

CAPITAL COMMITTEE

April 10, 2014

MEETING AGENDA

10:00 a.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES March 13, 2014

Emily A. Youssouf

- SENIOR ASSISTANT VICE PRESIDENT'S REPORT

Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Marsha Powell**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with four firms; Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed \$3,000,000 for services provided by these consultants.

VENDEX: Pending. Documents being submitted to Legal Affairs.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

MARCH 13, 2014

MINUTES

Capital Committee

Meeting Date: March 13, 2014

Time: 11:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair

Josephine Bolus, RN

Alan D. Aviles, President

HHC Staff:

Kein Anderson – Associate Executive Director, Woodhull Medical and Mental Health Center

Jeremy Berman – Deputy General Counsel, Office of Legal Affairs

LaRay Brown – Senior Vice President, Corporate Planning and Community Health

Deborah Cates – Chief of Staff, Office of the Chairman

Daniel Collins – Director, Coney Island Hospital

Daniel Gadioma – Senior Project Manager, Kings County Hospital Center

Jonathan Goldstein – Senior Consultant, Corporate Planning

Juan Izquierdo – Associate Executive Director, Queens Hospital Center

Nelson Laverde – Assistant Director, Bellevue Hospital Center

Lisa Lee – Deputy Inspector General, Office of Internal Audits

Patricia Lockhart – Secretary to the Corporation, Office of the Chairman

Antonio Martin – Executive Vice President

Robert Miller, III – Chief Operating Officer, Kings County Hospital Center

Dean Moskos – Director, Office of Facilities Development

Lisa Scott-McKenzie – Senior Associate Executive Director, Woodhull Medical and Mental Health Center

Thomas Scully – Senior Associate Director, Elmhurst Hospital Center

Denise Soares – Generations+/North Manhattan Health Network

Cyril Toussaint – Director, Office of Facilities Development

Ksenjia Vukov-Drazevic – Senior Associate Director, Queens Hospital Center

Roslyn Weinstein – Senior Assistant Vice President, President's Office

Dion Wilson – Assistant Director, Office of Facilities Development

Elizabeth Youngbar – Assistant Director, Office of Facilities Development

Other Attendees:

Sharon Browne – CAMBA, CAMBA Housing Ventures, Inc.

Raymond Hodges – Housing, Preservation and Development (HPD)

Steve Nson – Winn Residential

Joanne Oplustil – President/CEO, CAMBA, CAMBA Housing Ventures, Inc.

Kristyn Raffaele – Office of Management and Budget (OMB)

Esteban Reichberg – CAMBA, CAMBA Housing Ventures, Inc.
David Rowe – CAMBA, CAMBA Housing Ventures, Inc.
Margot Taddy – CAMBA, CAMBA Housing Ventures, Inc.
John Woelfling – Dattner Architects

CALL TO ORDER

The meeting was called to order by Emily A. Youssouf, Chair of the Capital Committee, at 11:06 A.M.

On motion, the Committee voted to adopt the minutes of the February 13, 2014, Capital Committee meeting.

Ms. Youssouf advised that Denise Soares, Senior Vice President, Generations+/North Manhattan Health Network, would be providing a brief update on a building collapse that took place on Wednesday, March 12, 2014, whose victims were transported to Harlem and Metropolitan Hospitals.

Ms. Soares explained that an explosion on 116th Street had caused two (2) buildings to collapse, and victims and bystanders had been transported to HHC facilities. She noted that 13 patients were admitted to Harlem Hospital, and 28 to Metropolitan Hospital. At Metropolitan all patients were treated and released. At Harlem there was one 15 year old boy who had been extensively injured and was still being treated. She informed that at a press conference held by the Corporation, the availability of mental health service at both facilities was made known, for possible sufferers of post-traumatic stress.

Ms. Youssouf, on behalf of the Capital Committee, thanked Ms. Soares and HHC staff for coming through in a time of need and doing an amazing job. Ms. Soares noted that the new Emergency Department had just been opened and it was getting plenty of use.

SENIOR ASSISTANT VICE PRESIDENT'S REPORT

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, provided an overview of the meeting agenda. She advised that a resolution for lease with CAMBA would propose transformation of the "G" building on the campus to a CAMBA housing project, and a short update on the Corporation's energy projects with the New York Power Authority (NYPA) and the Department of Citywide Administrative Services (DCAS). She noted that people currently located at 346 Broadway would soon be relocating to 55 Water Street and 160 Water, and that tours had provided positive feedback. She said she expected and looked forward to having everyone in their new seats on time.

That concluded her report.

ACTION ITEMS

- Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a 99-year sublease with CAMBA Housing Ventures, Inc. ("CHV") or a not-for profit housing development fund corporation in which CHV is the sole member, or a limited partnership or limited liability company in which the general partner or managing member, as applicable, is an affiliate of CHV for the development of low-income housing, and housing for the formerly homeless on at the site of the "G Building," a parcel of land on the campus of Kings County Hospital Center (the "Facility") of approximately 97,000 square-feet at a fair market value rent established by appraisal which is currently anticipated to be not more than \$2.5 Million in total.

Robert Miller, III, Chief Operating Officer, Kings County Hospital Center, read the resolution into the record. Mr. Miller was joined by LaRay Brown, Senior Vice President, Corporate Planning and Community Health, and Dion Wilson, Assistant Director, Office of Legal Affairs, as well as Joanne Opustil, David Rowe, and Sharon Browne, CAMBA/CAMBA Housing Ventures, Inc.

Ms. Opustil narrated a Power Point presentation that included background information on CAMBA, the CAMBA Gardens I development on the campus, and the proposed new development, CAMBA Gardens II. She thanked HHC and Kings County for the exceptional work and completion of CAMBA Gardens I, which featured beautiful, studio, one (1), two (2), and three (3) bedroom affordable apartments for formerly homeless and low income individuals.

She explained that CAMBA began in 1977 to provide various services; economic development, health, legal, and education, to the underserved. In 2005 CAMBA shifted focus from running homeless shelters and created CAMBA Housing Ventures to develop affordable, sustainable, energy efficient, permanent housing. Since then 605 units have been constructed in Brooklyn, amounting to \$174 million in development. At present, there were 175 units in construction, or \$60 million, and 746 units in pre-development and \$255 million in investment. In total there were 1526 units to date.

Ms. Opustil said that work with HHC was a fantastic model because it allowed, through KCHC, the assurance that everybody has easy access to healthcare services. The hospital helps facilitate resident needs. She referenced a study that found that supportive housing saves \$10,100 per tenant. She expressed excitement at the continued relationship that had so far been phenomenal.

Ms. Opustil said the organization hoped to move forward with CAMBA Gardens II, a 253,000 square-foot parcel featuring 293 studio, one (1), two (2), and three (3) bedroom units in an energy efficient development, indoor and outdoor spaces, landscaping, all sustainably designed. She explained that 110 units were set aside as community units, which would be rented at 60% AMI, 182 units for formerly homeless/special needs individuals, and one (1) unit for a superintendent. Ms. Brown made special note that 50 of the units set aside for formerly homeless/special needs individuals would be for KCHC/DSSM patients. A point she made in reference to previous discussion that had taken place at the March 6, 2013, Public Hearing.

Ms. Youssouf asked for explanation of the Area Median Income (AMI). Ms. Brown explained that income criteria was determined by the Department of Housing and Urban Development (HUD), the Federal Government, who require that AMI define rent numbers for affordable housing. The AMI applicable for these developments includes parts of northern New Jersey, Long Island, and Westchester, as well as the five boroughs. Rents are set at 30% of income level. Ms. Youssouf noted that if rents lower than those outlined then there would be a need to have alternate revenue in order to maintain costs of operation. Mr. Rowe agreed, saying that underwriting was based on the development hitting 60% AMI. Ms. Youssouf agreed that Federal regulations were very strict and noted that rates were not the choice of HHC or CAMBA; an important fact to remember. The community should not think anyone involved is trying to withhold, said Ms. Youssouf. Ms. Brown explained there had been numerous discussions with community members and HUD representatives to explain that HHC and CAMBA were working within confines or regulations and not making their own determinations.

Mrs. Bolus said the conversation needed to be extended to include more individuals that may not reach income thresholds, and only miss them by a very small determinant. Ms. Brown said discussions are ongoing but the Community Advisory Boards (CABs) should be in front of their elected officials to bring forward the issue. She said HHC was working on hosting a forum for such discussion, that would hopefully take place in Spring or early Summer.

It was explained that the project would be supervised by the Department of Housing Preservation and Development (HPD) and that CAMBA I guidelines were redefined to permit more folks into the low income units. The CAMBA Gardens I development housed 30 community members, 13 KCHC staff, and five (5) victims of Hurricane Sandy. Ms. Opostil said there was also a 5% preference for City employees.

Ms. Youssouf advised that preferences are established by HUD and agreed to by the fair housing act, as to how many units can be set aside for what. She reiterated that the Community needs to understand all those factors. People don't realize that the developer or issuer do not make the rules. Ms. Brown said the more the discourse continues the better it will be.

Ms. Opostil reviewed construction financing, which would be provided by the following; New York State Housing Finance Agency (HFA) tax exempt bonds, Credit enhancement provided by TD Bank, Medicaid Redesign Team capital funds through HFA, Low-Income Housing Tax Credits (LIHTC), syndicated by Enterprise Community Investment, New York City Dept. of Housing Preservation and Development: Supportive Housing Loan Program (HPD), FY14 City Capital, New York State Homeless Housing Assistance Program (HHAP), NYSEDA, and Council Member Mathieu Eugene & Brooklyn Borough President Marty Markowitz each allocated \$1 million to the project.

She explained that social service funding for the project would be covered by the New York City Department of Health and Mental Hygiene NY/NY III, and New York State Office of Mental Health NY/NY III.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

INFORMATION ITEMS

- **Update: Energy Projects**

Cyril Toussaint, Office of Facilities Development, provided a status update on energy efficient capital projects being performed under the PlaNYC initiative, which established a goal of reducing energy costs and greenhouse gas emissions by 30% by 2017.

Mr. Toussaint summarized four (4) Corporate Energy Efficiency projects. The Coney Island Hospital window replacement, Board approved in July 2011, featured replacement of windows and air conditioning units. The facility's boiler replacement, which went before the Board in May 2012 and again in June 2013; replaced boilers, converted fuel to new gas service, provided structural repair to the boiler house and provided additional storm resiliency. Ms. Weinstein added that it was fortuitous that the windows had been replaced as she was under the belief that although the building had to be evacuated during Hurricane Sandy had the newly installed windows not been in place then damage could have been much more significant.

Ms. Youssouf asked which flood level the boilers had been raised to meet. Mr. Toussaint said they met the 100 year flood plan. Mrs. Bolus asked if FEMA monies had been received for that part of the work. Mr. Toussaint said it was anticipated that FEMA would pay for the storm resiliency work.

Comprehensive Energy Efficiency upgrade projects at Metropolitan Hospital Center and Elmhurst Hospital Center received Board approval in June 2013. Both projects featured lighting upgrades, high pressure boiler replacements, fuel conversion, and Heating, Ventilation and Air Conditioning (HVAC) upgrades with Central Chiller Plant Optimization at Elmhurst.

Mr. Toussaint outlined the total project costs at \$83,683,956, estimated energy savings of \$4,548,593 per year, elimination of 19,641 tons per year of CO₂ (or the equivalent of removing 4,100 cars from circulation).

Mr. Toussaint advised of three (3) additional energy efficiency projects being discussed for completion under the Accelerated Conservation & Efficiency (ACE) Program, funded through the Department of Citywide Administrative Services (DCAS). Those projects included work at Woodhull Medical and Mental Health Center, at an estimated \$7.9 million, for lighting and vacancy, boiler burner and steam trap upgrades among other work. That project is fully grant funded with \$7.9 million. Two other anticipated project, at Kings County Hospital Center and Harlem Hospital Center each received partial funding of \$10 million each, for window replacement, lighting upgrades and other work.

Ms. Weinstein added that DCAS had high expectations for the continuation of energy efficient project progress and would be funding two energy positions within the office of Facilities Development. Ms. Youssouf said that is important, as debt is anticipated to be paid for by energy savings, it will be helpful to have a way of measuring progress and meeting goals.

- **Project Status Reports**

- Central/North Brooklyn Health Network*

- Daniel Gadioma, Senior Project Manager, Kings County Hospital Center, provided reports for two elevator projects at the facility. Mr. Gadioma advised that the Elevator Upgrade project in the "ABC" Buildings was nearing completion, with Phases I and II having been completed and Phase III to be completed in May, 2013. The Elevator Upgrade project in the "T" Building had been completed with all four elevators operational.

- Ms. Youssouf asked what had caused delays. Mr. Gadioma explained that the facility was late in receiving approval by the Fire Department of the City of New York due to fire alarm upgrades that needed to be performed. Mr. Lynch explained that some of the older buildings did not have FDNY approved Fire Alarm Systems so permits were not forthcoming. He said scrutiny from the FDNY had increased significantly and an agreement was made that HHC would bring them up to status.

- Ms. Youssouf asked if the Office of Facilities Development (OFD) had looked into similar issues at other facilities. Mr. Lynch said there are definitely similar problems and OFD would survey to identify them.

- Kein Anderson, Associate Executive Director, Woodhull Medical Center, provided a delay report for the Obstetric Unit Expansion project at Woodhull Medical Center: Mr. Anderson was joined by Lisa Scott McKenzie, Senior Associate Executive Director, Woodhull Medical Center.

- Mr. Anderson explained that project delays were due to the postponed relocation of offices and an

overflow unit on site. Office had now been vacated and stripped of equipment and fixtures but relocation had not taken place. He said an alternate location was selected for relocation. Instead of floor six (6), the unit would be moved to floor seven (7), closer to the existing unit where core services were provided.

Ms. Youssouf asked why the project was not more thoroughly thought out during the planning phase and how such a large portion of the budget had been spent. Ms. Scott-McKenzie said that project monies had not been spent and noted that some relocation delays were a result of unexpected displaced SANDY individuals. She explained that no money had been spent on the space on the sixth floor (6-200) because during SANDY it was housing staff from Bellevue. Space on the seventh floor (7-300) had been used as alternate care space for Podiatry using HEAL funds. As that space was opened, prior to construction, it was determined that altering the plans and consolidating services would be a better idea.

Ms. Youssouf noted that the Project Status Report included in the package showed a huge draw down of funds. Ms. McKenzie said monies had not been spent on demolition. Ms. Youssouf asked Mr. Anderson to repeat his previous explanation. Mr. Anderson explained that offices and an overflow unit were on the seventh floor and had to be relocated, the original plan was to relocate the overflow to the sixth floor because space on the seventh floor wasn't available, but when seven (7) became available it was determined that the unit would move into the newly available space on seven (7), therefore consolidating services.

Mrs. Bolus asked why 75% of the project budget was gone. Mr. Anderson said he was unclear as to why and said that must be an error, as no construction funds have been drawn down. Mr. Lynch said OFD would review the numbers and clarify. Antonio Martin, Executive Vice President said he would appreciate a review of the numbers and questioned the pre-planning process. He said the project should have been more thought out and well put together in the first place. Ms. Scott-McKenzie agreed.

Ms. Youssouf noted that OFD had spent much time recently on reorganizing so that planning would be done up front because delays drive up cost. She anticipated an explanation of the budget confusion.

Generations+/North Manhattan Health Network

Ms. Weinstein advised that the Harlem Hospital Center Kountz Pavilion project had been completed and the Emergency Room (ER) project at Lincoln Medical Center had also been completed. A phased in opening of the ER will begin shortly.

Queens Health Network

Thomas Scully, Senior Associate Director, Elmhurst Hospital Center, provided an update on the Women's Health Center project at the facility. Mr. Scully advised that the project was still creeping forward slowly but had made considerable progress as a result of the General Contractor (GC) having had significant financial issues. He advised that 95% of the building had been enclosed and the heat was on allowing for finish work to commence on floors, final painting, and millwork to be completed. Mechanical work was going slowly due to cold weather and lack of adequate manpower from all contractors. Mr. Scully said the project would be complete and all contractor evaluation forms will be completed in an effort to avoid the same problems in the future.

Ms. Weinstein advised that CM-at-risk bids would be going out in the coming week and it would be seen if/how that affected projects. Ms. Youssouf said thank you.

There being no further business, the meeting was adjourned at 12:01 PM.

**REQUIREMENTS CONTRACTS
ENVIRONMENTAL SERVICES**

**ENVIRONMENTAL PLANNING & MANAGEMENT, INC.
LIRO ENGINEERS, INC.
WARREN & PANZER ENGINEERS, PC
WOODARD & CURRAN**

CORPORATE WIDE

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with four firms; Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed \$3,000,000 for services provided by these consultants.

WHEREAS, the facilities of the Corporation may require professional environmental services; and

WHEREAS, the Corporation has determined that the needs of the Networks for these services can best be met by utilizing outside firms, on an as-needed basis, through a requirements contract; and

WHEREAS, the Corporation conducted a selection process for such professional services through a Request for Proposals (RFP), and determined that these consultants' proposals best met the Corporation's needs; and

WHEREAS, the overall monitoring of this Contract shall be under the direction of the Senior Assistant Vice President, Facilities Development.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute requirements contracts with four firms: Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed \$3,000,000 for services provided by these consultants.

EXECUTIVE SUMMARY

REQUIREMENTS CONTRACTS

ENVIRONMENTAL SERVICES

ENVIRONMENTAL PLANNING & MANAGEMENT, INC.; LIRO ENGINEERS, INC., WARREN & PANZER ENGINEERS, PC; AND WOODARD AND CURRAN

OVERVIEW: The Corporation seeks to execute four (4) requirements contracts for one year, with options to renew for two additional one-year periods, for a total amount over three years, not-to-exceed \$3,000,000 to provide Environmental Professional Services on an as-needed basis at any HHC facility.

NEED: The various facilities of the Corporation may require/need Environmental Services. Due to fluctuating demands and the licensing requirements for these services, the Corporation has determined that these needs can best be met by utilizing outside firms on an as-needed basis through requirements contracts.

TERMS: The professional services will be provided pursuant to the terms and conditions of the requirements contracts.

COSTS: Not-to-exceed \$3,000,000 pool over three years, for the four (4) firms.

FINANCING: Capital, pending development of specific projects to be funded by bond proceeds, expense or other funds.

SCHEDULE: Upon contract execution, a base period of one year, with an option to renew for two additional contract periods of one year each, solely at the discretion of the Corporation.

HHC EXPERIENCE:

Consultant	Previous HHC Contracts
Environmental Planning & Management, Inc.	\$3M Pool 2/14/11 to 2/13/14 \$13,383 spent to date
LiRo Engineers, Inc.	\$3M Pool 2/14/11 to 2/13/14 \$969,093 spent to date
Warren & Panzer Engineers, PC	\$900,000 Contract 10/31/07-10/30/10 Full value of contract spent
Woodard and Curran	\$3M Pool 2/14/11 to 2/13/14 \$397,869 spent to date

VENDEX: Approval pending

EEO: Approval pending