

D. Hofstra University – School of Medicine Capital (W269)

October 22, 2009

General Project Plan

- Grantee:** Hofstra University (the “University”)
- ESD Investment:** A grant of up to \$12,500,000 to be used for the cost of renovations of Weeb Ewbank Hall (the “Hall”), which will house Hofstra University’s new School of Medicine (the “School”), and planning and design costs and architectural and engineering fees for the new medical school building.
- Project Location:** Hofstra University Campus, Hempstead, Nassau County
- NYS Empire Zone (or equivalent):** N/A
- Project Completion:** Renovation Project: August 2010
Pre-Construction Project: December 2011
- Grantee Contact:** Dolores Fredrich, Vice President, Legal Affairs and General Counsel
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- Project Team:**
- | | |
|--------------------|----------------------|
| Project Management | Javier Roman-Morales |
| Affirmative Action | Laverne Poole |
| Environmental | Soo Kang |

Project Description:

Background

Hofstra University, founded in 1935 as Nassau College-Hofstra Memorial of New York University, is a private, nonsectarian, coeducational 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, has begun the accreditation process with the New York State Education Department 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 a recipient of several ESDC 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.

The Project

The project consists of the renovation of Weeb Ewbank Hall, an existing 45,000-square-foot building for the interim use of the new School. The Hall, located in the northeast section of the University campus, was previously occupied by the New York Jets. When the team moved its headquarters to New Jersey, the two-story building became available. The entire facility will be renovated for use by the new School, with an anticipated completion date of August 2010. The renovated building will be used by medical school students until a new school of medicine is ultimately constructed, at which point the Hall will continue to be used for life sciences purposes.

The scope of work includes architectural and engineering fees; site surveys, permits, inspections, signage and roofing consultant fees; and asbestos abatement and monitoring. The renovations include state-of-the-art classrooms, an anatomy lab, teaching and conference rooms, study areas, library, eating areas, faculty offices, and other amenities associated with a medical school. The renovated building will be equipped with new furniture, and equipment for audio/visual/information and technology, security and food service. In addition, the exterior of the building will be updated and the surrounding site enhanced.

During the first quarter of 2009, the University issued a request for architectural and engineering proposals from firms having prior experience in medical school planning and construction. The architectural firm HLW International LLP (New York City) was engaged to prepare the plans and specifications for the renovation project. After a very intense planning period which included University and medical school personnel, and taking into account all of the technical requirements imposed by the LCME, the renovation plans were prepared and bids were solicited from general contracting firms. Structure Tone, Inc. (New York City) was selected as the general contractor. The firm's New York City office has been ranked the largest construction services firm in the City, as well as a leader in other markets including academia, retail, science and technology, law, government, and cultural facilities.

The University has already identified an eleven-acre site on its existing campus to construct a new facility for the School, together with a new residential facility. In November 2008, JAC Planning Corp. (Great Neck, New York) was retained to oversee the planning process, including the preparation of all necessary environmental review documents for the Town of Hempstead. The planning firm is responsible for site development and all aspects of planning, including traffic surveys and review of all environmental issues. The necessary site design work is underway, and the University anticipates issuing a request for proposal for architectural and engineering services as the design work is completed. A portion of this grant - \$2 million - will be used for planning and design for the new building. The pre-construction project has an anticipated completion date of December 2011.

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The construction of the new School building has been estimated at \$75 million, with an anticipated completion date of August 2015.

When the School is operating at full capacity, the University anticipates having approximately 400 full-time students, 100 per class year, plus faculty engaged in teaching and research.

Financing Uses	Amount	Financing Sources	Amount	Percent
General Contractor	\$7,313,302	ESD Grant	\$12,500,000	100%
FF&E, and equipment for audio/visual/information and technology, security and food service	2,296,000			
Asbestos abatement and monitoring	\$92,539			
Roofing consultant, site surveys, permits, inspections, and signage	\$60,159			
Architectural and engineering fees associated with renovation	738,000			
Planning and Design for permanent site	2,000,000			
Total Project Costs	\$12,500,000	Total Project Financing	\$12,500,000	100%

Financial Terms and Conditions:

1. The Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
3. Up to \$10,500,000 will be disbursed to the Grantee in a lump sum upon completion of the renovation project and upon documentation of eligible renovation project costs for Weeb Ewbank Hall; and up to \$2,000,000 will be disbursed to the Grantee in a lump sum upon completion of the pre-construction project, upon documentation of eligible

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pre-construction project costs for the new Medical School building, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenses must be incurred on or after April 1, 2008 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$12,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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.

Statutory Basis – New York State Economic Development Assistance Program:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESDC 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"

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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.