

CALL TO ORDER

Feniosky Peña-Mora

- ADOPTION OF MINUTES – October 15, 2018 Feniosky Peña-Mora
- VICE PRESIDENT'S REPORT Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Michael Rawlings**  
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five-year revocable license agreement with the Sleep Disorders Institute ("SDI") for its use and occupancy of 1,038 square feet of space to operate a diagnostic and treatment center on the 7<sup>th</sup> floor of the "H" Building at NYC Health + Hospitals/Bellevue (the "Facility") at an occupancy fee of \$60,204 per year or \$58 per square foot to be escalated by 2.75% per year for a five year total of \$318,038.  
  
Vendex: Pending.
- **Resolution** **Cyril Toussaint**  
Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York Power Authority ("NYPA") together with Customer Installation Commitments covering six energy efficiency upgrades (the "Projects") for the planning, design, procurement, construction, construction management and project management services necessary at NYC Health + Hospitals/Lincoln, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Jacobi, NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Elmhurst (the "Facilities") at a cost not-to-exceed \$42,407,088 which includes a 10% contingency.  
  
Vendex: N/A, public entity.
- **Resolution** **Louis Iglhaut**  
Amending the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation ("NYC Health + Hospitals") on December 6, 2016 that authorized the execution of requirements contracts with seven Architectural and Engineering ("AE") consulting firms namely DaSilva Architects, PC, Francis Cauffman, Inc., Gertler & Wente Architects, Lothrop Associates, LLP, MJCL Architect, PLLC, Perkins Eastman Architects, DPC, and TPG Architecture, to provide professional AE design services; and with six Mechanical, Engineering, and Plumbing ("MEP") consulting firms, namely Goldman Copeland Associates, PC, Greenman- Pedersen, Inc., Jacob Feinberg Katz & Michaeli Consulting Group, LLC, Kallen & Lemelson, Consulting Engineers, LLP,

LiRo Engineering, Inc., and R. G. Vanderweil Engineers, LLP, to provide professional MEP design services; and with six Local Law Inspection consulting firms, namely HAKS Engineers, Architects and Land Surveyors, PC, Hoffman Architects, Inc., Raman and Oudjian Engineers and Architects, PC, Ronnette Riley Architect, Superstructures Engineering + Architecture, PLLC, and Thornton Tomasetti, Inc., to provide professional Local Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance on an as-needed basis at various facilities throughout the organization with such amendment increasing the \$15,000,000 not to exceed limit by \$8,000,000 to bring the total not to exceed limit to \$23,000,000.

**Vendex:** Pending or approved for all.

**INFORMATION ITEMS**

**OLD BUSINESS**

**NEW BUSINESS**

**ADJOURNMENT**

# **CAPITAL COMMITTEE MEETING MINUTES**

October 15, 2018

## MINUTES

### Capital Committee

**Meeting Date:** October 15, 2018

**Time:** 9:00 A.M.

**Location:** Board Room

### **Board of Directors:**

#### **Members of the Capital Committee**

Mark Page, Committee Chair  
Gordon Campbell, Vice Chair, Acting Chairman of the Board  
Emil A. Youssouf  
Matthew Siegler – designee of Mitchell Katz in a voting capacity

### **HHC Staff:**

Jeremy Berman – Deputy General Counsel, Office of Legal Affairs  
Gregory Calliste – Chief Executive Officer, NYC Health + Hospitals / Woodhull  
Andrea Cohen – General Counsel, Office of Legal Affairs  
Robert DeLuna – Senior Director, Communications & Marketing  
Karin Eskenazi – Director, Communications & Marketing  
William Foley – Senior Vice President, Acute Care Operations  
Colicia Hercules – Chief of Staff, Office of the Chairman  
Louis Iglhaut – Assistant Vice President, Office of Facilities Development  
Bridgette Ingraham-Roberts – Assistant Vice President, Legislative Analysis  
Shahriar Khan – Assistant Vice President, Post-Acute Care Operations  
Theodore Long, MD – Vice President, Office of the President  
Maureen McClusky – Senior Vice President, Post-Acute Care Operations  
Krista Olson – Assistant Vice President, Revenue and Budget  
Brenda Schultz – Senior Assistant Vice President, Finance  
Matthew Siegler – Senior Vice President, Office of the President  
Leithland Tulloch – Senior Director, Office of Facilities Development  
John Ulberg – Senior Vice President and Chief Financial Officer, Finance  
Roslyn Weinstein – Vice President, President's Office  
Dion Wilson – Director of Real Estate, Office of Legal Affairs  
Elizabeth Youngbar – Assistant Director, Office of Facilities Development

## **CALL TO ORDER**

The meeting was called to order by Mark Page, Committee Chair, at 9:04 A.M.

On motion, the Committee voted to adopt the minutes of the July 19, 2018, Capital Committee meeting.

## **VICE PRESIDENT'S REPORT**

Roslyn Weinstein, Vice President, advised that Health Pulse reported that the Certificate of Need (CON) for the new Critical Service building at Coney Island was confirmed and passed, and so construction on that Federal Emergency Management Agency (FEMA) funded project should begin shortly. She noted that due to the lengthy meeting agenda, the requested FEMA update would be provided at the next Capital Committee meeting.

That concluded her report.

Mr. Page stated that discussion would begin surrounding items related to Primary Care Services, but he would entertain a motion to move into Executive Session prior to delving into the details of the individual resolutions.

Theodore Long, MD, provided an overview on the expansion of Ambulatory Care Services, outlining two key reasons the approach to expansion is fundamentally different than before, and how it will help meet the strategic goal of expanding Primary Care services.

Dr. Long said the first key was location, and taking into account what the community needs and who will benefit from the services. The second piece was insurance; were the patients in need insured or uninsured.

Mr. Page asked if neighboring competition was thoroughly investigated. Dr. Long said yes, and we went even further. We also took into account the need (patients that will benefit), and accessibility (close to public transit and in high traffic areas), and found that these consolidated services would be most beneficial in these specific locations.

Emily A. Youssef asked if that meant that existing sites were also being reviewed. Dr. Long said that existing sites were mapped out to determine where patients were coming from, if all communities were being served, and whether Health + Hospitals was present in those locations. We chose areas where Health + Hospitals has no existing footprint for the proposed sites.

Gordon Campbell, Vice Chair, said he asked a similar question during the briefing, requesting that parties look into existing Primary Care facilities and how they were serving the communities they were in, and whether they (specifically under-utilized sites) would remain open when the new sites were opened.

Dr. Long added that another key factor in the site selection was the storefront; whether the sites were surrounded by public activity and whether there would be foot traffic.

Additionally, said Dr. Long, we needed to think about what the patients want. They want the ability to see all their providers in one location, and make the best use of their time. They want one stop shopping for their healthcare needs. This new model is expected to deliver what the patients need, and want, in order to navigate our system.

Ms. Youssouf said the description was appealing but wanted to make sure that the process of reviewing the needs at the associated sites was thorough. Mr. Page asked if the need for all services was thoroughly evaluated for each specific site. He noted that it was important to use the talent and the money in the most efficient way possibly.

Dr. Long said he had visited all the sites and found that scheduling was a crucial factor in pleasing patients and meeting efficiency, and was pleased that was currently being reviewed as well.

Mark Page, Committee Chair, said, "I will now entertain a motion to go into executive session because the content to be discussed involves leases of real property and public discussion about the properties and possible lease terms would substantially affect the value of the proposed transactions". The meeting was called into Executive Session at 9:18 A.M.

The Open Session resumed at 10:56 A.M. At which time Mark Page informed the public that, during the executive session, the Committee voted to recommend that the Board authorize the System to enter into several leases of real property. The Committee also voted to recommend that the Board authorize the assignment of a lease to the Department of Health and Mental Hygiene.

### **ACTION ITEMS**

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Kone, Inc. ("Kone") to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.**

Louis Iglhaut, Assistant Vice President, Office of Facilities Development, read the resolution into the record.

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

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

There being no further business, the meeting was adjourned at 10:58 A.M.

**LICENSE AGREEMENT**

**SLEEP DISORDERS INSTITUTE**

**NYC HEALTH + HOSPITALS / BELLEVUE**

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five-year revocable license agreement with the Sleep Disorders Institute ("SDI") for its use and occupancy of 1,038 square feet of space to operate a diagnostic and treatment center on the 7<sup>th</sup> floor of the "H" Building at NYC Health + Hospitals/Bellevue (the "Facility") at an occupancy fee of \$60,204 per year or \$58 per square foot to be escalated by 2.75% per year for a five year total of \$318,038.

**WHEREAS**, the Centers for Disease Control and Prevention reports that a third of US adults usually get less than the recommended amount of sleep, which can lead to chronic disease and conditions such as type 2 diabetes, heart disease, obesity and depression; and

**WHEREAS**, SDI is a full-service diagnostic and treatment center that provides sleep medicine services to adults and children with sleep and wakefulness disorders; and

**WHEREAS**, SDI is accredited by the American Academy of Sleep Medicine and has been recognized as a "Center of Excellence" for over 20 years; and

**WHEREAS**, SDI is staffed with doctors board certified in sleep medicine who approach sleep disorders with a disease-management model that provides medical care of the highest quality; and

**WHEREAS**, the Facility has adequate space to house SDI's program and anticipates the Facility's patients will benefit from SDI's sleep medicine services; and

**WHEREAS**, while SDI will accept referrals from the Facility, from other NYC Health + Hospitals facilities and from outside of the NYC Health + Hospitals system, NYC Health + Hospitals patients will be given first priority for appointments; and

**WHEREAS**, NYC Health + Hospitals will not be required to perform any work to outfit the space that SDI will occupy to prepare it for occupancy;

**WHEREAS**, the proposed license agreement will be administered by the Executive Director of the Facility.

**NOW, THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a five year revocable license agreement with the Sleep Disorders Institute for its use and occupancy of 1,038 square feet of space to operate a diagnostic and treatment center on the 7<sup>th</sup> floor of the "H" Building at NYC Health + Hospitals/Bellevue at an occupancy fee of \$60,204 per year or \$58 per square foot to be escalated by 2.75% per year for a five year total of \$318,038.



## EXECUTIVE SUMMARY

### LICENSE AGREEMENT SLEEP DISORDERS INSTITUTE BELLEVUE HOSPITAL CENTER

- BACKGROUND:** New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board to execute a five year revocable license agreement with Sleep Disorders Institute ("SDI") for 1,038 sq. ft. to operate a sleep disorder clinic on the 7<sup>th</sup> floor of the "H" Building on the NYC Health + Hospitals/Bellevue ("Bellevue") campus. Bellevue has adequate space to house SDI's program.
- NEED:** The CDC reports that a 1/3 of US adults usually get less than the recommended amount of sleep, which can lead to chronic disease and conditions such as type 2 diabetes, heart disease, obesity and depression. Bellevue currently does not have a sleep medicine clinic and its patients suffering from sleep disorders are referred to other providers, including SDI, however, such providers often are not available for referrals. Thus Bellevue patients with sleep disorders are often not being treated for the disorder. Bellevue anticipates its patients will benefit from SDI's sleep medicine services. Bellevue currently refers its patients needing sleep therapy to SDI's main location. 692 such patients were referred in 2018. Having a location within Bellevue will make such referrals easier particularly for patients in the forensic unit.
- SDI:** SDI currently operates a full-service sleep disorder clinic for adults and children at 423 W. 55<sup>th</sup> Street in Manhattan where it specializes in treating sleep apnea, insomnia, restless leg syndrome, and excessive sleepiness. SDI is accredited by the American Academy of Sleep Medicine and has been recognized as a "Center of Excellence" for over 20 years and its doctors are board certified in sleep medicine who approach sleep disorders with a disease-management model that provides medical care of the highest quality.
- PROGRAM:** SDI will obtain its own, license to operate under Article 28 of the NY Public Health Law and will have sole responsibility for patients whom it treats. The Facility will make referrals of its patients to SDI but once referred, the patient will become an SDI patient with respect to SDI treatment. SDI will also care for patients that come to SDI independently or through other referrals. SDI will accept referrals from NYC Health + Hospitals of uninsured patients for which NYC Health + Hospitals will pay the Medicaid rate. SDI will be in operation 24 hours per day and 7 days per week. The program is expected to be staffed with five doctors and two physicians' assistants. In 2018 SDI saw approximately 3,000 patients at its West 55<sup>th</sup> Street location including the 692 referred Bellevue patients. Based on the 2018 experience, it is anticipated that in its first full year of operation at Bellevue, SDI will treat more than 1,000 patients referred by Bellevue.
- TERMS:** SDI will pay an occupancy fee of \$60,204/year or \$58/sf to be escalated by 2.75% per year for a five year total of \$318,038. The occupancy fee is the fair market value of the space as assessed by the System's consultant, Savitt and Partners, in its attached report. The cost of security, utilities, and housekeeping are included in the occupancy fee. The term of the license will be 5 years and shall be revocable by either party on 90 days' notice. It is anticipated that the term of the license will start on or about June 1, 2019.

# SAVITT PARTNERS

November 21, 2018

Mr. Dion Wilson  
Director of Real Estate  
NYC Health + Hospitals  
125 Worth Street, Rm 527  
New York, NY 10013

Re: Fair Market Value/Appraisal of space within the Bellevue Hospital Center  
Regarding the 7<sup>th</sup> Floor, Unit #7N1, within the main hospital building  
On behalf of NYC Health + Hospitals

Dear Dion:

Pursuant to your request, you have asked that the Fair Market Value for the referenced property be conducted. I visited the 7<sup>th</sup> Floor, Unit #7N1, in Bellevue Hospital Center on October 18, 2018. This assessment is inclusive of the value of the improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, structural repairs, etc. As the owner is designated as a not for profit (501C3) real estate taxes are not applicable, however this should also be considered when evaluating the value of the space in order to provide a comprehensive FMV for a prospective licensee. This evaluation is subject to the following:

- The unit is currently vacant, is properly zoned for the current use as a Sleep Disorder Clinic, and will be occupied as such.
- The licensor will occupy the premises which consists of approximately 1,411 SF within the referenced building.
- This evaluation is for the purpose of establishing the current FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are additional variables that must also be considered in this evaluation. It is apparent that proximity to the licensee's main campus is attractive. Additionally, the ability to enter into an all inclusive transaction with no allocation for real estate taxes or other additional charges has value to the tenant/licensee. The provision of tenant services that are uncommon for non- medical facilities, i.e., 24-7 access and the provision of full time services such as HVAC and security must also be factored in this evaluation.

The referenced medical space to be licensed to an operator of a Sleep Disorder Clinic is located within the medical complex of Bellevue Hospital Center on First Avenue in the Kips Bay market area. This is a unique property within the referenced market area; however there are numerous medical facilities, hospitals and private physician practices in the immediate area providing a benchmark for market rents. The proposal offers the licensee a full-service hospital building

with amenities typically only found in hospitals and full-service medical office buildings, and not commercial properties. The complex is readily accessible by mass transit and conveniently situated off the FDR Drive for vehicular transit.

Kips Bay and specifically First Avenue has numerous medical health care providers. The market conditions have been established and are readily available for comparison. Medical and laboratory spaces in this market area range from \$50 - \$82 per SF.

Most of the opportunity for medical office space in this market is for undeveloped space; therefore the space would require build out and a major capital expenditure by the tenant. Administrative office space is more competitive and can still achieve rents in the low to mid \$40 SF range. The current intended use is an important factor in assessing the value. Even if the licensee developed the space the prospective rental value to another tenant must be considered. The value of the build out space for the Sleep Laboratory would be between \$150 - \$200 per SF.

This space will be predominantly utilized for a Sleep Disorder Clinic and associated administrative tasks. The aforementioned ability to provide the tenant and its patients with 24-7 access is crucial for the sleep disorder clinic.

## **CONCLUSION**

Again, the ability to access the space and the provision of services without interruption is an amenity that benefits the licensee. The tenant improvement factor must be considered due to costs associated with build out. To relocate this program off-campus would entail an extensive up-front expense for the licensee.

This location and all access to the hospital campus is handicapped accessible. Again, 24-7 security is a valuable amenity provided by the licensor. All of the lavatories throughout the facility are ADA compliant. The corridors are also wheelchair accessible (over 6 feet wide). The elevators are also able to accommodate stretchers which would not be available in most commercial buildings.

Most of the exam rooms (now sleeping rooms) and the associated administrative office area is over \$100 per SF. IT/IS services are included in the licensing fee. For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security housekeeping, refuse removal, utilities, service contracts, etc. are provided by the Landlord. It is unclear if there will be an additional electric service charge or it will be included in the license fee. The unit is not individually metered. Accordingly, we assess electric service, as industry standard, to be between \$3.50 - \$3.75 per SF.

The following is the rent range for the referenced facility/space:

Sleep Disorder space does not entail a major expenditure for tenant improvement to develop the space. This Sleep Disorder space has a current value of \$58 - \$65 per SF over the initial contemplated license agreement term. This rental fee takes into consideration the unique use and that access, along with building services are necessary after typical business hours.

Additionally, there are other factors that the tenant must consider; limited relocation opportunities, extensive expenses to build out new space (with minimal landlord concessions) and invasive use. These variables were factored into the appraisal as well.

In conclusion, this analysis finds that the FMV for this individual space has greater value than commercial opportunities within the same market district, i.e. independent, standalone buildings. It would be appropriate for the tenant to negotiate an escalation provision to the base rent/fee of 2.50% to 2.75% commencing in the second year of the license agreement. These would be commercially fair and reasonable terms based on the data and information assessed in this report. This appraisal also takes into consideration the comparable commercial rents within the immediate market areas specifically for medical properties, as well as for limited availability for similar sized opportunities.

In the event that I can be of any further assistance to you, please do not hesitate to call.

Thank you.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael E. Dubin". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping underline.

Michael E. Dubin  
Partner

# Lease Comps Summary

Lease Comps Report

Deals

Gross Asking Rent Per SF

Gross Starting Rent Per SF

Avg. Months On Market

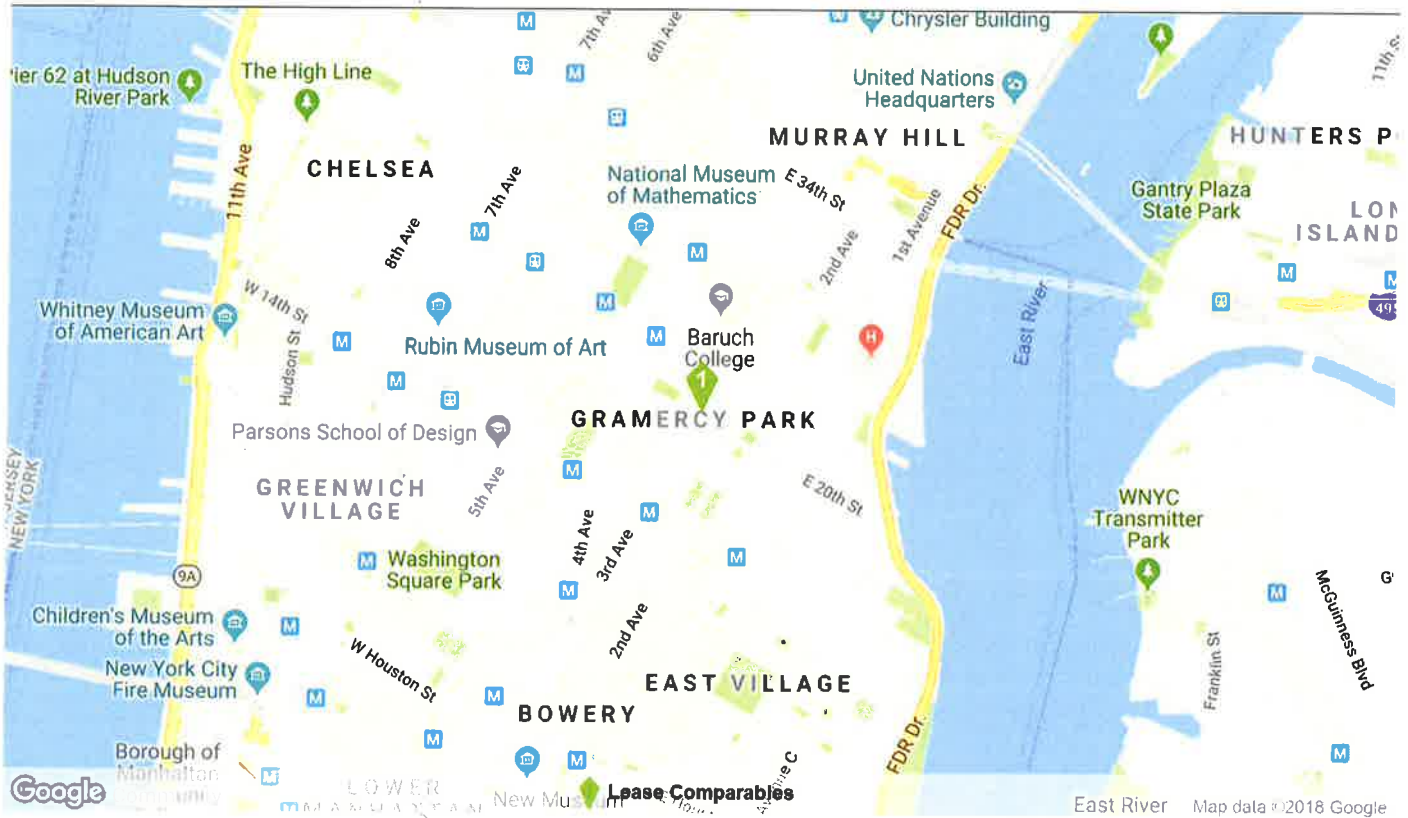
**5**

**\$59.67**

**\$60.00**

**5**

## LEASE COMPARABLES



## SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Gross Asking Rent Per SF	5	\$57.82	\$59.67	\$60.00	\$62.40
Gross Starting Rent Per SF	1	\$60.00	\$60.00	\$60.00	\$60.00
Gross Effective Rent Per SF	1	\$61.57	\$61.57	\$61.57	\$61.57
Asking Rent Discount	1	-3.8%	-3.8%	-3.8%	-3.8%
TI Allowance	-	-	-	-	-
Months Free Rent	1	1	1	1	1

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	5	1	5	5	8
Deal Size	5	1,000	1,080	1,100	1,100
Lease Deal in Years	4	60.0	105.0	120.0	120.0
Floor Number	5	2	3	5	5

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
 247-251 3rd Ave	★ ★ ★ ★ ★	1,100	5th	8/17/2018	New	\$60.00/mg	Asking
 247-251 3rd Ave	★ ★ ★ ★ ★	1,100	5th	6/5/2018	New	\$61.57/mg	Effective
 247-251 3rd Ave	★ ★ ★ ★ ★	1,000	2nd	9/28/2017	New	\$62.40/mg	Asking
 247-251 3rd Ave	★ ★ ★ ★ ★	1,100	2nd	8/17/2017	New	\$58.36/mg	Asking
 247-251 3rd Ave	★ ★ ★ ★ ★	1,100	5th	5/2/2017	New	\$60.00/mg	Asking

# Lease Comps Details



## 247-251 3rd Ave

New York, NY 10010 - Gramercy Park Submarket



### LEASE

SF Leased:	<b>1,100 SF</b>
Sign Date:	<b>Aug 2018</b>
Space Use:	<b>Office/Medical</b>
Lease Type:	<b>Direct</b>
Floor:	<b>5th Floor</b>
Suite:	<b>503</b>

### RENTS

Asking Rent:	<b>\$60.00/MG</b>
--------------	-------------------

### PROPERTY EXPENSES

Taxes:	<b>\$9.47/SF (2017)</b>
Operating Exp.:	<b>\$8.27/SF (2011-Est);...</b>

### LEASE TERM

Start Date:	<b>Sep 2018</b>
Lease Term:	<b>5 Years</b>

### TIME ON MARKET

Date On Market:	<b>Apr 2018</b>
Date Off Market:	<b>Aug 2018</b>
Months on Market:	<b>5 Months</b>

### TIME VACANT

Date Vacated:	<b>Apr 2018</b>
Date Occupied:	<b>Sep 2018</b>
Months Vacant:	<b>5 Months</b>

### LEASING REP

**CORE**  
 104 5th Ave  
 New York, NY 10011  
 Julie Johnson (212) 612-9627

### PROPERTY

Property Type:	<b>Office</b>	Rentable Area:	<b>32,800 SF</b>
Status:	<b>Built 1920</b>	Stories:	<b>5</b>
Tenancy:	<b>Multi</b>	Floor Size:	<b>6,560 SF</b>
Class:	<b>B</b>	Vacancy at Lease:	<b>5.9%</b>
Construction:	<b>Masonry</b>	Land Acres:	<b>0.15</b>

### MARKET AT LEASE

Vacancy Rates	2018 Q3	YOY
Current Building	5.9%	▲ 5.9%
Submarket 2-4 Star	3.8%	▼ 0.6%
Market Overall	8.4%	▼ 0.6%

Same Store Asking Rent/SF	2018 Q3	YOY
Current Building	-	-
Submarket 2-4 Star	\$71.43	▼ 0.4%
Market Overall	\$55.03	▼ 0.3%

Submarket Leasing Activity	2018 Q3	YOY
12 Mo. Leased SF	1,704,280	▲ 35.2%
Months On Market	5.7	-

# Lease Comps Details

## 247-251 3rd Ave

New York, NY 10010 - Gramercy Park Submarket



### LEASE

SF Leased:	<b>1,100 SF</b>
Sign Date:	<b>Jun 2018</b>
Space Use:	<b>Medical</b>
Lease Type:	<b>Direct</b>
Floor:	<b>5th Floor</b>
Suite:	<b>504</b>

### RENTS

Asking Rent:	<b>\$57.82/MG</b>
Starting Rent:	<b>\$60.00/MG</b>
Effective Rent:	<b>\$61.57/MG</b>
Escalations:	<b>3% Annual</b>

### CONCESSIONS AND BUILDOUT

Asking Discount:	<b>-3.77%</b>
------------------	---------------

### LEASE TERM

Start Date:	<b>Jul 2018</b>
Expiration Date:	<b>Jul 2028</b>
Lease Term:	<b>10 Years</b>

### PROPERTY EXPENSES

Taxes:	<b>\$9.47/SF (2017)</b>
Operating Exp.:	<b>\$8.27/SF (2011-Est);...</b>

### TIME ON MARKET

Date On Market:	<b>Dec 2017</b>
Date Off Market:	<b>Jun 2018</b>
Months on Market:	<b>6 Months</b>

### TIME VACANT

Date Vacated:	<b>Jan 2018</b>
Date Occupied:	<b>Jul 2018</b>
Months Vacant:	<b>6 Months</b>

### LEASING REP

#### CORE

104 5th Ave  
New York, NY 10011  
Julie Johnson (212) 612-9627

### PROPERTY

Property Type:	<b>Office</b>	Rentable Area:	<b>32,800 SF</b>
Status:	<b>Built 1920</b>	Stories:	<b>5</b>
Tenancy:	<b>Multi</b>	Floor Size:	<b>6,560 SF</b>
Class:	<b>B</b>	Vacancy at Lease:	<b>12.7%</b>
Construction:	<b>Masonry</b>	Land Acres:	<b>0.15</b>

### MARKET AT LEASE

Vacancy Rates	2018 Q2	YOY
Current Building	12.7%	▲ 5.9%
Submarket 2-4 Star	3.8%	▼ 0.6%
Market Overall	8.8%	▼ 0.1%

Same Store Asking Rent/SF	2018 Q2	YOY
Current Building	\$60.19	▲ 0.3%
Submarket 2-4 Star	\$71.32	▼ 0.7%
Market Overall	\$55.05	▼ 0.5%

Submarket Leasing Activity	2018 Q2	YOY
12 Mo. Leased SF	938,846	▼ 49.9%
Months On Market	4.9	-



# Lease Comps Details

**247-251 3rd Ave**  
 New York, NY 10010 - Gramercy Park Submarket



### LEASE

SF Leased:	<b>1,000 SF</b>
Sign Date:	<b>Sep 2017</b>
Space Use:	<b>Office/Medical</b>
Lease Type:	<b>Direct</b>
Floor:	<b>2nd Floor</b>
Suite:	<b>201</b>

### RENTS

Asking Rent:	<b>\$62.40/MG</b>
--------------	-------------------

### PROPERTY EXPENSES

Taxes:	<b>\$9.47/SF (2017)</b>
Operating Exp.:	<b>\$8.27/SF (2011-Est);...</b>

### LEASE TERM

Start Date:	<b>Nov 2017</b>
-------------	-----------------

### TIME ON MARKET

Date On Market:	<b>Aug 2017</b>
Date Off Market:	<b>Sep 2017</b>
Months on Market:	<b>1 Months</b>

### TIME VACANT

Date Vacated:	<b>Nov 2017</b>
Date Occupied:	<b>Nov 2017</b>
Months Vacant:	<b>1 Day</b>

### LEASING REP

**Wong, Lillian**  
 Manhasset, NY 11030-2511

### MARKET AT LEASE

Vacancy Rates	2017 Q3	YOY
Current Building	0.0%	↔ 0.0%
Submarket 2-4 Star	4.4%	↓ 0.5%
Market Overall	9.0%	↑ 0.1%

Same Store Asking Rent/SF	2017 Q3	YOY
Current Building	-	-
Submarket 2-4 Star	\$71.68	↓ 3.3%
Market Overall	\$55.20	↓ 0.6%

Submarket Leasing Activity	2017 Q3	YOY
12 Mo. Leased SF	2,022,986	↑ 9.5%
Months On Market	6.5	↓ 0.5

### PROPERTY

Property Type:	<b>Office</b>	Rentable Area:	<b>32,800 SF</b>
Status:	<b>Built 1920</b>	Stories:	<b>5</b>
Tenancy:	<b>Multi</b>	Floor Size:	<b>6,560 SF</b>
Class:	<b>B</b>	Vacancy at Lease:	<b>0.0%</b>
Construction:	<b>Masonry</b>	Land Acres:	<b>0.15</b>

# Lease Comps Details



**247-251 3rd Ave**

New York, NY 10010 - Gramercy Park Submarket



### LEASE

SF Leased:	<b>1,100 SF</b>
Sign Date:	<b>Aug 2017</b>
Space Use:	<b>Office/Medical</b>
Lease Type:	<b>Direct</b>
Floor:	<b>2nd Floor</b>
Suite:	<b>202</b>

### RENTS

Asking Rent:	<b>\$58.36/MG</b>
--------------	-------------------

### PROPERTY EXPENSES

Taxes:	<b>\$9.47/SF (2017)</b>
Operating Exp.:	<b>\$8.27/SF (2011-Est);...</b>

### LEASE TERM

Start Date:	<b>Sep 2017</b>
Expiration Date:	<b>Sep 2027</b>
Lease Term:	<b>10 Years</b>

### TIME ON MARKET

Date On Market:	<b>Dec 2016</b>
Date Off Market:	<b>Aug 2017</b>
Months on Market:	<b>9 Months</b>

### TIME VACANT

Date Vacated:	<b>Jan 2017</b>
Date Occupied:	<b>Sep 2017</b>
Months Vacant:	<b>8 Months</b>

### LEASING REP

#### CORE

104 5th Ave  
New York, NY 10011  
Julie Johnson (212) 612-9627

#### PROPERTY

Property Type:	<b>Office</b>	Rentable Area:	<b>32,800 SF</b>
Status:	<b>Built 1920</b>	Stories:	<b>5</b>
Tenancy:	<b>Multi</b>	Floor Size:	<b>6,560 SF</b>
Class:	<b>B</b>	Vacancy at Lease:	<b>0.0%</b>
Construction:	<b>Masonry</b>	Land Acres:	<b>0.15</b>

### MARKET AT LEASE

Vacancy Rates	2017 Q3	YOY
Current Building	0.0%	↔ 0.0%
Submarket 2-4 Star	4.4%	↓ 0.5%
Market Overall	9.0%	↑ 0.1%

Same Store Asking Rent/SF	2017 Q3	YOY
Current Building	-	-
Submarket 2-4 Star	\$71.68	↓ 3.3%
Market Overall	\$55.20	↓ 0.6%

Submarket Leasing Activity	2017 Q3	YOY
12 Mo. Leased SF	2,022,986	↑ 9.5%
Months On Market	6.5	↓ 0.5

# Lease Comps Details



**247-251 3rd Ave**

New York, NY 10010 - Gramercy Park Submarket



### TENANT

Tenant Name:	<b>Yevgenya Kaykova, MD</b>
Industry:	<b>Medical</b>
NAICS:	<b>General Medical and Surgical Hospitals - 622110</b>

### LEASE

SF Leased:	<b>1,100 SF</b>
Sign Date:	<b>May 2017</b>
Space Use:	<b>Office/Medical</b>
Lease Type:	<b>Direct</b>
Floor:	<b>5th Floor</b>
Suite:	<b>502</b>

### RENTS

Asking Rent:	<b>\$60.00/MG</b>
Escalations:	<b>3% Annual</b>

### CONCESSIONS AND BUILDOUT

Mo. Free Rents:	<b>1 Month</b>
-----------------	----------------

### LEASE TERM

Start Date:	<b>Jun 2017</b>
Expiration Date:	<b>May 2027</b>
Lease Term:	<b>10 Years</b>

### PROPERTY EXPENSES

Taxes:	<b>\$9.47/SF (2017)</b>
Operating Exp.:	<b>\$8.27/SF (2011-Est);...</b>

### TIME ON MARKET

Date On Market:	<b>Dec 2016</b>
Date Off Market:	<b>Jun 2017</b>
Months on Market:	<b>5 Months</b>

### TIME VACANT

Date Vacated:	<b>Jan 2017</b>
Date Occupied:	<b>Jun 2017</b>
Months Vacant:	<b>5 Months</b>

### MARKET AT LEASE

Vacancy Rates	2017 Q2	YOY
Current Building	6.7%	▲ 6.7%
Submarket 2-4 Star	4.4%	▼ 1.0%
Market Overall	8.9%	▼ 0.1%

Same Store Asking Rent/SF	2017 Q2	YOY
Current Building	\$60.00	▼ 4.2%
Submarket 2-4 Star	\$71.82	▼ 3.7%
Market Overall	\$55.31	▼ 0.9%

Submarket Leasing Activity	2017 Q2	YOY
12 Mo. Leased SF	1,873,181	▲ 51.7%
Months On Market	6.7	▲ 1.3

### LEASING REP

#### CORE

104 5th Ave  
New York, NY 10011  
Julie Johnson (212) 612-9627

### TENANT REP

#### Prime Manhattan Realty

11 W 20th St, Suite 4th Floor  
New York, NY 10011-3704  
Stanley J. Piesh (212) 594-7354

### PROPERTY

Property Type:	<b>Office</b>	Rentable Area:	<b>32,800 SF</b>
Status:	<b>Built 1920</b>	Stories:	<b>5</b>
Tenancy:	<b>Multi</b>	Floor Size:	<b>6,560 SF</b>
Class:	<b>B</b>	Vacancy at Lease:	<b>6.7%</b>
Construction:	<b>Masonry</b>	Land Acres:	<b>0.15</b>

Gross Asking Rent Per SF

**\$59.67**

Gross Starting Rent Per SF

**\$60.00**

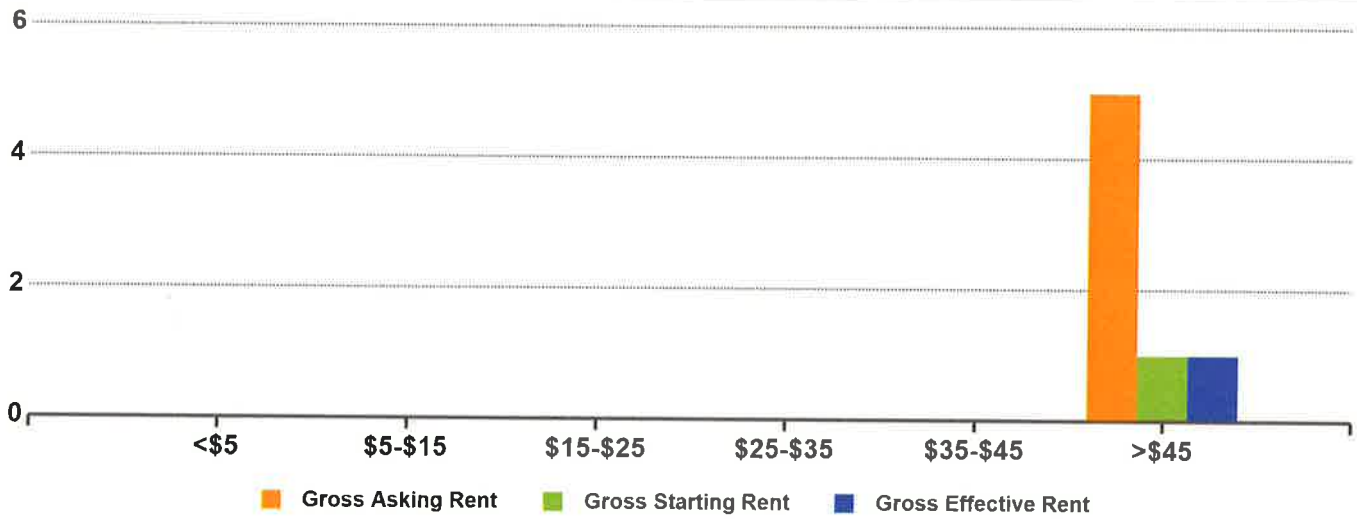
Gross Effective Rent Per SF

**\$61.57**

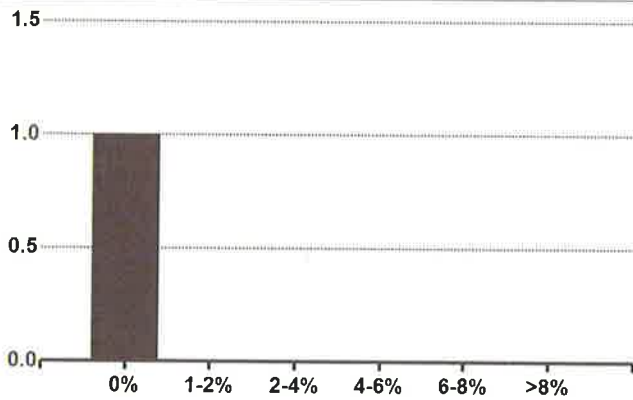
Avg. Months Free Rent

**1.0**

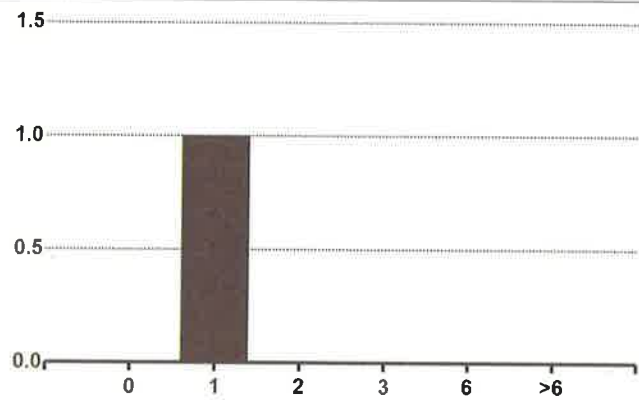
**DEALS BY GROSS ASKING, GROSS STARTING, AND GROSS EFFECTIVE RENT**



**DEALS BY ASKING RENT DISCOUNT**



**DEALS BY MONTHS FREE RENT**





# **ENERGY EFFICIENCY UPGRADES**

## **CUSTOMER INSTALLATION COMMITMENTS W/ NEW YORK POWER AUTHORITY (NYPA)**

**NYC HEALTH + HOSPITALS / LINCOLN**

**NYC HEALTH + HOSPITALS / BELLEVUE**

**NYC HEALTH + HOSPITALS / JACOBI**

**NYC HEALTH + HOSPITALS / KINGS COUNTY**

**NYC HEALTH + HOSPITALS / ELMHURST**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York Power Authority ("NYPA") together with Customer Installation Commitments covering six energy efficiency upgrades (the "Projects") for the planning, design, procurement, construction, construction management and project management services necessary at NYC Health + Hospitals/Lincoln, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Jacobi, NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Elmhurst (the "Facilities") at a cost not-to-exceed \$42,407,088 which includes a 10% contingency.

**WHEREAS**, in September 2014, the City of New York (the "City") mandated an 80% reduction in greenhouse gas emissions in City-owned properties by 2050 under its PlaNYC initiative; and

**WHEREAS**, the City, through its Department of Citywide Administrative Services ("DCAS") allocated funds under the Accelerated Conservation and Efficiency ("ACE") program for improvements to increase energy efficiency and cost savings at City-owned facilities in line with the PlaNYC initiative to reduce energy and greenhouse gas emissions of municipal operations 80% by 2050; and

**WHEREAS**, in March 2005, NYC Health + Hospitals and the City, through DCAS signed an Energy Efficiency-Clean Energy Technology Program Agreement (the "ENCORE Agreement") with NYPA that established NYPA's ability to manage energy related-projects for City agencies and affiliated entities; and

**WHEREAS**, NYC Health + Hospitals wishes to address six energy conservation Projects at five Facilities (see Executive Summary), to enhance the comfort and safety of the building's occupants and to produce annual energy savings to the Facilities of approximately \$2,995,293 due to improved efficiency and reliability; and

**WHEREAS**, NYPA has bid the Projects and determined their cost to be \$42,407,088 which includes a 10% contingency; and

**WHEREAS**, due to DCAS and NYPA delays in finalizing an extension of the ENCORE Agreement, NYC Health + Hospitals wishes to enter into a direct agreement with NYPA for the Projects that will incorporate the terms of the prior Encore Agreement for only the Projects; and

**WHEREAS**, the cost of the Projects will be funded through the PlaNYC initiative through DCAS (\$32,467,996) and NYC Health + Hospitals' City capital funds (\$9,939,092); and

**WHEREAS**, the overall management of the initiative will be under the direction of the Vice President - Corporate Operations.

**NOW THEREFORE, be it**

**RESOLVED**, that New York City Health and Hospitals Corporation be authorized to execute an agreement with the New York Power Authority together with Customer Installation Commitments covering six energy efficiency upgrades for the planning, design, procurement, construction, construction management and project management services necessary at NYC Health + Hospitals/Lincoln, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Jacobi, NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Elmhurst at a cost not-to-exceed \$42,407,088 which includes a 10% contingency.

**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/LINCOLN**

**OVERVIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns the NYC Health + Hospitals/Lincoln project.

**NEED:** During the latest Comprehensive Energy Efficiency Audit mandated by Local Law 87, it was determined that several energy conservation measures flagged be addressed. These include upgrades of the existing air handling unit controls and LED lighting upgrades to enhance the reliability, as well as increase the comfort and safety of buildings occupants.

Lincoln's main building has thirty-nine air-handling units ("AHU"s) that were installed in 1972 and are beyond their useful lives. In 2006, Lincoln received a comprehensive lighting upgrade that replaced the most of the lights in the main building with T-8 fixtures with electronic ballasts. These, however, are inefficient and outdated.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Retrofit existing fluorescent fixtures with T8 lamps with energy efficient LED tubes on the 1<sup>st</sup>- 3<sup>rd</sup> floors and add automatic lighting controls;
- ❖ Air handling unit upgrades to include replacing existing obsolete motors with premium efficiency motors; installing motorized dampers; replacing pneumatic steam and chilled water control valves; applying epoxy coating to unit casings; replacing induction units downstream of AC-8; and replacing steam and cooling coils;
- ❖ Provide wireless thermostats to allow monitoring and scheduled setbacks of space temperatures.

**TERMS:** NYPA will manage the project for a total project cost of \$13,494,023.

**SAVINGS:**

<b><u>Electrical:</u></b>	
Energy Consumption Savings (quantity):	4,616,569 kilowatts-hours (kWh)
Annual Electric Energy Savings (dollars):	\$692,485
<b><u>Fuel:</u></b>	
Gas Use Reduction Savings (quantity):	422,203 therms
Annual Fuel Savings (dollars):	\$350,428
Total Annual Energy Savings:	<u>\$1,042,913</u>
Simple Payback:	12.94 years

**FINANCING:** PlaNYC Capital through DCAS - \$10,894,000; and NYC Health + Hospitals' City capital funds - \$2,600,023.

**SCHEDULE:** Completion by December 2020



**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/JACOBI**

**OVER-VIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns the NYC Health + Hospitals/Jacobi project.

**NEED:** During the latest Comprehensive Energy Efficiency Audit mandated by Local Law 87, it was determined that several energy conservation measures flagged be addressed to increase the occupants' comfort and safety and yield annual energy savings.

Two of the three chillers in Jacobi's Main Building have exceeded their useful lives and are limited in their operational performance.

The central plant boilers consist of four 725 BHP high-pressure steam boilers with outdated auto flame boiler controls, associated sensors and actuators in need of upgrading to optimization efficiency and reduce energy consumption.

Several buildings on the Jacobi campus have sections of steam/hot water piping that are improperly insulated resulting in loss of large quantities of thermal energy.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Upgrade existing interior fluorescent lighting and fixtures at two of the buildings on the Jacobi campus with energy efficient LED fixtures and lights;
- ❖ Upgrade exterior lighting to LED for energy efficiency and visual performance;
- ❖ Replace two 250-ton chillers, refurbish cooling towers and modify pump systems.
- ❖ Upgrade boiler combustion controls to reduce energy consumption.
- ❖ Refurbish 4 air handling units with premium efficiency motors and variable frequency drive modulated fans; installing motorized dampers; applying epoxy coating to the units casings; and replacing steam heating and cooling coils;
- ❖ Insulate steam/hot water pipes per NYC Energy Code requirements.

**TERMS:** NYPA will manage the project for a total project cost of \$11,050,753.

**SAVINGS:**

<u>Electrical:</u>	
Energy Consumption Savings (quantity):	3,009,709 kilowatts-hours (kWh)
Annual Electric Energy Savings (dollars):	\$361,165
Electric Demand Savings (quantity):	3,508.2 kilowatts (KW)
Annual Electric Demand Savings (dollars):	\$101,736
Total Electric Savings:	\$462,901

**Fuel:**

Gas Use Reduction Savings (quantity):	124,952 therms
Annual Gas Savings (dollars):	\$103,710
Oil Use Reduction Savings (quantity):	8,853 gallons
Annual Oil Savings (dollars):	\$17,574

Total Annual Fuel Savings: \$121,284

Total Annual Energy Savings: \$584,185  
Simple Payback: 18.92 years

**FINANCING:** PlaNYC Capital through DCAS - \$9,207,000; and NYC Health + Hospitals' capital funds - \$1,843,753.

**SCHEDULE:** Completion by December 2020.

**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/BELLEVUE**

**OVER-VIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns the NYC Health + Hospitals/Bellevue project.

**NEED:** During the latest Bellevue Local Law 87 Comprehensive Energy Efficiency Audit, it was determined that efficiencies be achieved by upgrading Bellevue's interior and exterior lighting, and air handling units ("AHU"s). Inefficient linear fluorescent 32-watt T8 lamps and T12 fixtures located sporadically throughout the Facility's five buildings, primarily the Main building, now provide most of the interior lighting.

The Facility's main building has four AHUs and associated return fans supporting the operating rooms, which are original to the building and have exceeded their useful lives.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Replace and retrofit fluorescent fixtures containing T8 and T12 lamps with energy efficient LED lamps. Fixtures with high density discharge, compact fluorescent, and incandescent lamps will be replaced with new fixtures that utilize LED lamps;
- ❖ Install wireless sensors in offices and conference rooms throughout the facility;
- ❖ Upgrade four AHUs and associated return fans.

**TERMS:** NYPA will manage the project for a total project cost of \$14,850,638.

**SAVINGS:**

<u>Electrical:</u>	
Energy Consumption Savings (quantity):	8,594,576 kilowatts-hours (kWh)
Annual Electric Energy Savings (dollars):	\$1,289,186
Total Annual Energy Savings:	<u>\$1,289,186</u>
Simple Payback:	11.52 years

**FINANCING:** PlaNYC Capital through DCAS - \$10,863,000 (no cost); and NYC Health + Hospitals' City capital funds - \$3,987,638.

**SCHEDULE:** Completion by December 2020.

**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/ELMHURST**

**OVER-VIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns the NYC Health + Hospitals/Elmhurst project.

**NEED:** During the latest Elmhurst Local Law 87 Comprehensive Energy Efficiency Audit, it was determined that efficiencies be achieved by replacing the Facility's four existing hot water tanks with energy efficient instantaneous hot water heaters. The four hot water heaters are original to Elmhurst and are beyond their useful asset lives. These units also utilize significant energy to maintain the water in the tanks at the desired temperature. Replacing the four hot water tanks with three new instantaneous hot water heaters will produce energy savings, user safety and legionella risk reduction.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Replace four domestic hot water tanks with three instantaneous hot water heaters;
- ❖ Remove six recirculation pumps that currently serve the existing hot water heaters with two modernize recirculation pumps for the new hot water heaters.

**TERMS:** NYPA will manage the project for a total project cost of \$1,381,017.

**SAVINGS:**

<b><u>Electrical:</u></b>	
Energy Consumption Savings (quantity):	53,618 kilowatts-hours (kWh)
Annual Electric Energy Savings (dollars):	\$8,364
<b><u>Fuel:</u></b>	
Gas Use Reduction Savings (quantity):	19,206 therms
Annual Gas Savings (dollars):	\$16,133
Oil Use Reduction Savings (quantity):	727 gallons
Annual Oil Savings (dollars):	\$1,454
Total Annual Fuel Savings:	\$17,587
Total Annual Energy Savings:	<u>\$25,951</u>
Simple Payback:	53.21 years

**FINANCING:** PlaNYC Capital through DCAS - \$694,000; and NYC Health + Hospitals' City capital funds - \$687,017.

**SCHEDULE:** Completion by December 2019.

**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/KINGS COUNTY**

**OVER-VIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns the NYC Health + Hospitals/Kings County project.

**NEED:** During the latest Kings County Local Law 87 Comprehensive Energy Efficiency Audit, it was determined that existing exterior lighting relies on inefficient lighting technologies such as T12/T8 fluorescent, high pressure sodium and metal halide lights. It was also determined in the "T Building" located on the Kings County campus there are antiquated lighting system in the basement, hallway and lobby areas.

A further inefficiency identified concerns the boiler refractory on one of Kings County's five boilers, which has exceeded its useful life. The refractory has several "hot spots" which severely impact the safe and efficient operations of the boiler.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Replace 500 antiquated and inefficient lights throughout the exterior of the campus and the interior of the "T" building with new high efficiency and low wattage light emitting diode (LED) fixtures.
- ❖ Install new front and rear walls, new mud drum and steam drum seals as well as new roof seals and flooring for one boiler refractory.

**TERMS:** NYPA will manage the project for a total project cost of \$999,996.

**SAVINGS:**

<b><u>Electrical:</u></b>	
Energy Consumption Savings (quantity):	251,233 kilowatts-hours (kWh)
Annual Electric Energy Savings (dollars):	\$39,190
<b><u>Fuel:</u></b>	
Gas Use Reduction Savings (quantity):	1,770 therms
Annual Gas Savings (dollars):	\$1,607
Total Annual Energy Savings:	<u>\$40,797</u>
Simple Payback:	24.52 years

**FINANCING:** PlaNYC Capital through DCAS - \$809,996 (no cost); and NYC Health + Hospitals' City capital funds - \$190,000.

**SCHEDULE:** Completion by December 2019.

**EXECUTIVE SUMMARY  
ENERGY EFFICIENCY UPGRADES  
NYC HEALTH + HOSPITALS/LINCOLN**

**OVER-VIEW:** NYC Health + Hospitals seeks authorization for energy efficiency upgrades at five facilities through a City of New York energy efficiency funding program and using New York Power Authority ("NYPA") as manager. NYPA has fully designed and bid out the Projects. The summary below concerns a second NYC Health + Hospitals/Lincoln project.

**NEED:** Two elevators (#s 18 and 19) that serve Lincoln's emergency trauma units have exceeded their useful lives and experiencing significant down time.

The elevators' ring communication system has also exceeded its useful life and is no longer supported by the vendor.

**SCOPE:** The scope of work for this project includes but is not limited to the following:

- ❖ Furnish and install new car opening panels and complete door packages for elevators #s 18 & 19.
- ❖ Install a new ring intercom system including car sub-stations for Lincoln's 18 elevators, motor rooms, and Hospital Police Office.

**TERMS:** NYPA will manage the project for a total project cost of \$630,661.

**SAVINGS:** Electrical:  
Energy Consumption Savings (quantity): 78,586 kilowatts-hours (kWh)  
Annual Electric Energy Savings (dollars): \$12,259  
  
Total Annual Energy Savings: \$12,259  
Simple Payback: 51.44 years

**FINANCING:** NYC Health + Hospitals' City capital funds - \$630,661.

**SCHEDULE:** Completion by September 2019.

# Six Shovel Ready Projects

Facility	Project Title	Project Description	Project Status	Project Cost (a+b=c)	Funding City Capital Plan (a)	H+H Capital Plan (b)	Annual Energy Savings est.
Bellevue	<i>Energy Conservation Measures Upgrade</i>	Replace and retrofit the existing fluorescent fixtures containing T8 and T12 lamps with energy efficient LED lamps; install wireless sensors in offices and conference rooms; and upgrade four existing air handling units that serve ORs in the Facility's main building.	Bid/Award	\$14,850,638	\$10,863,000	\$3,987,638	\$1,289,186
Lincoln	<i>Energy Conservation Measures Upgrade- Phase 1</i>	Upgrade twenty-one (21) existing air handling units and LED lighting replace on three floors in the Main Building.	Bid/Award	\$13,494,023	\$10,894,000	\$2,600,023	\$1,042,914
Jacobi	<i>Energy Conservation Measures Upgrade</i>	Replace interior and exterior antiquated incandescent and fluorescent lights and fixtures; chiller and boiler plants upgrade; steam/hot water piping insulation; and the refurbishment of existing air handling units in the Facility's main building (Building 1).	Bid/Award	\$11,050,753	\$9,207,000	\$1,843,753	\$584,185
Elmhurst	<i>Domestic Hot Water Heaters Replacement</i>	Replace four (4) existing hot water tanks with three (3) instantaneous hot water heaters.	Bid/Award	\$1,381,017	\$694,000	\$687,017	\$25,951
Kings County	<i>Exterior Lighting &amp; Boiler Refractory Upgrades</i>	Upgrade existing exterior system with high efficiency LED technology; and upgrade boiler refractory.	Bid/Award	\$999,996	\$809,996	\$190,000	\$40,797
Lincoln	<i>Upgrade Two Elevators &amp; Elevators' Ring Communications System</i>	Furnish and install new car opening panels and complete door packages for elevators #s 18 and 19; and install new ring intercom system.	Bid/Award	\$630,661	\$0	\$630,661	\$12,259
	<b>Total</b>			<b>\$42,407,088</b>	<b>\$32,467,996</b>	<b>\$9,939,092</b>	<b>\$2,995,293</b>



**REQUIREMENTS CONTRACT AMMENDMENT**

**AE / MEP / LOCAL LAW 11 SERVICES**

**OFFICE OF FACILITIES DEVELOPMENT**



## RESOLUTION

Amending the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation ("NYC Health + Hospitals") on December 6, 2016 that authorized the execution of requirements contracts with seven Architectural and Engineering ("AE") consulting firms namely DaSilva Architects, PC, Francis Cauffman, Inc., Gertler & Wente Architects, Lothrop Associates, LLP, MJCL Architect, PLLC, Perkins Eastman Architects, DPC, and TPG Architecture, to provide professional AE design services; and with six Mechanical, Engineering, and Plumbing ("MEP") consulting firms, namely Goldman Copeland Associates, PC, Greenman- Pedersen, Inc., Jacob Feinberg Katz & Michaeli Consulting Group, LLC, Kallen & Lemelson, Consulting Engineers, LLP, LiRo Engineering, Inc., and R. G. Vanderweil Engineers, LLP, to provide professional MEP design services; and with six Local Law Inspection consulting firms, namely HAKS Engineers, Architects and Land Surveyors, PC, Hoffman Architects, Inc., Raman and Oudjian Engineers and Architects, PC, Ronnette Riley Architect, Superstructures Engineering + Architecture, PLLC, and Thornton Tomasetti, Inc., to provide professional Local Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance on an as-needed basis at various facilities throughout the organization with such amendment increasing the \$15,000,000 not to exceed limit by \$8,000,000 to bring the total not to exceed limit to \$23,000,000.

**WHEREAS**, NYC Health + Hospitals facilities require, from time to time, professional AE/MEP design services and Local Law 11 inspection and filing services and professional AE design services in connection with Local Law 11 compliance; and

**WHEREAS**, NYC Health + Hospitals had determined that the needs of its facilities for such services can best be met by utilizing outside firms, on an as-needed basis, the requirements contractors all of whom were procured through a Request for Proposals process; and

**WHEREAS**, the availability of such requirements contractors has proven to be very useful and valuable to NYC Health + Hospitals and has greatly contributed to its ability to respond promptly to construction, planning and maintenance needs; and

**WHEREAS**, it has proven useful for many parts of NYC Health + Hospitals to draw on the approved requirements contracts in ways that were not anticipated when the December 2016 resolution was adopted which has caused the not-to-exceed limitation on such contracts to be approach much earlier than expected; and

**WHEREAS**, the requirements contracts as originally awarded were for one year with two one-year options to renew exercisable solely by NYC Health + Hospitals with the contracts now being in the second and final option year.

**NOW THEREFORE**, it is hereby resolved that, the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation on December 6, 2016 that authorized the execution of requirements contracts with seven Architectural and Engineering ("AE") consulting firms namely DaSilva

**Page Two – Resolution  
Contract Amendment**

Architects, PC, Francis Cauffman, Inc., Gertler & Wentz Architects, Lothrop Associates, LLP, MJCL Architect, PLLC, Perkins Eastman Architects, DPC, and TPG Architecture, to provide professional AE design services; and with six Mechanical, Engineering, and Plumbing (“MEP”) consulting firms, namely Goldman Copeland Associates, PC, Greenman- Pedersen, Inc., Jacob Feinberg Katz & Michaeli Consulting Group, LLC, Kallen & Lemelson, Consulting Engineers, LLP, LiRo Engineering, Inc., and R. G. Vanderweil Engineers, LLP, to provide professional MEP design services; and with six Local Law Inspection consulting firms, namely HAKS Engineers, Architects and Land Surveyors, PC, Hoffman Architects, Inc., Raman and Oudjian Engineers and Architects, PC, Ronnette Riley Architect, Superstructures Engineering + Architecture, PLLC, and Thornton Tomasetti, Inc., to provide professional Local Law 11 inspection and filing services and AE services in connection with Local Law 11 be amended to increase the \$15,000,000 not to exceed limit by \$8,000,000 to bring the total not to exceed limit to \$23,000,000.

## EXECUTIVE SUMMARY

### AMENDMENT OF RESOLUTION LIFTING PRIOR NOT-TO-EXCEED CAP ON ARCHITECT/ENGINEER POOL OF REQUIREMENTS CONTRACTS

**OVER-  
VIEW**

For many years, NYC Health + Hospitals has used requirements contracts to meet many of its needs for professional construction services. In fact, the statute that created NYC Health + Hospitals specifically allows pre-qualification of contractors. Historically, the resolutions that have approved such contracting has included a not-to-exceed limit. In December 2016, the Board approved a large set of designers and consultants to serve on a requirements basis, *i.e.*, as needed with a single not-to-exceed limit on the expenditure for the entire pool. These contractors were intended to, and have in fact, operated in three distinct spheres: professional architects and engineers (“A&E”) design services; Mechanical, Engineering, and Plumbing (“MEP”) consulting; and Local Law 11 (façade) assessment and repair specifications. These contracts have worked well and have been heavily drawn upon throughout the organization enabling the organization to respond quickly to a wide range of requests and needs. In fact, they have been so useful that currently \$14,826,823.03 has been expended leaving only \$173,176.97 remaining through the expiration of the contracts at the end of the year. These contracts have been used for many projects not envisioned in 2016 such as feasibility studies for the office move to 50 Water. These additional uses has pushed the expenditures close to the total allowed.

**NEED:**

Additional uses of the subject requirements contracts are anticipated some of which are not known. Each use of these requirements contracts is made with explicitly identified funding. Some of such funding comes from operating funds and some comes from City Capital.

**PROGRAM:**

The subject contracts will expire in December 2016. NYC Health + Hospitals will perform another RFP to secure a continuing pool of requirements contractors in these fields. No aspect of the current contracts will change. The only proposed change is to increase the funding cap from \$15,000,000 to \$23,000,000 subject to funding availability.