

STATE OF NEW YORK

9103

IN SENATE

June 17, 2018

Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT authorizing the lease of certain lands located at the State University of New York at Stony Brook

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The legislature finds that as part of
2 the Amended and Restated Integration and Affiliation Agreement, dated as
3 of April 7, 2017 (the "IAA"), between The Southampton Hospital Associ-
4 ation ("SHA") and the state university of New York acting through its
5 Stony Brook University Hospital ("SBUH"), the parties committed to work
6 together to construct, if feasible, a new hospital facility on Stony
7 Brook University's (the "University") Southampton campus ("New SH") to
8 replace the current SHA facilities, which are currently leased to SBUH
9 which uses them to operate a hospital in Southampton, New York. New SH
10 is a key part of the strategy for the growth of Stony Brook Medicine and
11 University as a regional center of health care and a national leader in
12 innovation and discovery. It will be a state of the art facility located
13 on the Southampton campus that replaces an aging plant located in the
14 midst of Southampton village. New SH will serve as the focus of innova-
15 tive hospital, community, and population based health care for the East
16 End and beyond. It will also be an anchor for the development of the
17 Southampton campus as a site of advanced technology, clinical research,
18 and education for the health sciences and the general health care commu-
19 nity. In addition to its proximity to other health science programs, the
20 new location will enhance access to care for the community and broaden
21 the reach of Stony Brook Medicine well beyond its current area.

22 The legislature further finds that granting the trustees of the state
23 university of New York the authority and power to lease and otherwise
24 contract to make available grounds and facilities of the campus of the
25 State University of New York at Stony Brook will enable SBUH to fulfill
26 its obligations, further its legislatively mandated mission of research,
27 education and provision of health services, enhance access to care for

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 the community and broaden the reach of SBUH and the University well
2 beyond its current area.

3 § 2. Notwithstanding any other law to the contrary, the state univer-
4 sity trustees are hereby authorized and empowered, without any public
5 bidding, to lease and otherwise contract to make available to The South-
6 ampton Hospital Association, a not-for-profit corporation (the "Ground
7 Lessee"), a portion of the lands of the University on its Southampton
8 campus, being one of two separate parcels of land, one approximately 15
9 acres and the other approximately 8.9 acres, for an aggregate total of
10 approximately 23.9 acres generally described in this act for the purpose
11 of constructing and operating New SH. Such lease or contract shall be
12 for a period not exceeding 100 years without any fee simple conveyance
13 and otherwise upon terms and conditions determined by such trustees,
14 subject to the approval of the director of the division of the budget,
15 the attorney general and the state comptroller. In the event that the
16 real property that is the subject of such lease or contract shall cease
17 to be used for the purpose described in this act, such lease or contract
18 shall immediately terminate and the real property and any improvements
19 thereon shall revert to the state university of New York. Any lease or
20 contract entered into pursuant to this act shall provide that the real
21 property that is the subject of such lease or contract and any improve-
22 ments thereon shall revert to the state university of New York on the
23 expiration of such contract or lease.

24 § 3. Any contract or lease entered into pursuant to this act shall be
25 deemed to be a state contract for purposes of article 15-A of the execu-
26 tive law, and any contractor, subcontractor, lessee or sublessee enter-
27 ing into such contract or lease for the construction, demolition, recon-
28 struction, excavation, rehabilitation, repair, renovation, alteration or
29 improvement authorized pursuant to this act shall be deemed a state
30 agency for the purposes of article 15-A of the executive law and subject
31 to the provisions of such article.

32 § 4. Notwithstanding any general, special or local law or judicial
33 decision to the contrary, all work performed on a project authorized by
34 this act where all or any portion thereof involves a lease or agreement
35 for construction, demolition, reconstruction, excavation, rehabili-
36 tation, repair, renovation, alteration or improvement shall be deemed
37 public work and shall be subject to and performed in accordance with the
38 provisions of article 8 of the labor law to the same extent and in the
39 same manner as a contract of the state, and compliance with all the
40 provisions of article 8 of the labor law shall be required of any
41 lessee, sublessee, contractor or subcontractor on the project, including
42 the enforcement of prevailing wage requirements by the fiscal officer as
43 defined in paragraph e of subdivision 5 of section 220 of the labor law
44 to the same extent as a contract of the state.

45 § 5. Notwithstanding any law, rule or regulation to the contrary, the
46 state university of New York on the site of Stony Brook University
47 Hospital in Stony Brook, New York, shall not contract out to the South-
48 ampton Hospital Association or any subsidiary for the instruction or any
49 pedagogical functions or services, maintenance, operation or any admin-
50 istrative services, or similar professional services currently being
51 performed by state employees at Stony Brook Hospital. All such functions
52 and services shall be performed by state employees pursuant to the civil
53 service law. Nothing in this act shall result in the permanent displace-
54 ment of any currently employed state worker or the loss of position
55 (including partial displacement such as the permanent reduction in the
56 hours of non-overtime, wages or employment benefits), or result in the

1 impairment of existing contracts for services or collective bargaining
2 rights pursuant to existing agreements. All positions currently at Stony
3 Brook University Hospital in the unclassified or classified service of
4 the civil service law shall remain in the classified or unclassified
5 service. Except in cases of medical exigency or for training purposes,
6 the Stony Brook University Hospital shall not have any employees working
7 in the hospital facility based in Stony Brook, New York as employees of
8 Staffco of Brooklyn, LLC. No functions, services or work currently
9 performed by classified employees of Stony Brook University Hospital at
10 the site of Stony Brook University Hospital in Stony Brook, New York
11 shall be transferred to Staffco of Brooklyn, LLC or the Research Founda-
12 tion of SUNY during the term of the IAA as defined in section one of
13 this act.

14 Except as otherwise contemplated by the IAA as defined in section one
15 of this act, or as permitted by relevant collective bargaining agree-
16 ments no services or work on the property described in this act which is
17 subject to the ground lease authorized hereby currently performed by
18 public employees or future work that is the same in scope and nature to
19 the work being currently performed by public employees shall be
20 contracted out or privatized by the Stony Brook University Hospital.

21 Except as otherwise contemplated by the IAA as defined in section one
22 of this act, all siting of health services at Stony Brook Southampton
23 Hospital shall be consistent with the certificate of need process estab-
24 lished by the department of health.

25 Unless permitted by the IAA and section 99-y of the state finance law,
26 there shall be no commingling of any revenue or expenses associated with
27 a new hospital facility on Stony Brook University's Southampton Campus,
28 or Staffco of Brooklyn, LLC with expenses and revenue of the state
29 university of New York or the State University of New York at Stony
30 Brook or Stony Brook University Hospital.

31 Nothing in this act shall be deemed to waive or impair any rights or
32 benefits of employees of the state university of New York that otherwise
33 would be available to them pursuant to the terms of agreements between
34 the certified representatives of such employees and the state of New
35 York pursuant to article 14 of the civil service law.

36 § 6. On or before November fifteenth of each year, Stony Brook Univer-
37 sity shall provide documents in its possession detailing bargaining unit
38 titles, positions and salaries of employees of Staffco of Brooklyn, LLC
39 that are employed by Southampton Hospital or Stony Brook University
40 Hospital pursuant to the IAA defined in section one of this act, to the
41 chairs of the higher education committees in both the senate and assem-
42 bly. Such documents shall not disclose names or other personal identify-
43 ing information of such employees and may be redacted to remove any such
44 information.

45 § 7. 1. For the purposes of this act: (a) "project" shall mean work at
46 the property authorized by this act to be leased to The Southampton
47 Hospital Association as described in section twelve of this act that
48 involves the design, construction, reconstruction, demolition, excavat-
49 ing, rehabilitation, repair, renovation, alteration or improvement of
50 New SH.

51 (b) "project labor agreement" shall mean a pre-hire collective
52 bargaining agreement between a contractor and a labor organization,
53 establishing the labor organization as the collective bargaining repre-
54 sentative for all persons who will perform work on the project, and
55 which provides that only contractors and subcontractors who sign a pre-

1 negotiated agreement with the labor organization can perform project
2 work.

3 2. Notwithstanding the provisions of any general, special, or local
4 law or judicial decision to the contrary: (a) The Southampton Hospital
5 Association may require a contractor awarded a contract, subcontract,
6 lease, grant, bond, covenant or other agreement for a project to enter
7 into a project labor agreement during and for the work involved with
8 such project when such requirement is part of Ground Lessee's request
9 for proposals for the project and when the State University of New York
10 at Stony Brook determines that the record supporting the decision to
11 enter into such an agreement establishes that the interests underlying
12 the competitive bidding laws are best met by requiring a project labor
13 agreement including obtaining the best work at the lowest possible
14 price; preventing favoritism, fraud and corruption; the impact of delay;
15 the possibility of cost savings; and any local history of labor unrest.

16 (b) If the State University of New York at Stony Brook does not
17 require a project labor agreement, then any contractor, subcontractor,
18 lease, grant, bond, covenant or other agreements for a project shall be
19 awarded pursuant to section 135 of the state finance law.

20 § 8. Without limiting the determination of the terms and conditions of
21 such contracts or leases, such terms and conditions may provide for
22 leasing, subleasing, construction, reconstruction, rehabilitation,
23 improvement, operation and management of and provision of services and
24 assistance and the granting of licenses, easements and other arrange-
25 ments with regard to such grounds and facilities by the Ground Lessee,
26 and parties contracting with the Ground Lessee, and, in connection with
27 such activities, the obtaining of funding or financing, whether public
28 or private, unsecured or secured (including, but not limited to, secured
29 by leasehold mortgages and assignments of rents and leases), by the
30 Ground Lessee and parties contracting with the Ground Lessee for the
31 purposes of completing the project described in this act.

32 § 9. Such lease shall include an indemnity provision whereby the
33 lessee or sublessee promises to indemnify, hold harmless and defend the
34 lessor against all claims, suits, actions, and liability to all persons
35 on the leased premises, including tenant, tenant's agents, contractors,
36 subcontractors, employees, customers, guests, licensees, invitees and
37 members of the public, for damage to any such person's property, whether
38 real or personal, or for personal injuries arising out of tenant's use
39 or occupation of the demised premises.

40 § 10. Any contracts entered into pursuant to this act between the
41 Ground Lessee and parties contracting with the Ground Lessee shall be
42 awarded by a competitive process.

43 § 11. The state university of New York shall not lease lands described
44 in this act unless any such lease shall be executed within ten years of
45 the effective date of this act.

46 § 12. The property authorized by this act to be leased to The South-
47 ampton Hospital Association is generally described as one of two parcels
48 of real property with improvements thereon consisting of a total of
49 approximately 23.9 acres situated on the campus of the State University
50 of New York at Stony Brook. The description in this section of the
51 parcels to be made available pursuant to this act is not meant to be a
52 legal description, but is intended only to identify the parcels:

53 Parcel 1

54 Beginning at a point formed by the intersection of the southerly line
55 of M.T.A. (Long Island Rail Road) and the westerly line of Tuckahoe
56 Road;

1 Running thence South 32° 27' 30" West for a distance of 710.08 feet to
2 a point;

3 Running thence North 83° 56' 30" West for a distance of 555.33 feet to
4 a point;

5 Running thence South 89° 10' 00" West for a distance of 321.40 feet to
6 a point;

7 Running thence North 10° 35' 30" East for a distance of 692.66 feet to
8 a point;

9 Running thence South 83° 08' 20" East for a distance of 1135.50 feet
10 to the point or place of beginning.

11 Containing 653,704 sq. ft. (15.007 acres), more or less. Subject to
12 all existing easements and restrictions of record.

13 Parcel 2

14 Beginning at a point formed by the intersection of the southerly line
15 of M.T.A. (Long Island Rail Road) and the easterly widened line of Tuck-
16 ahoe Road;

17 Running thence South 81° 38' 20" East for a distance of 751.98 feet to
18 a point;

19 Running thence South 15° 10' 59" West for a distance of 620.58 feet to
20 a point;

21 Running thence North 66° 08' 50" West for a distance of 342.64 feet to
22 a point;

23 Running thence North 55° 07' 30" West for a distance of 550.64 feet to
24 a point;

25 Running thence North 33° 57' 30" East for a distance of 219.18 feet to
26 a point;

27 Running thence South 57° 32' 30" East for a distance of 10.00 feet to
28 a point;

29 Running thence North 33° 57' 30" East for a distance of 94.79 feet to
30 the point or place of beginning.

31 Containing 389,465 sq. ft. (8.941 acres), more or less. Subject to all
32 existing easements and restrictions of record.

33 § 13. Insofar as the provisions of this act are inconsistent with the
34 provisions of any law, general, special or local, the provisions of this
35 act shall be controlling.

36 § 14. This act shall take effect immediately; provided, however, the
37 report required pursuant to section six of this act shall take effect on
38 November fifteenth next succeeding the opening of the new hospital
39 facility on the land that is the subject of the ground lease authorized
40 by this act.