



Department of Health

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Chair - DASNY

April 3, 2017

VIA EMAIL & REGULAR MAIL

Ms. Sharon Palmer
Assistant Vice President
Mohawk Valley Health System
P.O. Box 4308
Utica, NY 13504

Re: RFA# 1505060325, Health Care Facility Transformation Program (HCFTP): Oneida County

Dear Ms. Palmer:

We are pleased to inform you that, based on the application Mohawk Valley Health System submitted under the above referenced RFA that was released in November 2016, you have been awarded a grant amount up to \$300,000,000.

Please note that this letter is not a final commitment to provide funds, but rather is evidence of the intention on the part of the Department of Health (DOH) to enter into a Master Grant Contract (MGC) with Mohawk Valley Health System subject to compliance with the conditions set forth in the RFA and the attached Addendum. The final amount to be awarded is subject to compliance with these conditions, and may be less than the grant amount set forth above. Master Grant Contracts are also contingent upon approval of the Attorney General and the Office of the State Comptroller.

Conditions to this award are listed in the Addendum and must be completed prior to the execution of your MGC with DOH and distribution of grant proceeds.

Should you have any questions concerning HCFTP: Oneida County or this Award Letter, please address your inquiry to oneidacounty@health.ny.gov. In order to properly address your questions, please also include a contact person, contact e-mail, and contact phone number in the body of your e-mail.

Sincerely,

Howard A. Zucker, M.D., J.D.
Commissioner
New York State Department of Health

Gerrard P. Bushell
President
Dormitory Authority of the State of New York

Addendum

The following conditions must be satisfied before the Master Grant Contract is finalized and executed:

- The sole source of funds for the HCFTP: Oneida County capital grant program will be bond proceeds, which by law may only be used for certain eligible capital works or purposes. Therefore, tax and bond counsel to the Dormitory Authority of the State of New York (DASNY) must confirm that the grant expenditures identified in your application are capital costs that are eligible to be funded from proceeds of State-supported bonds as described in the Request for Applications Section III. C. This award is subject to review of detailed project budgets to ascertain that bond proceeds will only be used for capital costs for federal income tax purposes and that comprise capital works or purposes under the State Finance Law. In addition, it is subject to review of the use of matching funds proposed by MVHS to determine whether all non-qualifying costs can be paid with the match. If the Project includes IT or other technology equipment, the estimate, quote or bid must clearly distinguish among the hardware, software, licenses, training, intellectual property, and other Project components. All components should be clearly identified and described. In addition, the amount of grant funds to be spent on each component must be stated.

If the above condition is not satisfied within 60 days of this notification, this award letter will expire. Upon written request from the applicant and an explanation acceptable to the Department of Health (DOH) as to why the required information cannot be provided to allow DASNY tax and bond counsel to conclude its review within 60 days, the DOH may, in its sole discretion, grant an extension to allow more time to provide the information necessary to make a final determination of the grant award.

- DOH shall have determined that the applicant and/or the Project have obtained, or are eligible to obtain, all necessary regulatory approvals and/or waivers such as DOH Certificate of Need (CON) approval, if required. In order to expedite the CON process, CON/DOH requirements should be considered as soon as possible.
- Professional estimates, quotes, bids, or other indicia from a design professional or equipment vendor setting forth the total Project cost. If the Project includes IT or other technology equipment, the estimate, quote or bid must clearly distinguish among the hardware, software, licenses, training, intellectual property, and other Project components. All components should be clearly identified and described. In addition, the amount of grant funds to be spent on each component must be stated.
- Evidence of the completion of a review pursuant to the State Environmental Quality Review Act ("SEQRA"). A DASNY representative will contact you in order to determine the appropriate level of review to be conducted.
- If the Project is comprised of multiple and/or phased components, DOH may, after consultation with DASNY, enter into a MGC for those components of a Project that are Type II and may be properly segmented, including but not limited to planning, design or engineering costs, or for which a SEQRA review has been completed, so long as all other conditions of the Award Letter have been satisfied.

- If the Project consists of the purchase of real property, an appraisal meeting the Uniform Standards of Professional Appraisal Practice ("USPAP") standards for the real property to be acquired with grant funds must be provided, along with a completed Real Property and Fixed Asset Certification from the applicant in the form attached hereto.
- Financial Commitments in an amount sufficient to finance the full project cost less HCFTP: Oneida County grant proceeds must be provided. Examples of acceptable commitments include:
 - Bank account and Investment account statements;
 - Contractual agreements for the provision of such funds;
 - Board Resolution authorizing institutional funds to be utilized for purposes of the project;
 - Signed, notarized letter from a Senior Authorized Officer of the organization authorizing institutional funds to be utilized for purposes of the project;
 - Donor pledges, agreements and receipts;
 - Grant award letters, agreements and contracts;
 - Updated Letter of Interest including terms and conditions from a recognized lending institution, consistent with what was provided in your RFA submission;
 - Bond documents; or
 - Other documentation demonstrating that sufficient funds for project completion have been secured.

Please note that pledges, award letters with unsatisfied contingencies, grant applications, pending loan applications, and other non-final commitments do not constitute secured sources of funding. You may utilize this Award Letter to assist you in obtaining other sources of financing for the project value less the final grant award.

- The Project shall have been approved by the Public Authorities Control Board.
- Pursuant to the Request for Applications Section IV. G., the New York State Department of Health established a Minority and Women Owned Business participation goal of 30% on any subcontracted labor or services, equipment, materials, or any combined purchase of the foregoing greater than \$25,000 under a contract awarded from this solicitation. All grantees must submit an acceptable MWBE Utilization plan reflective of this goal. In addition, successful awardees are required to certify they have an acceptable Equal Employment Opportunity policy statement.
- Master Grant Contracts are also contingent upon approval of the Attorney General and the Office of the State Comptroller.

APPLICANT LETTERHEAD

REAL PROPERTY AND FIXED ASSET CERTIFICATION OF MOHAWK VALLEY HEALTH SYSTEM

In connection with the receipt by Mohawk Valley Health System (the "Grantee") of a Health Care Facility Transformation Program (HCFTP) Oneida County grant in the amount of \$300,000,000 (the "Grant") to fund Mohawk Valley Health System Oneida County (the "Project"), which includes the acquisition of real property located at [] (the "Property"), the undersigned, an authorized officer of the Grantee, does hereby certify under penalty of perjury, that the following statements are true and correct:

1. Grantee has engaged an independent third party appraiser to conduct an appraisal of the Property to be acquired with the proceeds of the Grant (the "Appraisal"). The Appraisal was prepared in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP"). A copy of the Appraisal is attached hereto.
2. The Grantee's acquisition of the Property and the seller's sale of the Property constitutes an arms-length transaction. The Grantee covenants that it will not utilize Grant proceeds to pay more than the appraised value of the Property as set forth in the Appraisal.
3. The Grantee and its affiliates, and the seller of the Property and its affiliates, have no relationship to each other and have each acted independently of the other in connection with the Grantee's acquisition of the Property. During the negotiation for the acquisition of the Property by the Grantee, neither the Grantee nor the seller was subject to any pressure or duress from the other party, nor from any third party.
4. Proceeds of the Grant will not be used to make payments to any firm, company, association, corporation or organization owning the Property, if any member of the Grantee's Board of Directors or other governing body, or any officer or employee of the Grantee, or a member of the immediate family of any member of the Grantee's Board of Directors or other governing body, officer, or employee of the Grantee has any ownership, control or financial interest in the Property, including but not limited to an officer or employee directly or indirectly responsible for the preparation or the determination of the terms of the purchase and sale contract between the Grantee and the seller or other arrangement pursuant to which the Property is to be acquired. For purposes of this paragraph, "ownership" means ownership, directly or indirectly, of more than five percent (5%) of the assets, stock, bonds or other dividend or interest bearing securities; and "control" means serving as a member of the board of directors or other governing body, or as an officer in any of the above.

By: Authorized Officer

Name of Grantee: