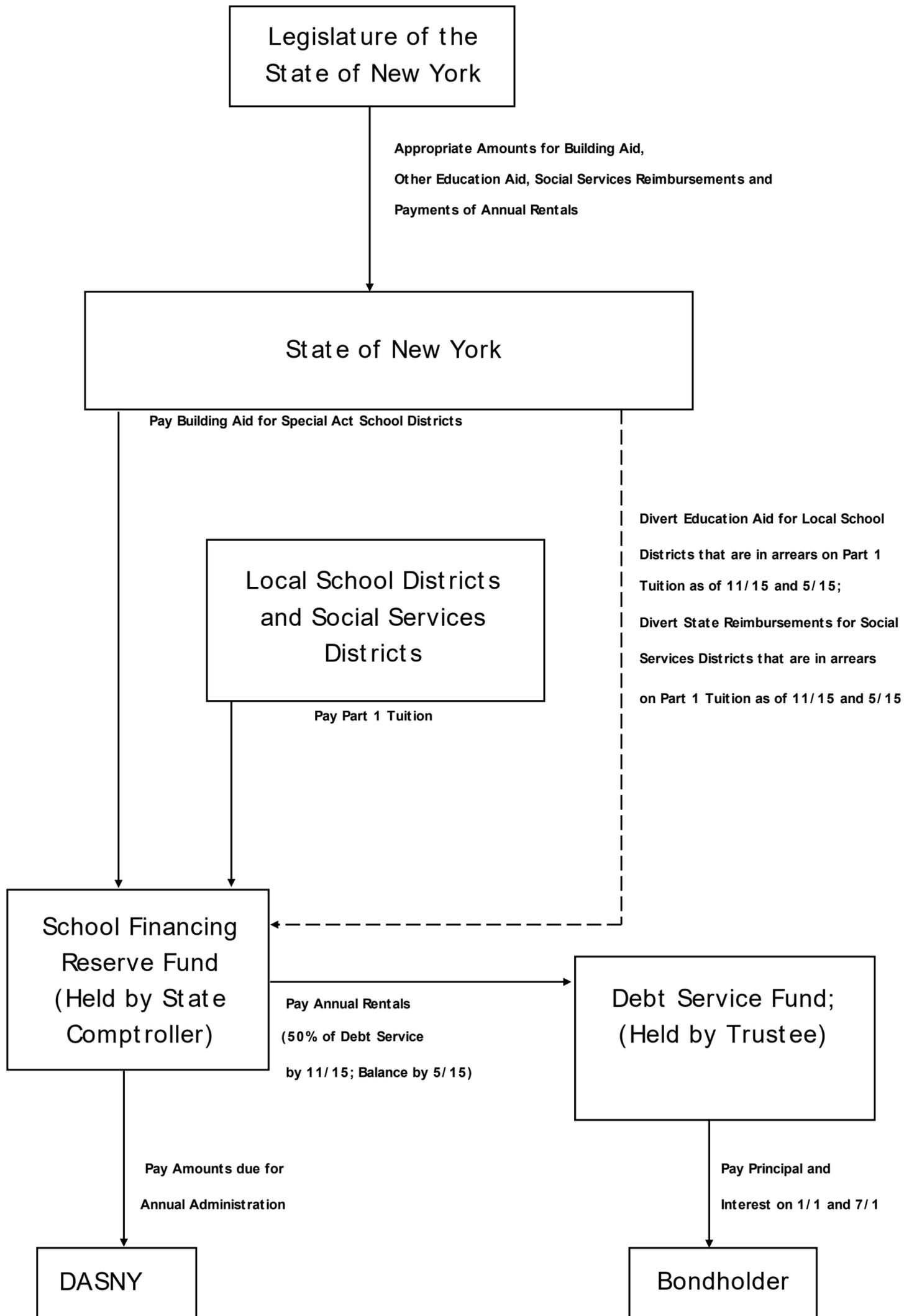
Security Provisions: Security for the proposed issuance will include a leasehold interest in certain real property, additional real property interests as the Purchasers may require, and an assignment of Part 1 Tuition and Building Aid. Such tuition and Building Aid payments will be held in the School Financing Reserve Fund until disbursed to the trustee at the direction of DASNY. Further, the Financing Act and the Education Law authorize the intercept of State education aid to local school districts and State social services reimbursements to social service districts that fail to pay Part 1 Tuition.

SUMMARY: The State Education Department and Division of Budget approved a financing in an amount not to exceed \$8,685,000. Greenburgh Eleven expects to issue bonds through a private placement with Nuveen Investments and Victory Capital Management. Accordingly, staff recommends that the Board adopt a Resolution to Proceed for a financing of an amount not to exceed \$8,685,000 on behalf of Greenburgh Eleven.

This Transaction Summary 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.

Special Act School Districts Program Flow of Funds





**Parks, Recreation,
and Historic Preservation**

ANDREW M. CUOMO
Governor

ERIK KULLESEID
Commissioner

June 16, 2020

Sara Stein
Senior Environmental Manager
DASNY
One Penn Plaza
New York, NY 10119

Re: DASNY
Greenburgh Eleven UFSD, Bethune Building Renovations
1 Echo HI, Dobbs Ferry, NY 10522
20PR03551
Project #357030

Dear Sara Stein:

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. Such impacts must be considered as part of the environmental review of the project pursuant to the State Environmental Quality Review Act (New York Environmental Conservation Law Article 8) and its implementing regulations (6 NYCRR Part 617).

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.

Sincerely,

R. Daniel Mackay

Deputy Commissioner for Historic Preservation
Division for Historic Preservation