

E. Hofstra University – School of Medicine Capital (W205)

May 23, 2011

General Project Plan

- Grantee:** Hofstra University (the “University”)
- ESD Investment:** A grant of up to \$12.5 million to be used for a portion of the cost of construction of a three-story, 50,000-square-foot addition to the recently renovated Weeb Ewbank Hall (the “Hall”), which houses Hofstra University’s new School of Medicine (the “Medical School”).
- Project Location:** Hofstra University Campus, Hempstead, Nassau County
- Project Completion:** December 2015
- Grantee Contact:** Dolores Fredrich, Vice President, Legal Affairs and General Counsel
101 Hofstra University
Hempstead, New York 11549-1010
Phone: (516) 463-1800 Fax: (516) 463-1900
- Project Team:**
- | | |
|-----------------------|----------------------|
| Project Management | Javier Roman-Morales |
| Affirmative Action | Gowshihan Sriharan |
| Design & Construction | Barbara Helm |
| Environmental | Soo Kang |

Project Description:

Background

Hofstra University, founded in 1935 as Nassau College-Hofstra Memorial of New York University, is a private, nonsectarian, co-educational institution of higher learning located in Hempstead, Long Island. Located on a 240-acre campus, the University has 1,200 faculty members and a total enrollment of 12,700 students in 140 undergraduate and 155 graduate programs of study. It also holds over 500 cultural events annually which are open to the general public. In October 2007, the University and the North Shore-LIJ Health System (“North Shore-LIJ”) jointly announced plans to establish a School of Medicine, the first in New York State in more than forty years. The University, in partnership with North Shore-LIJ, then began the accreditation process with the New York State Department of Education and the Liaison Committee on Medical Education (“LCME”) to obtain provisional accreditation to admit the first class for entrance in 2011.

Since 2006, Hofstra University has been the recipient of several ESD grants, all legislatively sponsored. This includes: a \$150,000 CCAP grant (project U268; approved on July 18, 2006) for the renovation of the art storage at Lowe Hall; a \$300,000 CCAP grant (project U595; approved on October 17, 2006) for capital improvements to the Axinn Library and a

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\$600,000 CCAP grant (project V636; approved on February 21, 2008) for the installation of an astroturf surface for the new field hockey complex. The projects were completed, and all funds were fully disbursed.

On October 22, 2009, Hofstra University received a \$12.5 million New York State Economic Development Assistance Program (“NYSEDAP”) grant (project W269) for Phase I of the project, which included the renovation of Weeb Ewbank Hall, an existing 45,000-square-foot building, for the interim use of the new Medical School. A \$10.5 million reimbursement was made on November 5, 2010, with the \$2 million balance committed to planning and design of the new building. Upon completion of the Phase I renovation, the Medical School opened in the summer of 2010 with the dean and staff occupying the building since that time. In the spring of 2010, the Medical School received accreditation approvals from the LCME and the New York State Board of Regents, and is in process of recruiting its first class which will start this summer.

The Project

Phase II, construction of a new building, was originally scheduled to be built in the same general area of the campus – the northeast quadrant – a site further north from the newly renovated Weeb Ewbank Hall. After due consideration, the dean and Medical School personnel, together with University administration and the board of trustees, determined that the most appropriate plan for the Medical School was to build immediately adjacent to the existing building, which would allow the renovated building to continue to be used by the Medical School, rather than moving the entire Medical School to a new site. The new building (Phase II) will be three stories in height and will contain approximately 50,000 square feet. It will be connected to the Hall building by an atrium and will allow all related Medical School activities to take place in the same specific area of the campus. When Phase II is completed, the Medical School will contain sufficient space and facilities to house all Medical School operations, while the original planned site to the north will remain vacant and available for future educational use as a research facility directly associated with the Medical School professors and students.

The University is in the early stages of planning for Phase II, and no external professionals or consultants have been selected. As it proceeds, the University will advise ESD as architects, the general contractor and other consultants are retained.

The construction of the new Medical School building has been estimated at \$25 million, with an anticipated completion date of December 2015.

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| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---|---------------------|---|---------------------|-------------|
| Planning and Design for Medical School Phase II | 4,000,000 | ESD Grant (W205) | \$12,500,000 | 50% |
| Construction costs (hard costs) | 21,000,000 | ESD Grant (W269; \$12.5 million NYSEDAP Grant approved on October 22, 2009) | 2,000,000 | 8% |
| | | University Construction Fund | 10,500,000 | 42% |
| Total Project Costs | \$25,000,000 | Total Project Financing | \$25,000,000 | 100% |

Design & Construction:

Hofstra University will construct a new building (Phase II) on the campus adjacent to Weeb Ewbank Hall (Phase I renovation). An atrium will be constructed for a connection between the buildings. The new building will be approximately 50,000 square feet and three stories in height. The estimated project cost is \$25 million with a projected completion date of December 2015. A contractor has not been selected.

ESD will reimburse construction expenditures up to \$12.5 million upon completion of the project and when all D&C Requirements are met.

Environmental Review:

The Town Board of the Town of Hempstead, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 5, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Affirmative Action:

ESD’s Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the project, and to include minorities and women in any job opportunities created by the project.

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Statutory Basis – Community Enhancement Assistance Facilities Program:

The project was authorized by the 1997-1998 New York State budget and Chapter 432, Laws of 1997, and Chapter 55, Laws of 2002 and reappropriated in the 2011-2012 New York budget.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications disclosed the following information:

(A) Conflict of Interest

Neither the Sponsoring Member nor any Related Party has any financial interest, direct or indirect, in the Grantee, or will receive any financial benefit, directly or indirectly, from the Grantee or its Related Parties from the matters contained in this Agreement.

(B) Good Standing

(A)(8), (9) and (10): In the normal course of Hofstra University's business, the University receives notices of claimed violations of various state and local statutes, including claims asserted under the New York State Human Rights Laws, claims for unemployment insurance, claims for worker's compensation coverage, and matters relating to local fire ordinances. When appropriate, the University contests such claims and proceeds to administrative hearings. On occasions, fines have been paid to resolve such matters.

(A)(19): In 2004, Hofstra University self-disclosed possible violations of federal environmental laws pursuant to EPA's "Incentives for Self-Policing: Discovery, Disclosure, Correction, and Prevention of Violations," and a "Self-Audit/Self Disclosure" Agreement between Hofstra University and EPA Region 2". A notice of determination was issued by the EPA on June 9, 2004 waiving all penalties for any violations. An Order of Consent was entered into by the New York State Department of State and Hofstra University in 2004 concerning certain fire safety issues.

This disclosure certification is submitted on behalf of Hofstra University trustees and officers in connection with Hofstra University's business affairs.

The Grantee has no further conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

Attachment: ESD Directors' Materials dated October 22, 2009

May 23, 2011

Hempstead (Nassau County) – Hofstra University – School of Medicine Capital –
Community Enhancement Facilities Assistance Program - Capital Grant – Determination
of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Hofstra University – School of Medicine Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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