



**Dormitory Authority of the State of New York (DASNY)
ABO Annual Report – Operations and Accomplishments
Fiscal Year April 1, 2014 – March 31, 2015**

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

During fiscal year (FY) 2014-15, the Dormitory Authority of the State of New York (DASNY) celebrated 70 years of public service to the State of New York.

DASNY is a public benefit corporation established in 1944 under the laws of the State of New York (the State) to finance and build dormitories at State teachers' colleges. Pursuant to statutory authorization, DASNY's scope of responsibilities has been expanded so that services provided for State University of New York (SUNY) dormitory financing and construction programs account for less than 25% of current workload. Today, DASNY is authorized to finance, design, construct and rehabilitate facilities for use by a variety of public and private not-for-profit entities.

State Programs, Policies and Economic Development Initiatives

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 FY 2014-15:

- Health Care Programs – Upon taking office, Governor Andrew M. Cuomo created the Medicaid Redesign Team (MRT) to craft a first year Medicaid budget proposal and develop a multiyear reform plan for the transformation of health care in New York State. New York finalized terms and conditions with the federal government for a waiver amendment that allocates \$6.42 billion dollars to the Delivery System Reform Incentive Payment (DSRIP) Program, the purpose of which is to fundamentally restructure the health care delivery system in New York using Federal savings generated by the State's Medicaid reforms. Although DASNY does not have a direct role in the DSRIP Program, DASNY's health care clients will be significantly affected as DSRIP rolls out and DASNY has assisted the Department of Health where possible. In addition, DASNY's then President, Paul T. Williams, Jr., served as a nonvoting member of the New York State DSRIP Project Approval and Oversight Panel (PAOP).
- Health Care Capital Restructuring Financing Program (CRFP) – DASNY and the New York State Department of Health (DOH) issued a request for applications for a new jointly administered \$1.2 billion State of New York capital grant program. Enacted in 2014 (Section 1680-r of the Public Authorities Law and Section 2825 of the Public Health Law), the CRFP is intended to compliment the DSRIP Program. Due to a change



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in the legislative authorization adopted in the 2015-2016 State budget, it was necessary to withdraw and reissue (after the reporting period) the request for applications. Collectively, these new programs are expected to fundamentally transform health care into a more patient-centered care system that promotes population health and improved well-being for all New Yorkers.

- 2015-16 State Budget – DASNY also is currently evaluating amendments to the CRFP and a new \$1 billion Health Care Facility Transformation Program (HCFTP), included within the enacted FY 2015-16 State Budget. The HCFTP provides additional capital grant funding awards to strengthen and protect continued access to health care services in Kings County (\$700 million) and Oneida County (\$300 million).
- New York Works – Pursuant to statutory authorization, DASNY successfully procured and managed construction-related resources necessary to complete public works improvement projects on behalf of the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) (3 projects valued at approximately \$8.88 million) and the New York State Department of Environmental Conservation (DEC) (4 projects valued at approximately \$182,256). The authorization for this program has been extended through April 1, 2017, and an additional 45 projects remain under DASNY management.
- Storm Recovery – DASNY successfully continues to provide construction-related project management services to the Housing Trust Fund Corporation (HTFC) and Governor's Office of Storm Recovery (GOSR), to assist eligible New York homeowners in recovery from damages suffered during Superstorm Sandy, Hurricane Irene and Tropical Storm Lee.
- State and Municipal Facilities Program (SAM) – DASNY continues to successfully administer the SAM Capital Grant Program for grants awarded by the Governor, the Senate, and the Assembly. The bonding authority for the SAM Program was increased by \$385 million in the enacted FY 2014-15 State Budget, and the bond authorization was increased again by \$385 million in the enacted FY 2015-16 State Budget to a total authorization of \$1.155 Billion.
- Higher Education Capital Assistance Program (HECap) – DASNY, which serves as staff to the HECap Board, successfully developed a competitive process to solicit grant applications from eligible entities for projects to enhance programmatic offerings or student life at a private College or University, or provide economic development benefits to the area surrounding the campus. DASNY drafted the Request for Grant Applications and evaluation materials, and managed the procurement process. Once the HECap Board selects the grantees, DASNY will manage the contracting and requisition process for those entities awarded a HECap grant. The enacted 2015-16 State Budget extended the expiration date of the HECap Program until the date when the last of the grant funds are



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disbursed, and provided for an additional \$30 million of funding for future funding of additional projects.

- Public Housing Support – Pursuant to statutory authorization effective July 22, 2014, DASNY is authorized to enter into a construction management agreement with the New York City Housing Authority (NYCHA), covering the construction, reconstruction, demolition, improvement, modernization, renovation or expansion of one or more NYCHA facilities (PAL Section 1678[28]). DASNY is currently working with NYCHA on an agreement that will provide additional construction management capacity to NYCHA, as needed to address public housing maintenance and repairs at NYCHA's public housing facilities. DASNY is also evaluating a new \$100 million appropriation included in the enacted 2015-16 State Budget, requiring that NYCHA enter into a separate construction management agreement with DASNY for the scope, procurement and administration of all contracts associated with this funding.
- Project Labor Agreement (PLA) – DASNY successfully negotiated a Memorandum of Understanding (MOU) with the Building and Construction Trades Council of Greater New York and Vicinity establishing two project labor agreements, one for renovation projects and one for new buildings, for use on DASNY projects with a construction cost over \$1,000,000 within The City of New York. In addition to fostering savings and labor harmony, the PLAs contain features designed to provide opportunities to certified MWBE firms on DASNY projects.

DASNY Operations Overview

DASNY has two main lines of business: public finance and construction services. During fiscal year 2014-15, DASNY completed 20¹ bond financings and one reoffering for a total of approximately \$4.7 billion in bonds issued, and 13 lease transactions totaling approximately \$240 million under its Tax-Exempt Leasing Programs (TELP I and TELP II). The largest public, higher education and health care financings include the following:

- Personal Income Tax Revenue Bonds, Series 2014C and Series 2014D (\$1,157,335,000);

¹ The 20 bond financings include a number of complex transactions that involved more than one borrower or participant, including: DASNY InterAgency Council Pooled Loan Program Revenue Bonds, which involved multiple obligors and multiple series; DASNY Personal Income Tax Revenue Bonds (General Purpose) and DASNY Sales Tax Revenue Bonds issuances each involved a number of state agencies, SUNY and the City University of New York; DASNY School Districts Revenue Bond Financing Program Revenue Bonds, which included numerous local public school districts; and DASNY Touro College and University System Obligated Group Revenue Bonds, which included two separate borrowers and the simultaneous issuance of non-DASNY bonds for other members of the Obligated Group located in Nevada and California.



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- Touro College and University System Obligated Group Revenue Bonds, Series 2014A and Series 2014B (\$94,285,000); and
- NYU Hospitals Center Revenue Bonds, Series 2014 (Dated January 2015) (\$117,310,000).

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 also authorized to offer a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, and purchasing of furnishings and equipment for projects. During fiscal year 2014-15, DASNY construction expenditures for DASNY-managed projects totaled approximately \$743.5 million, and awards of new professional services contracts, construction contracts and associated purchase orders for projects within the State totaled approximately \$309.7 million. Additional construction-related accomplishments for fiscal year 2014-15 include the following:

- DASNY completed the **Staten Island Courthouse**, a new five-story courthouse and parking structure (\$217.5 million).
- DASNY completed the \$19.6 million expansion of the Bedford Library and new Welcome Center at **Medgar Evers College** in Brooklyn.
- DASNY completed new townhouse-style residence halls at the **State University College at Fredonia** at a value of \$28.4 million.
- DASNY completed \$36.5 million in renovations to Mohawk Tower at the **University at Albany**.
- DASNY completed renovation of LeFevre Hall at the **State University College at New Paltz**, valued at \$16.5 million.
- DASNY is moving toward substantial completion of the **CUNY City College of New York Advanced Science Research Center and the Center for Discovery and Innovation (ASRC-CCNY)**, which at an approximate value of \$708.5 million, represents the largest and most complex project ever undertaken by DASNY.

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



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CHALLENGES

During fiscal year 2014-15, DASNY experienced modest growth in public financing transactions offset by private client refundings away from DASNY, combined with a continuing decline in construction expenditures.

Within the approximately \$4.7 billion in bond financings completed by DASNY during FY 2014-15, public borrowings totaled approximately \$4 billion over 7 transactions, as compared to approximately \$3.4 billion in public borrowings during the prior fiscal year. Private client business increased to 13 transactions valued at approximately \$650 million, compared to 9 transactions valued at approximately \$357 million during the prior fiscal year. TELP financings also increased to 13 leases valued at approximately \$240 million, which compares favorably to 9 transactions valued at approximately \$117 million for the prior year.

Challenges in the public finance sector include competition from non-State sources and market conditions. DASNY's business has been impacted significantly by the proliferation of local development corporations issuing tax-exempt debt, without having to comply with State oversight procedures applicable to DASNY. While significant progress has been made in the area of legislative fee relief, such as the elimination of the DOH upfront and annual fees on prospective DASNY health care financings (see *Executive Leadership*, below), a number of DASNY private client customers have pursued alternatives and financed elsewhere. In addition, the interest rate spread between taxable and tax-exempt financing has been compressed. This has impacted demand for the issuance of tax-exempt bonds in general and a number of DASNY private client borrowers have elected to finance taxably on their own.

Consequently, a number of DASNY's existing private client borrowers have refunded outstanding DASNY debt away from DASNY. During fiscal year 2014-15, there were 16 defeasances, resulting in a \$804,000 decrease in annual administrative fee revenue, and a \$12.4 million decrease in future administrative fees. This trend has resulted in a decrease in the total amount of DASNY bonds outstanding associated with private client financings when compared to the prior fiscal year. This loss of business, in combination with DASNY fee reduction actions taken to increase DASNY competitiveness, has resulted in a decline in annual revenue from private client bond administration fees from approximately \$8.4 million in fiscal year 2013-14 to approximately \$7.5 million in fiscal year 2014-15.



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Construction expenditures for DASNY-managed projects have also declined by approximately 16% when compared to the prior fiscal year (where DASNY experienced a decline of approximately 15% when compared to the prior year).² This change reflects a decrease in dollar amount of new construction expenditures, as well as the completion and/or winding down of several large DASNY construction projects. For example, DASNY is moving toward substantial completion of the single largest project in its history, the Advanced Science Research Center and the Center for Discovery and Innovation at CUNY's City College of New York (approximately \$708.5 million), as well as the New York City Health and Hospitals Corporation (HHC) Gouverneur Hospital project (approximately \$246.8 million) and New York City Courts Staten Island Courthouse (approximately \$217.5 million).

While the dollar amount of construction expenditures is clearly decreasing, the number of DASNY-managed construction projects remains steady, with the profile of the projects changing to a larger number of smaller renovation, rehabilitation, capital maintenance and/or energy-savings projects spread across wide geographic areas.

This shift from a somewhat constant number and mix of large and small projects to an increasing number of smaller projects is demonstrated in the year-over-year statistics for projects in design (2014 – 406, 2015 – 436, or a 7% increase) and construction (2014 – 264, 2015 – 278, or a 5% increase). With the increase in design and construction phase project volume comes a tendency toward an increase in overhead cost to administer the projects, including the need for design and construction contractual arrangements, associated change order management and payment processing for each. The challenge DASNY faces is to maintain a competitive cost structure in managing these smaller projects, which by their nature can incur similar administrative burdens as larger scale projects, including costs associated with contract and payment management.

As discussed in the *Executive Leadership* section of this report, DASNY is responding to these challenges by containing operating expenses; previously reducing the fees charged to its private client borrowers; and obtaining relief where possible from certain State fees to ensure even competition in the market.

² During fiscal year 2014-15, DASNY construction expenditures have declined to approximately \$743.5 million, as compared to approximately \$883 million during fiscal year 2013-14. Similarly, awards of contracts for professional services, construction services and associated purchase orders of approximately \$309 million in fiscal year 2014-15 represent a decline of approximately 3% when compared to awards of approximately \$318 million during fiscal year 2013-14.



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EXECUTIVE LEADERSHIP

In addition to the accomplishments above, several important management initiatives were undertaken and completed by DASNY during fiscal year 2014-15:

Operating Budget: DASNY has taken steps to reduce operating costs and expenses while maintaining a professional staff capable of executing its mission and serving the public interest. On March 11, 2015, DASNY’s Board approved DASNY’s FY 2015-16 operating budget, which included a decrease of .75% in total spending compared to the adopted FY 2014-15 budget. Total internal operating expenditures decreased 1.79%, or \$1.4 million.

Fee Relief Legislation: The 2014-15 State Budget included legislation requested by DASNY to eliminate the fees charged by the NYS DOH for hospital or nursing home projects financed with DASNY bonds. These fees applied to DASNY financings, and were routinely avoided by health care institutions by financing through local development corporations.

Project Labor Agreements: To provide DASNY’s public clients with additional construction options, DASNY successfully negotiated a Memorandum of Understanding (MOU) with the Building and Construction Trades Council of Greater New York and Vicinity (BCTC) pursuant to State Labor Law §222. This MOU establishes two Project Labor Agreements (PLAs), one for renovation projects and one for new buildings, for use on DASNY projects with a construction cost over \$1,000,000 within the City of New York. Important features of the new PLAs include:

- increase in the MOU threshold to \$1,000,000 (excluding projects that are only painting, asbestos removal or insulation removal and/or replacement, for which the threshold will remain \$500,000); and
- enhanced participation by certified MWBE firms by allowing the use of four core MWBE firm employees in the first eight hires for each trade (only one out of eight being allowed for majority firms).

Through the use of PLAs, public construction clients are authorized to use a single prime contractor on qualifying public works projects, thus providing opportunities for more efficient contract administration and improved management of costs and quality control.

High-Quality Liquid Assets: In the Fall of 2014, the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC), and the Office of the comptroller of Currency (OCC) released a rule intended to ensure that large banks have a sufficient supply of assets that they can quickly convert to cash to meet their obligations during periods of financial stress. Under the rule, banks with at least \$250 billion in assets (or \$10 billion in foreign exposure on their balance sheet) must maintain a minimum liquidity coverage ratio (LCR) comprised of certain financial investments that are considered High-Quality Liquid Assets (HQLAs). Municipal bonds were



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not included as HQLAs in the rule. DASNY, at the request of the Governor's Washington, DC Office, participated in a series of meetings and conference calls with the Governor's Office and federal officials concerning the unfavorable treatment of municipal bonds under the new rule. After the close of FY 2014-15, the Federal Reserve proposed adding certain general obligation state and municipal bonds as HQLAs. DASNY is monitoring this situation closely. Comments on the proposed rule may be submitted until July 24, 2015.

MWBE Utilization: DASNY has exceeded Governor Cuomo's goal of 20 percent Minority and Women Owned Business Enterprise (MWBE) participation in State contracting opportunities during fiscal year 2014-15. Despite significant challenges, DASNY's MWBE participation for the year exceeded goals at 26.75 percent, which represents 18.18 percent MBE and 8.57 WBE participation. Taken together, these accomplishments position DASNY to better serve its clients, maintain and potentially reduce its costs, and assure even competition in the market. Additional detail concerning MWBE utilization at DASNY is set forth in the section of this report entitled *Minority and Women-Owned Business (MWBE) Initiatives*.

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 the March 10, 2015 DASNY Governance Committee Meeting, the Governance Committee undertook its annual review, and recommended to the full DASNY Board that DASNY amend the metrics it uses to quantify DASNY's performance goals. The Governance Committee did not recommend any changes to the DASNY mission statement or performance measurements. At its March 11, 2015 Meeting, the full Board adopted the recommendation of the Governance Committee and amended its Metrics that Quantify Performance Goals to clarify the standards for measuring customer satisfaction.

LEGISLATIVE MATTERS

DASNY continues to monitor legislation 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:

- As noted, the Capital Restructuring Financing Program was established under the joint administration of the Health Commissioner and the President of DASNY to transform health care for all New Yorkers. Under this program, DASNY and the Urban Development Corporation (UDC) doing business as Empire State Development (ESD) are authorized to issue \$1.2 billion in state-supported bonds, to pay for or to reimburse the State for, grants



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issued to qualified applicants. (It is noted that the enacted 2015-16 State Budget increases this authorization to \$2.2 billion, to include the new Health Care Facility Transformation Program for Kings County (\$700 million) and Oneida County (\$300 million)).

- The Health Facility Restructuring Program was amended to expand the pool of authorized borrowers under the Health Care Restructuring Pool Loan Program beyond not-for-profit general hospitals, and to include not-for-profit diagnostic centers, not-for-profit treatment centers, not-for-profit residential health care facilities or any other entity in possession of a valid operating certificate issued pursuant to Article 28 of the Public Health Law.
- DASNY's authority to form subsidiaries for purposes of limiting its potential liability when exercising its powers and duties against a defaulting borrower regulated under PHL Article 28 has been extended for two years, expiring July 1, 2016.
- To account for inflation, DASNY's authorization under the Facilities Development Corporation Act (FDC Act) to undertake construction work without public letting has been increased from \$40,000 to a maximum of \$80,000. A number of smaller maintenance and/or improvement projects at residential facilities owned by the Office of Mental Health (OMH), Office for People with Developmental Disabilities (OPWDD) and Office of Alcoholism and Substance Abuse Services (OASAS) are routinely addressed pursuant to this authorization. This threshold was last amended by the Legislature in 1992.

FINANCE

Bond Financings

DASNY delivered approximately \$4.7 billion par value of bonds during FY 2014-15, ending with an outstanding bond portfolio of approximately \$45.7 billion. Of the total bonds outstanding, approximately 66 percent are on behalf of public programs (such as State-supported debt and school districts); approximately 23 percent are on behalf of independent higher education institutions and other not-for-profits; and approximately 11 percent are for independent health care institutions.



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During FY 2014-15, 86.1 percent of the \$4.7 billion total par value of bonds delivered by DASNY was for its public clients. DASNY delivered a total of \$4 billion of bonds in FY 2014-15 for its public clients:

• Personal Income Tax Revenue Bonds (General Purpose), Series 2014C-D	\$1,157,335,000
• Personal Income Tax Revenue Bonds (General Purpose), Series E-G	550,210,000
• Personal Income Tax Revenue Bonds (General Purpose), Series 2015A	1,005,755,000
• Randolph Academy Union Free School District Revenue Bonds, Series 2014	5,645,000
• State Sales Tax Revenue Bonds, Series 2014A-B	1,059,365,000
• School Districts Revenue Bond Financing Program Revenue Bonds, Series 2014A-D	197,955,000
• School Districts Revenue Bond Financing Program Revenue Bonds, Series 2014E-F	55,170,000
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	\$4,031,435,000

DASNY also delivered a total of \$650.1 million of bonds in FY 2014-15 for its independent, private-sector clients.

• Ketchum-Grande Memorial School Revenue Bonds, Series 2014	\$ 4,740,000
• Fordham University Revenue Bonds, Series 2014	61,815,000
• Great Neck Library Revenue Bonds, Series 2014	10,400,000
• InterAgency Council Pooled Loan Program Revenue Bonds, Series 2014A1	12,970,000
• InterAgency Council Pooled Loan Program Revenue Bonds, Series 2015A	29,290,000
• New York University Revenue Bonds, Series 2014	55,000,000
• NYU Hospitals Center Revenue Bonds, Series 2014	77,700,000
• NYU Hospitals Center Revenue Bonds, Series 2014 (dated January 2015)	117,310,000
• Pratt Institute Revenue Bonds, Series 2015A	73,670,000
• St. Francis College Revenue Bonds, Series 2014	12,585,000
• Secured Hospitals Revenue Refunding Bonds (Wyckoff Heights Medical Center), Series 2015	58,875,000
• Touro College and University System Obligated Group Revenue Bonds, Series 2014A and Series 2014B	94,285,000
• Touro College Revenue Bonds, Series 2014A	41,475,000
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	\$650,115,000
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	\$4,681,550,000



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Tax-Exempt Equipment Leasing Program (TELP) Financings

During FY 2014-15, DASNY executed \$240.4 million in 13 leases to finance DASNY’s clients’ equipment needs including medical, telecommunications and information technology equipment such as electronic medical records systems. Since the program’s inception, DASNY has helped clients secure 446 leases to finance more than \$3.2 billion in equipment including MRIs, CT scanners, computer systems, energy efficiency and other high-tech equipment.

Tax-Exempt Leasing Program I (Health Care)

• Albany Medical Center Hospital	\$ 21,250,195
• Columbia Memorial Hospital	1,274,475
• Hospital for Special Surgery	27,992,584
• Hospital for Special Surgery	62,400,000
• Mary Imogene Bassett Hospital	8,500,000
• Montefiore Medical Center	32,639,702
• Montefiore Medical Center	17,899,520
• Oswego Hospital	2,064,879
• State University of New York Stony Brook University Hospital	20,500,000
• State University of New York University Hospital at Syracuse	26,800,000
• United Health Services Hospitals, Inc.	5,350,000
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	\$226,671,355

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

• NYSARC, Inc.	\$5,549,039
• St. John’s University, New York	8,200,000
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	\$13,749,039
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	\$240,420,394

Municipal Continuing Disclosure Cooperation

The Municipal Continuing Disclosure Cooperation (MCDC) Initiative is a voluntary proceeding announced in March, 2014 by the Securities and Exchange Commission (SEC), Division of Enforcement. Pursuant to this Initiative, underwriters, obligated persons (“borrowers”) and issuers were provided an opportunity to self-report possible violations involving statements concerning prior compliance with continuing disclosure obligations specified in SEC Rule 15c2-12. During FY 2014-15, DASNY undertook a thorough review of its Official Statements issued during the relevant time period and provided assistance to its clients as required to respond to this SEC Initiative. DASNY is also undertaking training and implementation of procedures as a follow-up to this Initiative.



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Finance Developments

- Financial Management, Counsel’s Office and Public Finance continue to support the START-UP NY Program, which provides tax benefits to businesses that locate in vacant space or land of State public and private colleges and universities. DASNY is the issuer of tax-exempt debt and as part of its post-issuance compliance obligations, DASNY has initiated a process to protect against the inadvertent loss of the tax-exempt status of outstanding DASNY bonds vis-à-vis the usage of property in the START-UP NY Program that has been improved with bond proceeds.
- On March 13, 2015, due to federal debt ceiling requirements, the United States Treasury Department closed the market for subscriptions to State and Local Government Securities (SLGS). These securities are often used by DASNY and other issuers to fund escrow requirements for refunded or defeased bonds. With the suspension of SLGS sales, refunding/defeasance escrows now either need to be funded with cash or open market securities to meet the cash flow needs of the bonds being refunded. The Finance Department successfully executed an escrow bidding process to meet client refunding / defeasance requirements and competitively procure an efficient securities portfolio to satisfy the escrow requirements.

CONSTRUCTION

Construction Statistics

At the close of FY 2014-15, DASNY had a total construction workload of 1,018 projects valued at over \$6.1 billion. Expenditures on projects for which DASNY provided services during the fiscal year totaled \$743.5 million.

Projects in the pipeline as of March 31, 2015 are summarized in the table below:

Type of DASNY Service	Number of Projects	Total Value of Projects
Full and modified (all phases)	1,018	\$ 6,123,490,623
Preliminary phase	304	\$ 1,048,976,085
Design phase	436	\$ 2,103,704,909
Construction phase	278	\$ 2,970,809,630
Full Service Projects >\$5 million	111	\$ 3,467,333,194



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DASNY-managed projects completed in FY 2014-15 include:

- **Kingsborough Community College**, replacement of the boiler plant (\$18 million)
- **Queens College**, curtainwall, roofing and HVAC upgrades (\$15 million)
- **Medgar Evers College**, expansion of the Bedford Library and new Welcome Center (\$19.6 million)
- **Brooklyn DDSO**, bathrooms rehabilitation (\$5.9 million)
- **Central New York Psychiatric Center**, addition to Building 39 (\$24.7 million)
- **Hutchings Psychiatric Center**, rehabilitation of Building 8 (\$16.9 million)
- **Staten Island Courthouse**, new five-story courthouse and parking structure (\$217.5 million)
- **Coler Specialty Hospital and Nursing Facility**, sprinkler system (\$26 million)
- **State University College at Fredonia**, new townhouse-style residence halls (\$28.4 million)
- **University at Albany**, renovations to Mohawk Tower (\$36.5 million)
- **State University College at New Paltz**, renovation of LeFevre Hall (\$16.5 million)

Major ongoing DASNY-managed projects include:

- **City College of New York**, a new CUNY Advanced Science Research Center and CCNY Center for Discovery and Innovation (\$705.8 million)
- **Gouverneur Health**, new construction and renovations (\$246.8 million)
- **Bronx Mental Health Redevelopment project at the Bronx Psychiatric Center**, major reconstruction of campus facilities (\$348.8 million)
- **South Beach Psychiatric Center**, new inpatient building (\$172.8 million)
- **Hutchings Psychiatric Center**, rehabilitation of Building 1 (\$22.4 million)
- **LaGuardia Community College**, Center 3 façade replacement (\$116.6 million)
- **Hunter College**, swing space for the relocation of the School of Nursing (\$57 million)
- **Bronx Family/Criminal Courthouse**, interior renovations (\$56 million)
- **State University College at Oswego**, Waterbury Hall Renovation (\$11.5 million)
- **State University College at New Paltz**, New Residence Hall (\$31.5 million)
- **Hunter College**, HVAC in East and West Buildings, Phase I (\$14 million)

New projects added to DASNY's construction pipeline during FY 2014-15 include:

- **Queens College**, new chiller plant (\$30.8 million)
- **Hostos Community College**, renovations to 500 Grand Concourse Building (\$10.2 million)
- **Griffin Laboratory**, rabies laboratory (\$6 million)
- **Manhattan Psychiatric Center**, renovations to the Dunlap Building (\$8.4 million)
- **State University College at Plattsburgh**, Wilson Hall renovations (\$16 million)
- **State University College at Plattsburgh**, Whiteface Hall renovations (\$16.8 million)
- **State University College at Purchase**, new residence hall (\$36 million)



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

- **Homeless Housing and Assistance Program:** Twenty-seven projects for homeless housing located in Albany, Bronx, Cattaraugus, Chautauqua, Dutchess, Erie, Jefferson, Kings, Monroe, New York, Ontario, Suffolk and Westchester (\$580.6 million).
- **Office of Alcoholism and Substance Abuse Services:** Five renovation and new construction projects in Albany, Bronx, Broome, Niagara and Queens Counties (\$34.3 million).
- **Office of Parks, Recreation and Historic Preservation:** Four projects in Erie, Niagara and Wyoming Counties (\$11.4 million).
- **State University of New York Community Colleges:** Three new projects at Tompkins-Cortland Community College, Jamestown Community College and Genesee Community College (\$6 million).

Construction Developments

- **New York City Housing Authority:** The 2014-15 New York State budget included the New York City Housing Authority's (NYCHA) ability to utilize DASNY for construction services. Throughout the balance of 2014 and into 2015, DASNY engaged NYCHA directly, leading to discussions and ultimately the exchange of a draft Project Management Agreement for DASNY services. The 2015-16 State budget authorized \$100 million to NYCHA for a public housing modernization and improvements program. DASNY was specified as the entity to execute the program by providing construction services for all projects within the program.
- **Governor's Office for Storm Recovery:** DASNY continues to work with the Governor's Office for Storm Recovery (GOSR) to provide services for the New York Rising Housing Recovery Program. The Subrecipient Agreement for the Housing Program was amended to continue DASNY's services through May 2016 in the amount of \$39.9 million. DASNY also continues to provide services to GOSR for the New York Rising Multi-Family and Buyout/Acquisition Programs. Authorization for approximately \$40 million in additional services was received just after the close of the fiscal year. In addition, asbestos clearance surveys are ongoing for the New York Rising Small Business Program. GOSR has also provided authorization for DASNY to commence planning and design services for Community Reconstruction projects totaling approximately \$25 million in project value in the downstate and upstate regions, and has requested DASNY to assist with site evaluations for the New York Rising Community Reconstruction Program.
- **NY Works:** DASNY requested that extensions be added to the NYS Department of Environmental Conservation (DEC) and the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) statutory authorization to provide construction services to the two



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entities. In past years from the time when DASNY was authorized to serve these two state agencies, the capital budget added one-year extensions. The enacted 2015-16 State Budget includes a two-year extension of this authorization. As a result, DASNY can continue work for DEC (dams, flood control and dredging projects) and OPRHP (\$55 million Niagara Falls State Park project, and others) well into 2017.

- **Department of Health Certificate of Need Reviews:** DASNY continues to provide document review services. To date, we have contracted for 138 reviews for 79 hospitals and health care providers with a total project value of approximately \$6.8 billion. Projects reviewed include hospitals, nursing homes, ambulatory surgical centers, and diagnostic and treatment centers. Recent projects include the first proton therapy facility in New York State, the \$56 million New York Proton Center, and Westchester Medical Center's new \$205 million Ambulatory Care Pavilion.
- **OPW/DD Community Minor Maintenance Projects:** DASNY has begun working on another round of Community Minor Maintenance projects for OPW/DD for fiscal year 2015-16. In total, over 200 downstate and upstate projects were funneled to DASNY to manage, with a construction value of over \$8 million.
- **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 two 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 2014, the safety/loss control consultants conducted 170 construction site surveys.

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (MWBE) INITIATIVES

- **MWBE 15-A Construction-Related Goal Results for FY 2014-15:** DASNY's construction and commodity-related MWBE 15-A goals for 2014-15 were 20%; 13% MBE and 7% WBE. DASNY's results for FY 2014-15 were: 26.75 percent; 18.18 percent MBE and 8.57 percent WBE. The total cumulative MWBE expenditures for FY 2014-15 were \$164,929,423. For FY 2015-16, Governor Cuomo has announced a new 30 percent MWBE participation goal, which DASNY has implemented for construction contracts issued after January 28, 2015 with goals of 18 percent MBE and 12 percent WBE.
- **MWBE Financial and Professional Services:** The chart below outlines the MWBE participation for non-construction related professional services for FY 2014-15 as submitted for purposes of Empire State Development compliance reporting.



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Summary Fiscal Year April 1, 2014 - March 31, 2015

Non-Construction Professional Service	Total	MWBE Participation	% Participation
Legal ⁽¹⁾	\$ 6,744,950.45	\$ 819,032.00	12.14%
Accounting	\$ 375,995.00	\$ 83,672.66	22.25%
Financial Advisory	\$ 28,000.00	\$ -	0.00%
Official Statement Printing	\$ 88,401.56	\$ 88,401.56	100.0%
Swap Advisory	\$ 7,500.00	\$ -	0.00%
Risk Management	\$ 560,210.00	\$ 145,680.00	26.00%
Underwriters for Public Transactions	\$ 7,668,775.00	\$ 1,924,008.00	25.09%
Total Participation	\$ 15,473,832.01	\$ 3,060,793.56	19.78%

Non-Construction Professional Service	Total	MWBE Participation	% Participation
Broker-Dealer ⁽²⁾	\$ 4,421,057,000.00	\$ 1,515,204,000.00	34.27%

Non-Construction Professional Service	Number of Transactions	Transactions with MWBE Participation	% Participation
Private Client Transactions with Multiple Underwriters	5	3	60%

⁽¹⁾ Blended rate including private client MWBE participation not required under Executive Law Article 15-A. State client participation rate is 13.51% for FY 2014-15.

⁽²⁾ Participation based upon par value transactions awarded to MWBE.



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SUSTAINABILITY PROGRAMS:

- **DASNY Green Projects in Design and Construction**

As of January 1, 2008, all DASNY projects that are new construction, additions or significant renovations must include a goal of LEED Silver or higher and be fully submitted to the United States Green Building Council (USGBC) for a rating review. As of March 31, 2015, 32 projects have received a rating of Certified or better, including two Platinum, 10 Gold, 17 Silver and three Certified.

- **LEED Accredited Professionals at DASNY**

DASNY has 29 LEED-Accredited Professionals on staff to assist DASNY and its clients with the LEED certification process.

- **DASNY Works to Advance New York State Policy Goals**

DASNY continues to work collaboratively with other State entities to further New York State Policy Goals, including Executive Orders No. 88 (relating to energy efficiency, commissioning and metering), No.18 (striving to eliminate single use water bottles), and No. 4 (pertaining to green procurement and waste reduction). Where possible, DASNY incorporates these policy goals into its construction projects by striving for extremely high efficiency in every project and discussing the potential benefits of net zero designs with clients, consultants, and contractors.

DASNY incorporates the State's policy goals into its purchasing practices. The goals include: procurement from MWBE vendors; use of State contracts for optimal pricing; and support of green procurement.

DASNY assists with achieving the goals of EO No. 4 by training State agency staff and potential State vendors and developing the specifications and definitions to assist other entities in the development of their procurement processes to comply with the Executive Order.

EXECUTIVE INITIATIVES AND OPERATIONS

- **Customer Satisfaction Initiative**

DASNY conducts a formal Customer Satisfaction Initiative to programmatically survey all of DASNY's private financing and TELP (Tax-Exempt Equipment Leasing Program) clients,



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and selected public construction customers. Surveys and optional personal interviews solicit the customers' views on DASNY's performance regarding quality, customer support, communication, cost, process and timeliness. Private financing customers are surveyed at the conclusion of each financing, while capital construction customers are contacted at the completion of the design phase, as well as completion of the project. This feedback is used by DASNY's Executive Leadership to improve operations, add value to DASNY's services and strengthen customer relations.

In FY 2014-15, DASNY surveyed a total of 44 private financing, TELP, construction and design projects customers, of which 30 percent responded. One hundred-percent of the respondents stated DASNY met or exceeded their expectations, providing an average rating of 5.08 out of 6.00. One hundred-percent of the customer respondents rated their satisfaction and intention to use and/or recommend DASNY to others at an average of 5.23 out of 6.00.

- **Grant Programs**

DASNY has been authorized to sell bonds to finance grants to build, expand or renovate community facilities throughout New York. In FY 2014-15, DASNY sold more than \$190 million in bonds to support community-based economic development, education, health care, high-technology, housing and public safety projects.

DASNY administers a number of grant programs for the Legislature, the Governor, and in cooperation with other State agencies. Since inception of the grant programs, DASNY has received 8,095 grants totaling over \$7.2 billion for processing and a total of approximately \$5.2 billion has been disbursed to Grantees. DASNY is currently administering approximately 2,400 grants totaling approximately \$1.3 billion at this time.

- **Systems Initiatives**

During the year, DASNY upgraded its financial management system from JD Edwards World Vision A7.3 to A9.3. While the functionality and technical platform are virtually the same, an upgrade was essential as Oracle no longer supports version A7.3. For several months, key users throughout DASNY performed testing and worked with DASNY's Information Services department to verify the integrity of the data and to ensure the new version operated properly. Subsequent to the upgrade, efforts continued as problems in various programs were identified and corrected.