



DASNY

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President & CEO

Memorandum

TO: Sara P. Richards, Esq., Managing Senior Director, Government and Administration

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



DATE: June 21, 2021

RE: *State Environmental Quality Review (SEQR) Determination for New York University's Construction, Renovation, Reimbursement, and Capital Maintenance Projects*, Boroughs of Manhattan and Brooklyn, New York

Description of Proposed Action and Proposed Project. New York University ("NYU" or the "University") has requested financing from the Dormitory Authority of the State of New York ("DASNY") for its *Construction, Renovation, Reimbursement, and Capital Maintenance Projects* (collectively, the "Proposed Project"). Based on a review of the attached Transaction Summary Update, dated June 11, 2021, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of one or more Series of fixed and/or variable rate, tax-exempt and/or taxable, Series 2021 bonds in an amount not to exceed \$410,000,000 in funding under DASNY's Independent Colleges and Universities Program.

More specifically, the proceeds from the bond issue or issues would be used to refund or refinance a portion of NYU's Series 2016A Bonds issued by DASNY (\$50.0 million), and the construction, renovation, deferred maintenance, and equipping at NYU's School of Medicine ("SOM"). These SOM project components to be funded with bond proceeds would include the following:

- **Skirball Institute of Biomolecular Medicine:** Renovation of the 5th floor of the Skirball Institute to establish a new Virology Center. A portion of the 5th floor will include an A Biosafety Lab 3 (ABSL3) laboratory with dedicated and isolated mechanical support systems. The remainder of the floor will consist of a modernized and flexible wet laboratory, laboratory support space, and dry research and administrative zones. Skirball Institute is located at 540-562 First Avenue, New York, New York, New York County.
- **Smilow Research Center Fire Alarm Voice Upgrade:** Installation of a voice fire alarm throughout the building to comply with the Fire Department of New York ("FDNY") requirements. Smilow Research Center is located at 522 First Avenue, New York, New York, New York County.
- **Vilcek Hall Americans With Disabilities Act ("ADA") Compliance Upgrade:** Vilcek Hall will be renovated to current ADA standards. This will enable a distribution of accessible apartments throughout the building as well as the relocation of the public spaces to more easily accessible locations. All

upgrades will be fully ADA compliant. Vilcek Hall is located at 334 East 26th Street, New York, New York, New York County.

In addition to the SOM projects components noted above, the bond proceeds would also be utilized to fund the continued work at various NYU buildings at its campuses throughout Manhattan and Brooklyn. These on-going projects include:

Tandon School of Engineering: Continued work to Rodgers Hall and Jacobs Academic Building included the installation of a new life safety systems; mechanical upgrades, internal renovation, and reconstruction and renovation of labs and renovation of the Civil and Urban Engineering and related research centers. Rodgers Hall and Jacobs Academic Building are located at NYU's MetroTech Campus in Brooklyn. This work was covered under the previously completed *SEQR*'s for those bond issues, as was the Tandon School's Master Plan, funded under the 2017A and 2017B Bonds and the 2018A and 2018B Bond issues.

181 Mercer Street and Cogeneration Plant (Central Plant): The proposed bond proceeds would be utilized by NYU for the continued construction and equipping of 181 Mercer Street, the former site of NYU's Cole Gymnasium. The 181 Mercer Street building, currently under construction, would contain approximately 649,215 square feet ("sf") of zoning floor area ("zfa"). The building would contain approximately 81,000 sf of zfa of academic uses, which NYU has identified for use by the Tisch School of Performing Arts and the Steinhardt School, and 29,000 sf of zfa of retail uses including a replacement grocery store for the existing Morton Williams supermarket.

Continued work on the existing NYU cogeneration plant consisting of the upgrade and expansion of the existing facility to include the replacement of certain equipment and addition of new equipment; the construction of a new, internal steel and concrete mezzanine to accommodate new equipment layout, associated ductwork and piping; new electrical substation, distribution panels and motor control centers at Washington Square Village to support new dedicated pumps, additional electrical feeders, and increase cooling capacity for the 181 Mercer Street development.

The work associated with the continued construction of the 181 Mercer Street and the Cogeneration Plant were previously reviewed by DASNY within the *SEQR* Findings Statement¹, dated April 9, 2018, and issued in connection with Series 2018A and 2018B Bonds. While DASNY's Findings Statement contemplates a much larger group of projects, the continued construction of 181 Mercer Street and the various changes to the cogeneration plant to provide service to 181 Mercer Street in an effort to improve resiliency of the existing service were part of that review. The cogeneration plant is located at 251 Mercer Street in Manhattan.

404 Lafayette Street (708 Broadway): The bond proceeds would be utilized for the continued renovation work at 404 Lafayette Street. The building contains a total of approximately 125,000 sf, of which, approximately 107,000 sf would be utilized by NYU's College of Global Public Health ("GPH"). The remaining floor area is currently used as the fitness center. Approximately 150 offices would be developed for GPH and include approximately 245 workstations, new clinical interview rooms, including 2 large conference rooms and a small private meeting room.

Previously in 2016, DASNY bond proceeds were issued to refund the costs associated with the acquisition of the building and lot located at 404 Lafayette Street and 708 Broadway, and also include the internal fit up of the

¹ On June 6, 2012, the New York City Planning Commission ("CPC"), as Lead Agency, issued a *Findings Statement* for the proposed Project that included the noted work to the Cogeneration Plant. The CPC's *Findings Statement* determined that the requirements of 6 N.Y.C.R.R. Part 617 of *SEQRA* had been met and that, with respect to this application (*CEQR* No. 11DCP121M), and the *CEQR* Technical Memorandum, dated June 4, 2012, (Technical Memorandum), the CPC found that the requirements of the *New York State Environmental Quality Review Act* and regulations, have been met.

cellar, first, and second floors, upgrade the building infrastructure on all floors, and renovate the upper floors of the building for use as academic space. The building will also require exterior façade work to conform with the New York City Department of Building Regulation Local Law 11. The proposed work at 404 Lafayette Street was covered under the previously completed SEQR's for the NYU 2016 bond issue.

Center for Urban Science and Progress (“CUSP”): Bond proceeds would fund the continued renovation and equipping of the CUSP building.² This work would include façade restoration and upgrade, roof repairs, upgrade of the mechanical, plumbing, electrical, and HVAC systems, and interior reconfiguration and renovation. The CUSP building was the subject of SEQR associated with the Series 2015 and 2016 bond issues. The Center for Urban Science and Progress is located at 370 Jay Street in Brooklyn.

Chemical Biology Department - Silver Complex: Continued funding would support the renovation activities and the equipping of space to accommodate the technical needs of laboratory sciences, office space, and related infrastructure to accommodate laboratory and non-laboratory science use. At the Brown Building, the renovation area would amount to approximately 18,500 square feet of existing lab space. The work would include a new ventilation system for the lab spaces. Additionally, existing laboratory and classroom space would be relocated from the Silver Building to the Waverly Building. The Silver Complex buildings are located at 23-29 Washington Place (aka the Brown Building), 24-26 Waverly Place, 25 West 4th Street, and 100 Washington Square East (the Silver Building).

27 Washington Square North: Bond proceeds would be utilized for the renovations and replacements to the existing facility including: elevator replacement and modernization, boiler replacement and conversion, fuel oil tank removal, facade repairs as required by New York City Local Law 11, roof replacement including the parapet restoration, electrical service upgrades, sidewalk repairs, ADA accommodations for front entrance, repair window well drainage, repair and possible replacement of the exterior fire escape, and the abatement of asbestos containing materials and lead based paint. Additionally, the costs previously expended in association with NYU's acquisition of the building would be reimbursed under this bond issue.

Institution. NYU is a private, non-profit institution of higher education located in New York City. The University was founded in 1831 and is one of the largest private institutions of higher education in the United States. The University includes 19 schools, colleges, institutes, and programs in nine major locations in New York City: the Washington Square campus in Greenwich Village; the Institute of Fine Arts at 1 East 78th Street, near the Metropolitan Museum of Art; the School of Professional Studies at the Midtown Center at 11 West 42nd Street and the Woolworth Building located at 15 Barclay Street (as well as at Washington Square); the Rory Meyers College of Nursing and the College of Dentistry on First Avenue between East 24th and 26th Streets; the School of Medicine on First Avenue between East 30th and 34th Streets; the Institute for the Study of the Ancient World at 15 East 84th Street; and the downtown Brooklyn area, where the Tandon School of Engineering and the CUSP Building are located.

² NYU was awarded 370 Jay Street through then-Mayor Michael Bloomberg's Applied Sciences NYC program. The New York City Office of the Mayor for Economic Development, which acted as lead agency, conducted a coordinated *State Environmental Quality Review (“SEQR”)/City Environmental Quality Review (“CEQR”)* process for this Type I action. The lead agency issued its *Negative Declaration* for the Proposed Project on August 14, 2012, in conjunction with *CEQR Reference Number 12DME010K*. The lead agency noted “...that the proposed project would not have any potentially significant adverse impact on the environment.” Hence, the work to be undertaken with the 2016 NYU bond proceeds has been considered under the city's environmental review.

The network also includes a comprehensive, degree-granting, liberal arts and science university in Abu Dhabi, a comprehensive, degree-granting liberal arts and science campus in Shanghai, and eleven other global academic sites on six continents where students may study away for a semester or more.

The University is the sole corporate member of NYU Langone Health System (the "Health System"), which is the sole corporate member of NYU Langone Hospitals, formerly known as NYU Hospitals Center. NYU has no responsibility or liability for the indebtedness or other obligations of the Health System. Conversely, the Health System is not responsible or liable for the indebtedness or other obligations of NYU.

SEQR Determination. DASNY completed this environmental review in accordance 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. A majority of the Proposed Projects described herein have undergone the appropriate State Environmental Quality Review at the time of their initial funding. Since the previously reviewed projects have not undergone any substantive change since the initial reviews, the reviews completed for those project components are still valid and deemed to be in compliance with *SEQRA* for this financing.

All the subject Proposed Project components not previously reviewed under *SEQR* and discussed herein are the subject of this *SEQR* Type II Determination. The activities associated with the Proposed Project would involve the "maintenance or repair involving no substantial changes in an existing structure or facility," 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," the "refunding of existing debt," and the "purchase or sale of furnishings, equipment or supplies," which are Type II actions as specifically designated by 6 *N.Y.C.R.R.* § 617.5(c)(1), 6 *N.Y.C.R.R.* § 617.5(c)(2), 6 *N.Y.C.R.R.* § 617.5(c)(29), 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 *Environmental Conservation Law, article 8.*" Therefore, no further *SEQR* determination or procedure is required for any component of the Proposed Project identified as Type II.

The Proposed Action 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"). 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 Action would have no impact on historical or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

Attachment

cc: Dena T. Amodio, Esq.
David P. Ostrander
SEQR File
OPRHP File

Transaction Summary Update

New York University
New York, New York

June 11, 2021

Program: Independent Colleges & Universities

Purpose: New Money / Refunding / Refinancing

New Issue Details

One or more Series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$410,000,000 with maturities not to exceed 31 years are to be sold at one or more times through a negotiated offering and/or a private placement.

- Senior Managers – BofA Securities and RBC Capital Markets
- Co-Bond Counsel – Hawkins Delafield & Wood LLP and McGlashan Law Firm, PC
- Underwriter's Counsel – Katten Muchin Rosenman LLP

Purpose:

- Financing, refinancing, or reimbursement of costs associated with numerous construction and renovation projects located throughout the New York University system (\$344.4 million).
- Refunding or refinancing of a portion of the University's Series 2016A Bonds issued by DASNY (\$50.0 million).

Security:

- General obligation of the University.

Current Ratings: Moody's: Aa2 (Stable)
S&P: AA- (Stable)

Overview

New York University is a private, non-profit institution of higher education located in New York City. The University was founded in 1831 and is one of the largest private institutions of higher education in the United States.

The University includes 19 schools, colleges, institutes, and programs in nine major locations in New York City: the Washington Square campus in Greenwich Village; the Institute of Fine Arts at 1 East 78th Street, near the Metropolitan Museum of Art; the School of Professional Studies at the Midtown Center at 11 West 42nd Street and the Woolworth Building located at 15 Barclay Street (as well as at Washington Square); the Rory Meyers College of Nursing and the College of Dentistry on First Avenue between East 24th and 26th Streets; the School of Medicine on First Avenue between East 30th and 34th Streets; the Institute for the Study of the Ancient World at 15 East 84th Street; and the downtown Brooklyn area, where the Tandon School of Engineering and the Center for Urban Science and Progress (CUSP) are located.

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Description of the Bonds

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

Approvals

- DASNY Resolution to Proceed – May 19, 2021
- PACB Approval – June 16, 2021*
- SEQR Filing – June 21, 2021*
- TEFRA Hearing – June 21, 2021*

*Anticipated date.

Recent Information

The University expects to use proceeds from its line of credit to redeem the Series 2016A stepped coupon bonds on July 1, 2021, the earliest date that the bonds can be called. Subsequent to that date, proceeds from the proposed issuance are expected to refinance that portion of the University's line of credit at closing.

Recommendation

Staff recommends that the Board adopt the necessary documents for one or more series of bonds with maturities not to exceed 31 years in an amount not to exceed \$410,000,000.

