



**Dormitory Authority of the State of New York (DASNY)
ABO Annual Report – Operations and Accomplishments
Fiscal Year April 1, 2019 – March 31, 2020**

MISSION STATEMENT

We commit to deliver exceptional service and professional expertise on every financing and construction project for our clients and the public, in a cost-effective manner, while advancing the policy goals of New York State.

OPERATIONS AND ACCOMPLISHMENTS

The Dormitory Authority of the State of New York (DASNY) is a public benefit corporation originally established in 1944 under the laws of the State of New York (the State) to finance and build dormitories at State teachers' colleges to house an influx of soldiers returning from World War II and attending college under the GI Bill. DASNY successfully addressed this challenge, and since that time, the scope of its responsibilities continues to expand.

Today, DASNY leads as New York State's and the nation's premier financier, developer, and builder of public infrastructure. DASNY's work financing, designing, and constructing scientific, life sciences and medical laboratories, academic centers and residence halls for our higher education partners, and hospitals and libraries strengthens our communities, making New York a better place to live, work and learn.

OPERATIONS OVERVIEW

DASNY has two main lines of business: public finance and construction services. During Fiscal Year (FY) 2019-20, DASNY completed 25 bond financings for a total of approximately \$9.8 billion. DASNY also completed four lease transactions totaling approximately \$57.2 million under its Tax-Exempt Leasing Programs (TELP I and TELP II). The largest public, higher education and health care financings were respectively:

- Personal Income Tax Revenue Bonds (General Purpose), Series 2019D, Series 2019E and Series 2019F (Federally Taxable) (\$3,404,620,000);
- New York University Revenue Bonds, Series 2020B (Federally Taxable) (\$424,480,000); and
- NYU Langone Hospitals Obligated Group Revenue Bonds, Series 2020A (\$466,305,000).

Further information on these and other significant DASNY public finance accomplishments can be found in the *Executive Leadership* and *Finance* sections of this report.

DASNY is authorized to provide a broad range of construction project services to certain educational, governmental and not-for-profit institutions. DASNY's services focus on planning, design and construction, construction monitoring, and purchasing of furnishings and equipment. During FY 2019-20, construction expenditures for DASNY-managed projects totaled approximately \$733.3 million. DASNY also awarded new professional services contracts, construction contracts and associated purchase orders for client programs, totaling approximately \$417.7 million. In addition, DASNY issued term contract work authorizations, job order contract work orders and term purchase



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orders totaling approximately \$121.3 million. As such, new procurement activity for FY 2019-20 totaled nearly \$539 million.

Construction accomplishments for FY 2019-20 include successfully completing:

- A \$292.1 million new inpatient building at South Beach Psychiatric Center on Staten Island for the New York State Office of Mental Health.
- A \$42.0 million electrical reconstruction project at Queensborough Community College for the City University of New York.
- A \$33.6 million renovation to the Dutch Quad for the University at Albany, State University of New York.

DASNY staff also were involved with development of three downstate hospital emergency facilities to provide New York State with additional capacity for potential patient surge as a result of COVID-19. These facilities included the Javits Center, Old Westbury and the South Beach Psychiatric Center, which was converted from an OMH psychiatric hospital to a COVID-19 hospital managed by Staten Island University Hospital / Northwell.

DASNY remains at the forefront of providing contracting opportunities to certified minority- and women-owned business enterprises (“MWBEs”) in State procurement with approximately \$184 million paid to minority- and women-owned businesses in New York for DASNY projects this past fiscal year. DASNY also provides MWBE education and development through the DASNY Surety Bond Training Program, which helps MWBE firms develop business capacity and obtain access to bonding and capital – critical in advancing from a subcontractor to a prime contractor.

Further information on these and other significant DASNY construction accomplishments can be found in the *Executive Leadership* and *Construction* sections of this report.

CHALLENGES

DASNY’s challenges in the public finance sector include competition from other issuers of tax-exempt debt and market conditions, including local development corporations issuing tax-exempt debt. Furthermore, the interest-rate spread between taxable and tax-exempt financing has remained relatively compressed, minimizing the impact of the tax-exemption. As a result, some institutions choose to issue taxable bonds on their own.

Within the construction sector of DASNY’s business, DASNY-managed construction expenditures were \$733.3 million in FY 2019-20, as compared to \$705.2 million in FY 2018-19, an increase of approximately 3.8 percent. The profile of this work continues to shift to a high number of smaller-sized projects. A challenge DASNY faces is to deliver these smaller projects in an efficient and cost-effective manner, despite the many similar administrative requirements as larger scale projects, including costs associated with contract and payment management.



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Finally, the immense impact COVID-19 has had on all New Yorkers has altered the work of DASNY as well. As DASNY and the State adapts to a rapidly changing construction and financing landscape, we continue to support critical infrastructure projects and financial transactions and have adjusted business operations including implementation of remote work schedules to avoid any service interruptions to our clients. DASNY incorporated new safety measures into its construction work site protocols, as required, and is working to ensure we continue to provide our clients with highly professional, expert services in all spheres.

To address these challenges, DASNY has undertaken a number of initiatives during FY 2019-20 to improve efficiency and maintain growth, while also properly managing risk.

EXECUTIVE LEADERSHIP

DASNY entered FY 2019-20 in a strong position in its financial performance, and through the year strengthened its performance in many areas while increasing its focus on customer service. To achieve these goals, DASNY provided additional services that created efficiencies through operational improvements.

Following up on the changes to DASNY's Financing Guidelines that were made last year, DASNY focused on numerous internal process changes to strengthen its conduit bond issuance business this year. DASNY streamlined and standardized legal financing documents, made the post-closing processes more efficient, and simplified the requisitioning process thereby making it easier for clients to receive their funds. DASNY saw the value of its private client business increase from 6 financings totaling approximately \$2.5 billion in FY 2018-19 to 20 financings totaling approximately \$3.5 billion in FY 2019-20.

In DASNY's construction business, process efficiencies, increased collaboration and integration, and advanced alternative delivery methods (e.g. design-build), are offering innovative solutions to clients. DASNY has also begun the process of replacing the Construction Division's project management system with a cutting-edge technology platform that will transform its project management process across design, construction, procurement, and finance.

Over the past year, DASNY secured several new interior design projects at SUNY community colleges across the State and took on several new projects through DASNY's community minor maintenance program for the State Office of Addiction Services and Supports (OASAS) and Office for People With Developmental Disabilities (OPWDD).

DASNY embraced technology across all divisions, deployed data management dashboards, and created a paperless change order system.

To strengthen DASNY's commitment to diversity, inclusion, and equity, DASNY established the Office of Diversity and Inclusion. This new office provides guidance on how to create a productive, satisfying and equitable work environment for all employees. In addition, in the 2019 legislative session, DASNY was authorized to create targeted, competitive procurement opportunities to increase participation by small businesses and MWBEs in DASNY's work.



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Today, DASNY is a stronger organization better able than ever to serve its clients, furthering its public service mission.

CORPORATE GOVERNANCE

The Public Authorities Reform Act of 2009 requires each State authority to adopt a mission statement and performance measurements and to review them on an annual basis. At its March 4, 2020 meeting, DASNY undertook its annual review of DASNY's Mission Statement, Performance Measures and Metrics to Quantify Performance Goals.

LEGISLATIVE MATTERS

DASNY continues to monitor legislative activity that would improve its ability to respond to client needs and advance sound policy for the State. In addition to matters referenced in the *Operations and Accomplishments*, *Executive Leadership* and *Finance* sections of this report, the following are highlights of recent legislation affecting DASNY:

- **Infrastructure Investment Act:** The enacted FY 2020-21 State Budget expanded the provisions of the Infrastructure Investment Act (IIA) to add DASNY to the list of entities that are currently authorized to use design-build in order to optimize quality, cost and efficiency for DASNY. Since IIA's initial authorization in 2011, design-build has been used by state agencies and authorities to procure contracts for vital infrastructure projects totaling \$1.37 billion. Design-build will provide DASNY and its construction clients with increased flexibility in its procurement and project delivery service options resulting in shorter project durations and improvements in cost management.
- **Extension of Health Care Subsidiary Authorization:** The FY 2020-21 enacted State Budget extended for two years DASNY's authorization to form subsidiaries for the purpose of limiting the potential liability of DASNY when exercising remedies against borrowers regulated under Public Health law Article 28 who have defaulted on loan agreements or mortgages with DASNY. Chapter 584 of the laws of 2011 authorized DASNY to form subsidiaries for this purpose; this authorization, which has been renewed four times since 2011, was set to expire on July 1, 2020. On two occasions DASNY subsidiaries have played important roles in effectuating hospital loan default workouts in a manner beneficial to stakeholders. Absent enactment of this law, DASNY's ability to do so in the future would be hindered by exposure to risk and potential liability.
- **COVID-19 Coronavirus Disease Fiscal Management Measures:** The State of New York found that the global spread of the COVID-19 coronavirus disease was having a significant impact on the health and welfare of individuals in the State as well as a significant financial impact on the State.
 - The FY 2020-21 Budget authorized DASNY to issue Personal Income Tax revenue anticipation notes or bond anticipation notes until December 31, 2020. It authorizes issuance in an amount not to exceed \$8 billion in one or more series with a maturity



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no later than March 31, 2021 for the purpose of temporarily financing budgetary needs of the State, following the Federal government deferral of the federal income tax payment deadline from April 15, 2020 to July 15, 2020.

- The Budget also authorized DASNY to negotiate on behalf of the State and enter into one or more line of credit facilities in an aggregate principal amount outstanding at any one time not in excess of \$3 billion dollars. Once established, DASNY, at the direction of the Director of the Budget, would (A) draw down, at one or more times during the State’s 2021 fiscal year, available amounts under the line of credit facilities and (B) provide the amounts drawn to the State to meet a portion of the State’s budgetary needs. Repayment of the line of credit draws, including interest and any costs incurred by DASNY in connection with the line of credit facilities, would be secured by a Service Contract backed by an annual appropriation of the State Legislature.

- New York Buy American Act: The enacted FY 2020-21 State Budget makes the Buy American Act a permanent fixture in New York State and for DASNY. The Buy American Act requires DASNY to use high-quality, American-made structural iron and steel for certain construction projects, continuing to support the State’s steel and iron industry, create union jobs and ensure our infrastructure projects will last long into the future. The New York Buy American Act was enacted in 2017 and was set to expire on April 15, 2020; this law made the Act permanent by removing the expiration date.

- Reauthorization of Executive Law Article 15-A: Chapter 96 of the Laws of 2019 reauthorized New York’s landmark Minority and Women-owned Business Enterprises (“MWBE”) program through December 31, 2024 (Executive Law Article 15-A), and increased the monetary threshold for discretionary purchases from \$200,000 to \$500,000 for purchases of goods and services from MWBEs and small businesses, and the purchase of goods or technology that are recycled or remanufactured (Public Authorities Law § 2879). Additionally, this legislation established a new Executive Law Article 28 with new requirements for a Workforce Diversity Program that, upon implementation, will require all State contractors to commit (as a condition of contract award) to good faith efforts to achieve aspirational workforce participation goals established by the Director of the Division of Minority and Women’s Business Development within the Department of Economic Development (“DED”), in consultation with the Department of Labor (“DOL”) (Executive Law Article 28). DASNY’s Procurement Guidelines and procedures have been (and will continue to be) revised and updated so that DASNY may continue its long-term progress in providing opportunities to MWBE firms.

- Small Business, Minority and Women Owned Business Enterprise Pilot Program: Chapter 97 of the Laws of 2019 created a new subdivision 29 to Public Officers law § 1678, enacted programmatic legislation advanced by DASNY, authorizing DASNY to establish a four-year pilot program for the award of Procurement Contracts for goods and services from, or for the construction, reconstruction, rehabilitation or improvement of facilities by, Small Businesses (as defined in § 131 of the Economic Development Law) and MWBEs (as



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defined in § 310 of the Executive Law). This new authorization gives DASNY sole authority to designate procurements that would fall under this program. Also, the total value of contracts awarded cannot exceed the greater of twenty million dollars or five percent of the value of all contracts awarded by DASNY in a given fiscal year. This programmatic change has been memorialized in DASNY's Procurement Policy and Procurement Contract Guidelines and is set to expire on July 1, 2023.

- Vital Brooklyn: The enacted FY 2019-20 State Budget amended Public Authorities Law § 1678 (25) by adding new subparagraphs (e) and (f) (Part C of Chapter. 58 of the Laws of 2019) which authorize Atlantic Avenue Healthcare Property Holding Corporation ("Atlantic" a DASNY subsidiary not-for-profit corporation) to transfer four properties as directed by the Commissioner of the Division of Homes and Community Renewal ("DHCR") pursuant to DHCR's plan to increase access to, and quality of, health care services and preventative care services; and to create affordable housing to transform Central Brooklyn. Such plans, when finalized, are subject to approval of the Commissioner of DHCR, the Commissioner of Health, and the Director of the Division of the Budget in accordance with the legislation. DHCR is in the process of selecting suitable developers pursuant to a Request for Proposals (RFP) process, and timing and terms of the proposed transfers have yet to be determined.
- Health Facility Restructuring (HFR) Program: The enacted FY 2019-20 State Budget appropriated \$19.6 million to the HFR Program, which is consistent with previous years.

FINANCE

Bond Financings

DASNY delivered approximately \$9.8 billion par value of bonds during FY 2019-20, ending with an outstanding bond portfolio of approximately \$58.2 billion. Of the total bonds outstanding, approximately 71 percent are on behalf of public programs (such as State-supported debt and school districts); approximately 22 percent are on behalf of independent higher education institutions and other not-for-profits; and approximately 7 percent are for independent health care institutions.

During FY 2019-20, approximately 64.2 percent of the \$9.8 billion total par value of bonds delivered by DASNY were for its public clients.



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Public Clients: DASNY delivered a total of approximately \$6.3 billion of bonds in FY 2019-20 for its public clients:

Personal Income Tax Revenue Bonds (General Purpose), Series 2019A (Tax-Exempt) and Series 2019B (Federally Taxable)	\$1,626,525,000
School Districts Revenue Bond Financing Program Revenue Bonds, Series 2019A-E	\$482,365,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2019C	\$79,000,000
State University of New York Dormitory Facilities Revenue Bonds, Series 2019A (Tax-Exempt) and Series 2019B (Federally Taxable)	\$702,285,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2019D (Tax-Exempt), Series 2019E (Tax-Exempt) and Series 2019F (Federally Taxable)	\$3,404,620,000
Total State-Supported and Other Public Financings	\$6,294,795,000

Independent, Private-Sector Clients: DASNY also delivered approximately \$3.5 billion of bonds in FY 2019-20 for its independent, private-sector clients:

Inter-Agency Council Pooled Loan Program Revenue Bonds, Series 2019A (Subseries 2019A-1 (Tax-Exempt) and Subseries 2019A-2 (Federally Taxable))	\$26,900,000
Terence Cardinal Cooke Health Care Center Private Placement Bonds, Series 2019A	\$25,000,000
Catholic Health Obligated Group Revenue Bonds, Series 2019A and Series 2019B	\$184,645,000
Cornell University Revenue Bonds, Series 2019A, Series 2019B and Private Placement Bonds Series 2019C	\$286,115,000
Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt) and Series 2019B (Taxable)	\$34,970,000
Cornell University Revenue Bonds, Series 2019D (Green Bonds)	\$121,415,000
Northwell Health Obligated Group Revenue Bonds, Series 2019A, Series 2019B-1, Series 2019B-2 and Series 2019B-3	\$202,325,000
Rochester Institute of Technology Revenue Bonds, Series 2019A (Tax-Exempt), Series 2018B (Federally Taxable), Series 2019C (Private Placement Bonds) and Series 2020A (Forward Delivery) ⁽¹⁾	\$346,220,000
Memorial Sloan-Kettering Cancer Center Revenue Bonds, 2019 Series 1, 2019 Series 1 (Bidding Group 1) and 2019 Series 1 (Bidding Group 2)	\$284,545,000
St. Mary's Hospital for Children, Inc. Private Placement Bonds, Series 2019	\$76,100,000
Rockefeller University Revenue Bonds, Series 2019A, Series 2019B (Green Bonds) and Series 2019C	\$209,420,000
Convent of the Sacred Heart Private Placement Bonds, Series 2020 (Federally Taxable)	\$22,042,000
Trevor Day School Private Placement Bonds, Series 2020	\$62,460,000
Fordham University Revenue Bonds, Series 2020	\$145,190,000
NYU Langone Hospitals Obligated Group Revenue Bonds, Series 2020A	\$466,305,000
Barnard College Revenue Bonds, Series 2020A	\$40,555,000



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Montefiore Obligated Group Revenue Bonds, Series 2020A	\$356,510,000
Jewish Theological Seminary of America Private Placement Bonds, Series 2020A and Series 2020B	\$39,000,000
New York University Revenue Bonds, Series 2020B (Federally Taxable)	\$424,480,000
Columbia University Revenue Bonds, Series 2020A	\$150,000,000
Total Independent, Private-Sector Financings	\$3,504,197,000

⁽¹⁾ Includes the \$48,345,000 Rochester Institute of Technology Revenue Bonds, Series 2020A (Forward Delivery) together with the Series 2019A, B and C. The Series 2019A, B and C and Series 2020A priced on the same day. The Series 2019A, B and C closed on 10/8/19. The Series 2020A closed on 4/3/20.

Tax-Exempt Equipment Leasing Program (TELP) Financings

Tax-Exempt Leasing Program I (Health Care)

United Health Services Hospitals, Inc.	\$10,066,000
State University of New York University Hospital at Syracuse	\$23,200,000
NYU Langone Hospitals	\$13,177,894

Tax-Exempt Leasing Program II (Higher Education & Other Not-for-Profits)

NYSARC	\$10,741,105
Total TELP Leases	\$57,184,999

CONSTRUCTION

Construction Statistics

At the close of FY 2019-20, DASNY had a total construction workload of 1,084 full and modified services projects valued at more than \$7.75 billion, of which 161 are valued at greater than \$5 million. Expenditures on projects for which DASNY provided full services during FY 2019-20 totaled \$733.3 million.



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Projects in the pipeline as of March 31, 2020 are summarized in the table below:

Type of DASNY Service	Number of Projects	Total Value of Projects
Preliminary phase	298	\$1,740,747,137
Design phase	533	\$3,679,580,473
Construction phase	253	\$2,332,229,746
Total of All Phases (<i>Full and Modified</i>)	1,084	\$7,752,557,356

DASNY-managed projects completed in FY 2019-20 include:

- CUNY, Queensborough Community College, electrical reconstruction (\$42.0 million);
- New York State Office of Mental Health (OMH), South Beach Psychiatric Center, new inpatient building (\$285.0 million);
- New York State Office of Mental Health (OMH), Buffalo Psychiatric Center, Renovation of Buildings 62 and 79 (\$16.7 million);
- SUNY, University at Albany, Dutch Quad G & H renovations (\$31.4 million);
- SUNY, Buffalo State College, Renovations to Tower 3 (\$15.0 million);
- SUNY, State University College at Plattsburgh, Whiteface Hall renovations (\$19.5 million);

Major ongoing DASNY-managed projects include:

- CUNY, Bronx Community College: Gould Memorial Library Dome Replacement (\$18.7 million);
- CUNY, Bronx Community College: Advanced Transportation & Tech Ctr (\$8.4 million);
- CUNY, College of Staten Island: Center Computational Science (\$39 million);
- CUNY, CUNY Graduate School and University Center: Big Data Consort CUNY 2020 (\$6.5 million);
- CUNY, LaGuardia Community College: Center 3 façade replacement (\$122.7 million);
- CUNY, Queens College: New chiller plant (\$31.8 million);
- OMH, Central New York Psychiatric Center: Renovations to Building 30 (\$133.0 million);
- OMH, Pilgrim Psychiatric Center: Building Envelope Upgrades (\$14.7 million);
- SUNY, College of Technology at Alfred: Renovation at MacKenzie Complex, Phase II (\$18.4 million);
- SUNY, Plattsburgh: Upgrades and site improvements to Kent Hall (\$16.6 million).



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New projects added to DASNY’s construction pipeline during FY 2019-20 include:

- City University of New York, Bernard M. Baruch College: Renovation (Phase 2) of the Field Building at 17 Lexington Avenue. (\$30 million);
- City University of New York, Queens College: Replacement of HVAC systems, corridor lighting controls, and the electrical back-up generator to run the Animal Lab at Gregory Razran Hall. (\$12.75 million);
- City University of New York, Hunter College: Renovation of the Cooperman Library. (\$4.5 million);
- New York State Department of Health, NYS Veterans Home at St. Albans: Kitchen design and construction. (\$9.5 million);
- New York State Office of Mental Health, Mid-Hudson Forensic Psychiatric Center: Construction of a new 250 inpatient bed services building at the Mid-Hudson Forensic Psychiatric Center (\$250 million);
- New York State Office of Mental Health, Capital District Psychiatric Center: Renovation of the main building at Capital District Psychiatric Center, Building 1, to meet the current Joint Commission standards (\$12.4 million);
- New York State Office of Mental Health, Kingsboro Psychiatric Center: Interior renovations to Buildings 1 and 2 (\$10.1 million);
- New York State Office of Addiction Services and Supports, Credo Community Center: Purchase and renovation of an existing building at 611-615 West Main Street to relocate an outpatient clinic and other ancillary treatment services. (\$7.4 million).
- State University of New York, State University College at New Paltz: Renovation of Mohonk Hall, including a 70-bed vertical expansion of a new upper 4th floor level (\$40 million).
- State University of New York, State University College at Oneonta: Complete gut renovation and addition to Ford Hall. (\$23.1 million).

New projects in programs where DASNY has various levels of oversight:

- Homeless Housing and Assistance Program (HHAP): 30 projects for homeless housing located in Albany, Bronx, Chemung, Dutchess, Erie, Franklin, Kings, Monroe, New York, Onondaga, Rensselaer, Saratoga, Schenectady, Suffolk, and Westchester Counties. (\$883.4 million).
- Office of Alcoholism and Substance Abuse Services (OASAS): Four renovation and new construction projects in Albany, Kings, Monroe, and Orleans Counties (\$37.4 million).
- Office of Parks, Recreation, and Historic Preservation (OPRHP): One project in Ulster County (\$4.1 million).

Construction Developments

- **State University of New York – Residence Hall Program:** DASNY completed four major capital projects with an overall project value of \$87.8 million and 30 summer rehabilitation projects with an overall project value of approximately \$65.9 million during the summer of 2019. In addition, the 2020 summer activity includes 21 summer projects with a value of approximately \$40 million.



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- **NY Works:** During FY 2019-20, DASNY continued to perform construction management services for the NYS Department of Environmental Conservation (DEC) and the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) under the NY Works Program, including dams, flood control and dredging projects (DEC) and the Niagara Falls State Park project (OPRHP).
- **Department of Health Certificate of Need Reviews:** DASNY continues to provide document review services. As of March 31, 2020, DASNY has contracted for 326 reviews for 117 hospitals and health care providers with a total project value of approximately \$11.6 billion. Projects reviewed include hospitals, nursing homes, ambulatory surgical centers, and diagnostic and treatment centers.
- **Construction Site Safety Initiatives:** DASNY is committed to maintaining a safe working environment at each of its construction sites. To support this commitment, DASNY holds contracts with three safety/loss control firms. The consultants assist DASNY staff and contractors in identifying ways to control hazards normally associated with an active construction site. In FY 2019-20, the safety/loss control consultants conducted 169 construction site surveys.

NEW YORK STATE PROGRAMS

Atlantic Avenue Healthcare Property Holding Corporation. The enacted 2019-20 State Budget included an amendment authorizing Atlantic Avenue Healthcare Property Holding Corporation to transfer four parcels pursuant to a plan to increase access and quality of health care services and preventative care and create affordable housing to transform Central Brooklyn (Public Authorities Law 1678[25][e] and [f], as amended by Part C of Chapter 58 of the Laws of 2019). Such plan is subject to approval of the Commissioner of Division of Homes and Community Renewal (“DHCR”), the Commissioner of Health (“DOH”), and the Director of the Division of the Budget (“DOB”) in accordance with the legislation. DHCR is in the process of selecting suitable developers pursuant to a Request for Proposals (RFP) process, and timing and terms of the proposed transfers have yet to be determined.

The **Lake Ontario Resiliency and Economic Development Initiative Program (REDI)** was established in the 2019-20 New York State budget. This program, which will be funded with a combination of SAM funds and specific REDI appropriations, will provide grants for projects to harden infrastructure along the Lake Ontario waterfront and strengthen local economies within the region, including but not limited to projects recommended by the REDI Commission. DASNY undertakes a diligence review of each grant funded project, including but not limited to a financial review to verify that sufficient committed funding sources exist to fully fund the project; confirming that all required environmental reviews have been undertaken; and affirming that the projects can be paid with the proceeds of DASNY-issued Bonds.



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Consistent with DASNY’s mission statement and long-standing history of public service, DASNY’s professional staff supported numerous State of New York programs, policies, and economic development initiatives during Fiscal Year 2019-20:

- Health Care Transformation (Department of Health) – DASNY has significant responsibilities under several Department of Health (DOH) programs that are central to achieving the State’s health care transformation goals and strategies, including financing programs through issuance of bonds:
 - Capital Restructuring Financing Program – The Capital Restructuring Financing Program (CRFP) is a \$1.2 billion capital grant program originally included in the enacted 2014-15 State Budget to provide funds to health care providers for funding capital projects. After program changes in 2015, a Request for Applications was released by DOH and DASNY on April 10, 2015 and on March 4, 2016, DOH and DASNY announced 135 grant awards totaling approximately \$1.2 billion to qualifying institutions. Post-award work on these grants continues to date.
 - Health Care Facility Transformation Programs (HCFTP) – The enacted State Budget for 2015-16 to date included \$2.225 billion in appropriations and re-appropriations for Health Care Facility Transformation Program (HCFTP) capital grant funding, intended to strengthen and protect continued access to health care services in New York’s communities:
 - The **HCFTP Kings County** is a \$700 million capital grant program originally included in the enacted 2015-16 State Budget to provide capital funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity intended to create a financially sustainable system of care. A Request for Applications (RFA) was issued for the program on March 9, 2017, and an award of up to \$663,993,428 to One Brooklyn Health (OBH) was announced January 31, 2018. Post-award work on the OBH grant continues to date.
 - The **HCFTP Oneida County** is a \$300 million capital grant program originally included in the 2016-17 State Budget to provide capital funding in support of projects located in the largest population center of Oneida County that consolidate multiple licensed health care facilities into an integrated system of care. A Request for Applications (RFA) was issued by DOH for this program on November 22, 2016, and an award of up to \$300 million was made to Mohawk Valley Health System (MVHS) on April 3, 2017. Post-award work on the MVHS grant continues to date.¹

¹ MVHS and the City of Utica are currently responding to an Article 78 challenge brought by local preservationists to prevent construction of the planned new integrated health center in downtown Utica in the *Landmarks Society of Greater Utica, et al. v. Planning Board of City of New York, et al.*



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- The **HCFTP Statewide I** is a \$200 million capital grant program originally included in the enacted 2016-17 State Budget to provide up to \$195 million in capital funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition, or other significant corporate restructuring activity that is part of an overall program, which can be found at Section 2825-d of the Public Health Law, is referred to as “**Statewide I**”.
- The **HCFTP Statewide II** is a \$500 million capital grant program originally included in the enacted 2017-18 State Budget to provide capital funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition, or other significant corporate restructuring activity that is part of an overall transformation plan intended to create a financially sustainable system of care; a minimum of \$75 million from Statewide II shall be awarded to community-based health care providers.
- The **HCFTP Statewide III** is a \$525 million capital grant program originally included in the enacted 2018-19 State Budget to provide funding in support of capital projects, debt retirement, working capital or other non-capital projects that facilitate health care transformation activities. A minimum of \$60 million from Statewide III shall be awarded to community-based health care providers and a minimum of \$45 million shall be awarded to residential health care facilities. Subject to approval of the Director of the Budget, the Commissioner of Health is also authorized to award up to \$20 million to assisted living programs, exclusive of funds awarded to community-based health care providers and residential health care facilities as listed above.
- Interest in all three Statewide grant programs has been high, and the administration of each program by DOH and DASNY continues as per the Administration Agreement required for each respective program.
 - **Statewide I:** A Request for Applications (RFA) for Statewide I was issued on July 20, 2016 (Statewide RFA 1607010255). Due to significant RFA response, State officials determined to seek additional funding for the applicants under this RFA during the 2017-18 State Budget process. Effective with the enactment of the Statewide II program on April 1, 2017, the Commissioner of Health was authorized, upon approval of the Director of the Budget, to award up to \$300 million from the new Statewide II program to unfunded capital grant applications submitted in response to Statewide I (RFA 1607010255). On April 20, 2017, DOH officials determined to award grants to 92 projects totaling approximately \$491 million for the HCFTP Statewide I RFA. Post-award work on these grants

matter. While DASNY and the Office of Parks, Recreation and Historic Preservation were originally named in this dispute, the NYS OAG secured a dismissal of all State parties on April 13, 2020.



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continues to date, with approximately \$28 million (45 projects) awarded to community-based health care providers.

- **Statewide II:** A Request for Applications (RFA) for the approximately \$204 million remaining in the HCFTP Statewide II program was issued on January 8, 2018 (DOH01-SHCFT2-2018). On February 5, 2019, DOH officials determined to award grants to 95 projects totaling approximately \$204 million for the HCFTP Statewide II RFA (DOH01-SHCFT2-2018). Post-award work on these grants continues to date. Due to significant response to the Statewide II RFA (DOH01-SHCFT2-2018), State officials elected to seek additional funding for applicants under this RFA during the 2019-20 State Budget process. Effective with the enactment of the 2019-20 State Budget on April 1, 2019, the Commissioner of Health was authorized, upon approval of the Director of the Budget, to award up to \$300 million from the new Statewide III program to unfunded capital grant applications submitted in response to Statewide II RFA (DOH01-SHCFT2-2018). On July 31, 2019, DOH officials determined to award grants to 36 projects totaling approximately \$296.7 million for the HCFTP Statewide II RFA. Post-award work on these grants continues to date.

- **Statewide III:** Effective April 1, 2019, the Commissioner of Health was authorized, upon approval of the Director of the Budget, to award up to \$300 million from the new Statewide III program to unfunded capital grant applications submitted in response to Statewide II RFA (DOH01-SHCFT2-2018). As noted, in 2019 DOH awarded a total of \$296.7 million pursuant to subdivision 4-a of Statewide III to unfunded grant applications selected in response to the 2018 Statewide II RFA, as authorized by statute. Within the awards made in this initial phase, the following Statewide III objectives are noted:
 - approximately \$59.5 million of the required \$60 million statutory allocation was awarded to community-based health care providers;
 - approximately \$21.9 million of the required \$45 million statutory allocation was made to residential health care facilities; and
 - the entire \$5 million statutory allocation for regional perinatal care centers or other health providers to establish telehealth applications remains subject to future awards.

DASNY continues to support DOH in the administration of this program and an RFA for the remaining Statewide III program allocation of approximately \$203 million is currently on hold given the outbreak of the COVID-19 pandemic and its impact on State budget.

- Each Health Care Facility Transformation Program specifies that: (a) the particular HCFTP program is jointly administered by DASNY and the DOH in accordance with the terms of the applicable legislation, appropriation and administration agreement; (b) that the funds appropriated for the particular HCFTP program shall be awarded without a



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competitive bid or request for proposals process; (c) the programs may be financed in significant part through the issuance of DASNY and/or the New York State Urban Development Corporation (UDC) bonds; and (d) the issuance of such bonds or notes shall be approved by the NYS Public Authorities Control Board (PACB).

- **Community Health Care Revolving Loan Capital Fund** – DASNY and the New York State Department of Health have established the \$19.5 million Community Health Care Revolving Capital Fund to improve access to capital for clinics and other organizations that have limited resources and are seeking to broaden access to primary care services. In February 2017, DASNY, in consultation with DOH, selected the Primary Care Development Corporation to administer the Fund. Borrowers are chosen by PCDC through an application process that was approved by DASNY and DOH. This loan program was placed into operation during April 2018. In FY 2019-2020, loans and/or credit enhancements were made by PCDC from the Fund in accordance with the program requirements.

- **Transformational Economic Development Infrastructure and Revitalization Projects**
 - **Moynihan Station Project.** This project to create the Moynihan Train Hall connected to Penn Station involves the adaptive reuse of the James A. Farley Post Office Building and Annex. All required permits have been issued by DASNY to date. The Moynihan Station project was deemed essential as a transit facility in accordance with Empire State Development guidelines surrounding the coronavirus outbreak and the site has implemented pre-screening for all workers entering the site. Plans for fit out of the commercial development portion of Phase 3 of the project, constituting approximately 750,000 square feet, are expected to be submitted to DASNY for permit review in mid-2020.
 - **Javits Convention Center Expansion Project** DASNY's Code Compliance Unit is working with ESDC/CCDC to deliver construction permitting services in accordance with the NYC Building Code for the Javits Convention Center Expansion Project. This work is ongoing.
 - **NYS Life Sciences Public Health Initiative.** Pursuant to legislation enacted in the 2017-18 State Budget appropriations, re-appropriations enacted in the 2018-19 State Budget, and re-appropriations enacted in the 2019-20 State Budget, DASNY is authorized to provide design and construction services for a new (combined) Life Sciences Public Health Initiative in the Capital District that would provide opportunities to evolve the DOH Wadsworth Laboratory's basic research; attract and retain sustainable partners in its current state without key enhancements; and serve as a focal point for the Capital Region's life sciences industry cluster. A procurement for this project is in process.



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State Capital Grant Programs – DASNY currently administers 18 capital grant programs on behalf of New York State that support community and economic development, including competitive programs as further described below:

- Nonprofit Infrastructure Capital Investment Program (NICIP) – In FY 2019-20, DASNY continued to administer grants under the program’s \$120 million bonding authorization. The competitive NICIP program was enacted to make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of nonprofit human services organizations that serve New Yorkers.
- Higher Education Capital Matching Grant Program (HECap) – In FY 2019-20, DASNY, as staff to the HECap Board, continued to administer grants under the program’s \$300 million bonding authorization. A Request for Applications (RFA) was released on January 29, 2020, and awards to successful applicants are currently anticipated to be made by the end of the calendar year.
- The State and Municipal Facilities Capital Program (SAM) – DASNY continued to administer SAM Grants awarded by the Senate Finance Committee, the Assembly Ways and Means Committee, and the Executive. The total amount authorized under the SAM program is \$2.7985 billion. Eligible SAM grantees include the State, Municipal corporations, and other organizations including but not limited to certain educational facilities, regional transportation authorities, special districts, and certain public authorities.

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (MWBE) INITIATIVES

- **MWBE 15-A Contract Goals and Expenditure Results for FY 2019-20:** DASNY’s MWBE Article 15-A aspirational goal for contracts executed in FY 2019-20 was 30% (18% MBE and 12% WBE). DASNY’s projected cumulative MWBE expenditures for FY 2019-20 are \$184,199,540, which represents approximately 31.28% (15.82% MBE and 15.46% WBE) of total contract expenditures for FY 2019-20. This represents an increase of approximately \$4.4 million compared to MWBE expenditures in the previous fiscal year. These accomplishments position DASNY to better serve its clients and promote inclusion in New York State contracting opportunities.
- **MWBE Financial and Professional Services:** The chart below outlines the MWBE participation for non-construction related professional services expenditures for FY 2020. Four categories, Legal, Accounting, Official Statement Printing and Insurance are reported to Empire State Development (ESD). Financial Advisory, Swap Advisory, Underwriters for Public Transactions, Broker Dealer and Private Client Transactions with Multiple Underwriters are tracked by DASNY, but not reported to ESD.



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**MWBE Financial and Professional Services
Summary Fiscal Year April 1, 2019 - March 31, 2020**

Non-Construction Professional Service	Total	MWBE Participation	% Participation
Legal ⁽¹⁾	\$ 10,014,748	\$ 2,225,731	22.00%
Accounting	\$419,750	\$125,411	29.88%
Financial Advisory	\$ 40,000	\$ 12,000	30.00%
Official Statement Printing	\$ 95,666	\$ 0	0%
Swap Advisory	\$ 10,000	\$ 0	0%
Insurance ⁽²⁾	\$ 356,277	\$ 179,339	50.34%
Underwriters for Public Transactions	\$ 15,360,880	\$ 5,042,869	32.80%

Non-Construction Professional Service	Total	MWBE Participation	% Participation
Broker-Dealer ⁽³⁾	\$9,253,029,000	\$2,703,868,000	29.22%

Non-Construction Professional Service	Number of Transactions	Transactions with MWBE Participation	% Participation
Private Client Transactions with Multiple Underwriters	12	4	33.33%

(1) Blended rate including voluntary private client MWBE participation not required under Executive Law Article 15-A.

(2) Values include fees paid by DASNY and commissions paid by insurance carriers in association with policies placed for DASNY. Values do not include insurance premiums, which total \$15.65 million. Brokers do not retain any part of those funds, which are paid directly to insurance carriers on DASNY's behalf.

(3) Participation based upon par value transactions awarded to MWBE.

SERVICE-DISABLED VETERAN-OWNED BUSINESS (SDVOB) INITIATIVES

DASNY is dedicated to assisting SDVOBs to compete successfully in its building services and procurement programs. DASNY continues to employ numerous strategies/programs designed to identify, notify, educate and support SDVOB enterprises in DASNY's complete platform of services. Based on the Division of Service-Disabled Veterans' Business Development Annual Report, as of December 31, 2019, DASNY ranked fourth (4th) among ninety-seven (97) State Agencies and Authorities in disbursements to SDVOB firms. The DASNY Business Registry currently has 43 active SDVOB firms.



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SUSTAINABILITY PROGRAMS: High-Achieving DASNY Projects in Design and Construction

All DASNY projects that are new construction, additions, or significant renovations must set clear project goals to support client and state objectives and select an appropriate rating/guidance tool to inform those goals as well as ensure the goals are achieved via a third-party review process.

As of March 31, 2020, 47 projects have received a LEED rating, including three Platinum, 17 Gold, 24 Silver and three Certified.

LEED, WELL, and other Accredited Professionals informing sustainability for DASNY clients

DASNY encourages all employees involved with design and construction to prepare for and gain valuable accreditations to hone their knowledge and abilities in sustainability, resilience, health, and materials management. DASNY currently has 15 LEED-AP BD+C staff, six Legacy LEED-APs, one staff trained in Urban Green Council's Green Professional trainings GPRO: Building Construction, one staff trained in GRPO: Operations and Maintenance, and one WELL-AP. These accredited staff use their advanced and specific knowledge to assist DASNY and its clients in achieving their sustainability goals and the goals of the state including those addressing climate change adaptation and mitigation.

DASNY Works to Advance New York State Policy Goals

- DASNY continues to work collaboratively with other State entities to further State Policy Goals, including the most recent Climate Law (Climate Leadership and Community Protection Act, or CLCPA, which sets greenhouse gas [GHG], emissions reduction targets of 85% by 2050), Executive Orders No. 88 (relating to energy efficiency, commissioning and metering), No.18 (calling for no state spending on single use water bottles), No. 4 (calling for green procurement, waste reduction, and sustainability planning), and Executive Order No. 166 (with lead-by-example directives for state entities to reduce GHG emissions through our services and programs). Where appropriate, DASNY and our project teams, including the owner, stakeholders, and consultants, support these policy goals with our design and construction projects.
- DASNY assists with achieving the goals of Executive Order No. 4 by training State agency staff and potential State vendors and developing the specifications and definitions that assist state entities in increasing their own green procurement (seeking healthier and less carbon intensive products). DASNY is the co-chair of the Operations and Engagement subcommittee, providing communications between state sustainability coordinators, and facilitating sourcing and development of case studies, guidance, and other resources for the publicly accessible GreenNY website, hosted by the New York State Office of General Services.
- DASNY is working collaboratively with many other state entities on implementation approaches for the Climate Law (CLCPA).



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SUBSIDIARIES REPORTS

DASNY has two subsidiaries which hold real property acquired as a consequence of security agreement defaults by private not-for-profit health care institutions in DASNY's portfolio:

- NGHP Holding Corporation; and
- Atlantic Avenue Healthcare Property Holding Corporation.

The annual report for each subsidiary is annexed hereto for reference.

In addition, pursuant to the 2016-17 enacted State Budget, the New York State Design and Construction Corporation (DCC) was established as a statutory DASNY subsidiary.

Atlantic Avenue Healthcare Property Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

Reuben R. McDaniel, III
Acting President and CEO

Alfonso L. Carney, Jr.
Chair

TO: Mr. Alfonso L. Carney Jr.
Mr. John B. Johnson, Jr.
Beryl L. Snyder, Esq.
Jonathan H. Gardner, Esq.
Mr. Wellington Z. Chen
Ms. Joan M. Sullivan
Gerard Romski, Esq.
Hon. Shannon Tahoe
Hon. Robert F. Mujica
Dr. Howard A. Zucker

FROM: Reuben R. McDaniel, III
Acting President

RE: Atlantic Avenue Healthcare Property Holding Corporation

DATE: April 24, 2020


The purpose of this memo is to review the activities undertaken by Atlantic Avenue Healthcare Property Holding Corporation (the “Corporation” or “Atlantic”) since the last Annual Meeting of the Board on April 10, 2019.

History

Interfaith Medical Center (“IMC” or Interfaith”) filed a petition under Chapter 11 of the Bankruptcy Code on December 2, 2012. On June 11, 2014 the Bankruptcy Court confirmed a Chapter 11 Plan that became effective on June 19, 2014. The Chapter 11 Plan provided for, among other things, Atlantic to receive title to Interfaith’s real property and a restructured Interfaith (“New IMC”) to operate a hospital at the premises subject to a lease and related agreement with Atlantic.

Current Activities

To fund the ongoing operations following its emergence from Bankruptcy, New IMC has been receiving regular operating assistance from the State, including several Health Facility Restructuring Pool loans from 2015 through 2017. As a consequence of cash flow struggles in recent years, rent payments by New IMC were reduced with the consent of DOH in 2017 and again in 2018. Even with such reductions, rent payments were consistently late and ultimately stopped being made by New IMC in October 2018. As such, both the August 15, 2019 bondholder interest-only payment and the larger principal and interest payment due on February 15, 2020 were made exclusively by NYS under the State Service Contract. We anticipate that the Corporation will receive little or no rental payments from New IMC in the next fiscal year.



Only a few final claims remain involving the IMC Disbursing Trust related to the Bankruptcy. Once these claims are settled and the Bankruptcy case is closed, any unused funds can be returned to DASNY, which will then be used to offset IMC bondholder payments being made by the State under the Service Contract. The IMC bonds mature February 15, 2028.

In March of 2017, the Department of Health and DASNY issued a Request for Applications (“RFA”) pursuant Public Health Law section 2825-a (Health Care Facility Transformation Program: Kings County Project), a new \$700 million capital grant program included in the enacted 2015-16 State Budget to strengthen and protect continued access to health care services in communities of Kings County and create a financially sustainable system of care. On October 14, 2016, New IMC, along with Brookdale Hospital Medical Center and Kingsbrook Jewish Medical Center, came together to form One Brooklyn Health System, Inc. (“OBHS”), for the purpose of participating in this grant opportunity. On January 31, 2018, OBHS received an award of up to \$663,993,428 in capital funding from this program. New IMC is currently working with OBHS and its Member Hospitals to execute their transformation plan using funding from this program.


As reported last year, the enacted 2019-20 State Budget included an amendment authorizing Atlantic Avenue Healthcare Property Holding Corporation to transfer four parcels pursuant to a plan to increase access and quality of health care services and preventative care and create affordable housing to transform Central Brooklyn (Public Authorities Law 1678[25][e] and [f], as amended by Part C of Chapter 58 of the Laws of 2019):

- 483-503 Herkimer Street;
- 1028-1038 Broadway;
- 528 Prospect Place; and
- 1366 East New York Avenue.

Such plan is subject to approval of the Commissioner of the New York State Division of Homes and Community Renewal (“DHCR”), the Commissioner of Health (“DOH”), and the Director of the Division of the Budget (“DOB”) in accordance with the legislation.

This undertaking is pursuant to Governor Cuomo’s Vital Brooklyn policy initiative, a comprehensive program intended to break down barriers to health and well-being in an area of Central Brooklyn with measurably higher rates of obesity, diabetes and high blood pressure by, *inter alia*, improving access to healthy food sources, quality affordable housing, opportunities for physical activity, and high-quality health care and mental health services.

Pursuant to Vital Brooklyn, DHCR has issued two Requests for Proposals for multiple parcels throughout Central Brooklyn, four of which are owned by Atlantic and used by New IMC. None of those parcels are on the main New IMC hospital campus. It is anticipated that, in addition to housing being constructed on the New IMC sites, clinical and administrative space would also be made available for use of New IMC and its corporate member/parent, One Brooklyn Health System.



Although we understand that DHCR has selected developers for three of the four parcels owned by Atlantic and used by New IMC, timing and terms for transfer of the parcels are not clear at this time. We will likely come back to the Atlantic Board within the next year with more details about the proposed housing projects on IMC's campus, while seeking any necessary Board approvals to convey certain land under the auspices of the Governor's Vital Brooklyn initiative.

cc: Adrian Swierczewski
Brian Cechnicki
Tracy Raleigh

NGHP Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

Reuben R. McDaniel, III
Acting President and CEO

Alfonso L. Carney, Jr.
Chair

TO: Mr. Alfonso L. Carney Jr.
Mr. John B. Johnson, Jr.
Beryl L. Snyder, Esq.
Jonathan H. Gardner, Esq.
Mr. Wellington Z. Chen
Ms. Joan M. Sullivan
Gerard Romski, Esq.
Hon. Shannon Tahoe
Hon. Robert F. Mujica
Dr. Howard A. Zucker

FROM: Reuben R. McDaniel, III
Acting President

RE: NGHP Holding Corporation

DATE: April 24, 2020

The purpose of this memo is to review the activities undertaken by NGHP Holding Corporation (the “Corporation” or “NGHP”) since the Corporation’s last Annual Meeting on April 10, 2019.

History

You may recall that on July 2, 2010, North General Hospital (“NGH”) filed a voluntary petition for relief under the United States Bankruptcy Code. On June 22, 2011 the Bankruptcy Court issued an order (the “Confirmation Order”), confirming the Plan of Liquidation.

In accordance with the Plan of Liquidation, on June 30, 2011, the Main Building, the Annex and the Parking Lot were conveyed to NGHP, and NGHP and the New York City Health and Hospitals Corporation (“HHC”) entered into a Lease Agreement (the “HHC Lease”), pursuant to which NGHP leased the Main Building to HHC to be renovated by HHC for use as a Long Term Acute Care Hospital (“LTACH”). On the same date, NGHP sold the Parking Lot to HHC for redevelopment as a skilled nursing facility and NGHP sold the Annex to the Institute for Family Health for use as a family practice center. In late December 2012, after the renovation of the Annex was completed, the family practice center was opened for business.

Pursuant to the Plan of Liquidation and the Confirmation Order, a liquidation trustee (the “Liquidation Trustee”) appointed by the Bankruptcy Court liquidated all of the other assets of NGH and has since settled and paid the remaining claims of creditors. A portion of the proceeds of the sale of the properties noted above in the amount of \$1,720,000, had been set aside in case it was needed to pay claims of creditors; the Liquidation Trustee determined these funds to be unnecessary for the payment of claims, and on October 30, 2013, they were used to redeem a portion of the DASNY Bonds issued for the benefit of North General Hospital.

The Liquidation Trustee has since resolved all claims submitted by unsecured creditors, filed her final accounting with the Bankruptcy Court and the Bankruptcy case has been closed. One of the Liquidation Trustee’s final acts was executing an assignment to DASNY of any receivables due to North General Hospital. DASNY has received, and may receive further, small collection amounts.

Current Activities

Reconstruction and renovation work on the Main Hospital Building was completed and opened as a 210-bed LTACH in November 2013. The last rental payment made by HHC was received on July 30, 2019 and was for the period July 1, 2017 through June 30, 2018. That rent was applied toward the February 15, 2020 bondholder payment, with the State providing funds for the balance (83%) of principal and interest payment to bondholders. We have been in discussion with HHC about: (1) getting the payment due for the period July 1, 2018 through June 30, 2019 in time for the August 15, 2020 interest-only bondholder payment and (2) getting the payment due for the period July 1, 2019 through June 30, 2020 in the fall of 2020 to help fund the February 15, 2021 bondholder payment. Rental payments are based on the amount equal to all fee-for-service Medicaid capital cost reimbursement HHC receives from the NYSDOH attributable to the Lease.

The North General Hospital bonds will mature on February 15, 2025. Once the bonds mature and the last rental payment is made to NGHP, the Leased Property shall be conveyed to HHC. At this time, the NGHP subsidiary will no longer be necessary and can be dissolved.

cc: Adrian Swierczewski
Brian Cechnicki
Tracy Raleigh