

CAPITAL COMMITTEE
MEETING AGENDA

July 11, 2019

10:00 AM

125 Worth Street, Room 532
5th Floor Board Room

CALL TO ORDER

Feniosky Peña-Mora

- ADOPTION OF MINUTES – May 16, 2019

Feniosky Peña-Mora

- SENIOR VICE PRESIDENT’S REPORT

Christine Flaherty

ACTION ITEMS

- **Resolution**

Theodore Long, MD

Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.

and

Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”

and

Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.

Vendex: NA

- **Resolution**

Maureen McClusky

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a 30 year lease with Camelot of Staten Island, Inc. (“Camelot”) with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder (“SUD”) program on the campus of NYC Health + Hospitals/Sea View (the “Facility”) on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50/sq. ft. to be escalated by 2.5% per year for a total rent over the 30 year initial term of \$10,975,676.

Vendex: Approved.

- **Resolution** **Christine Flaherty**
Authorizing New York City Health and Hospitals Corporation (the "System") to execute a short-term six month extension of the existing agreement with Johnson Controls, Inc. ("JCI") to manage and maintain the System's building management system ("BMS") and fire alarm monitoring system ("Fire System") at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000.

Vendex: Approved.
EEO: Approved.

- **Resolution** **Alfonso Pistone**
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Verizon Wireless (the "Licensee") to operate a cellular communications system in approximately 300 square feet of space on the roof of the "C Building" at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center (the "Facility") at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five year total of \$260,202.

Vendex: Pending.

- **Resolution** **Chris Mastromano**
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a revocable five year license agreement with the New York City Police Department ("NYPD" or "Licensee") for its use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Medical Center (the "Facility") with the occupancy fee waived.

Vendex: NA.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

May 16, 2019

MINUTES

Capital Committee

Meeting Date: May 16, 2019

Time: 10:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

José Pagán, Chairman of the Board

Freda Wang

Feniosky Peña-Mora

Matthew Siegler – designee of Mitchell Katz, President, Chief Executive Officer, in a voting capacity

HHC Staff:

Jeremy Berman – Deputy Counsel, Office of Legal Affairs

Ebone Carrington – Executive Director, NYC Health + Hospitals / Harlem

Daniel Gadioma – Associate Director, NYC Health + Hospitals / Kings County

Graham Gulian – Deputy Executive Director, NYC Health + Hospitals / Kings County

Colicia Hercules – Chief of Staff, Office of the Chairman

Mahendranath Indar – Senior Director, Office of Facilities Development

Louis Iglhaut – Assistant Vice President, Office of Facilities Development

Ana Marengo – Senior Vice President, Communications and Marketing

Maureen McClusky – Senior Vice President, Post-Acute Care Operations

Sharon McPherson – Senior Executive Secretary, Office of the Chairman

Milenko Milinic – Associate Executive Director, Elmhurst Hospital Center

Manuel Saez – Senior Director, Corporate Support Services

Brenda Schultz – Senior Assistant Vice President, Finance

Cyril Toussaint – Director, Office of Facilities Development

John Ulberg – Senior Vice President, Finance

David Weinstein – Chief Executive Officer, Dr. Susan Smith McKinney Nursing & Rehabilitation Center

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

Outside Representatives:

Jessika Graterol – NYC Office of Management and Budget

CALL TO ORDER

The meeting was called to order by Feniosky Peña-Mora, Chairman of the Capital Committee, at 10:07 A.M.

VICE PRESIDENT'S REPORT

Roslyn Weinstein, Vice President, advised that the agenda included a lease extension for an Adult Day Health Care Center in Queens, a presentation and request for project approval for construction projects at Harlem, a license agreement with T-Mobile for short-term space on the old Neponsit campus in Queens, three new General Construction Job Order Contracts, and a façade and roofing project at Kings County.

Ms. Weinstein noted that construction on the new building at Coney Island was going well and she looked forward to sharing progress photos.

Mr. Peña-Mora suggested a site visit at some point. Ms. Weinstein agreed that was a good idea.

That concluded her report.

ACTION ITEMS

- Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a three year lease extension agreement with Chestnut Station Inc. (the "Landlord") for approximately 6,000 square feet of interior space and 2,560 square feet of exterior space at 230 Beach 102nd Street, Borough of Queens, to house an Adult Day Health Care Center (the "Center") managed by NYC Health + Hospitals/Dr. Susan Smith McKinney Nursing & Rehabilitation Center (the "Facility") at a base rent of \$34.50 per square foot for the interior space and \$15.00 per square foot for the exterior space for a total of \$245,400 per year to be escalated by 2.5% per year for a total base rent over the three year term of \$754,758 with the System having a right to terminate the lease on six months' notice.

David Weinstein, Chief Executive Officer, Dr. Susan Smith McKinney Nursing & Rehabilitation Center, read the resolution into the record. Mr. Weinstein was joined by Maureen McClusky, Senior Vice President, Post-Acute Care Operations.

Mr. Weinstein explained that a three-year extension was being requested on an existing lease, and noted there is an option to terminate on six months' notice if so desired by the system.

Ms. McClusky gave an overview of the program, noting that it had been managed by NYC Health + Hospitals since 1998, and at the existing location since 2003. The program provides nursing, physical therapy, social services, therapeutic recreation, dementia programs, nutritional meals and counseling. The staff includes a director, a Registered Nurse, a caseworker, an activity therapy assistant, three patient care technicians, one environmental aide, and one dietary aide. She explained that the program had 75 registrants on its roster, which translated to 35 participants per day, and operates Monday through Friday.

Mr. Peña-Mora asked if there was any ongoing effort to increase utilization, being that there was room in the program for 50 per day.

Mr. Weinstein explained that the Adult Day Care Center model being used at the facility was a medical model, primarily reimbursed by Medicaid, and shifts in the current market often mandated that community-based Medicaid recipients were to go to Managed Medicaid programs. These medical based models were coming under scrutiny because of their cost. He said many of the programs were being shifted to more social models that were less expensive, and did not provide the medical services aspect. The medical model was an alternative to unnecessary nursing home admissions, and worked successfully but managed Medicaid has changed that. That being said, Mr. Weinstein stated that program management continued to make every effort to get the word out about all the programs being offered, and the services available.

Ms. McClusky added that the location was not easy to get to or readily accessible by public transportation but served the local area. She noted that there were other models out there, and those were being reviewed by Health + Hospitals, to see if an alternative way of operating would be better.

Mr. Peña-Mora asked if the ratio of staff and services to patients was robust or if sustainability was practical. Ms. McClusky acknowledged that the program was not a money maker, and served a relatively low census area, so different service models were being reviewed, and the State was supportive of that. The number of Adult Day programs available is shrinking, and there were newer models that were more sustainable, and those options were being investigated.

Ms. McClusky noted that the facility occupied 8,560 square-feet of ground floor, indoor and outdoor space, in a two-story structure, with other health care providers on site.

Ms. McClusky thanked Legal Affairs for negotiating the six-month exit clause in the agreement, allowing for termination if desired by Health + Hospitals.

Mr. Pagán asked if the idea behind the three-year term was that it would hold the program over while other options were explored. Ms. McClusky said yes.

Mr. Pagán asked how many staff worked at the center. Mr. Weinstein said there were approximately seven or eight staff on site. Many of them part-time. Ms. McClusky noted that the staffing compliment is mandated by the Department of Health.

Mr. Peña-Mora asked if registrants were locals. Mr. Weinstein said yes, it was not an easily accessible area, so program participants were from nearby.

There being no further 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.

On motion, the Committee voted to adopt the minutes of the March 19, 2019, Capital Committee meeting.

- **Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute an agreement with Vanguard Construction (“Vanguard”) for the renovation of shell space on the 5th floor of the Mural Pavilion of NYC Health + Hospitals/Harlem (the “Hospital”) to house the Hospital’s outpatient behavioral health clinics which are to be relocated from the Hospital’s Women’s Pavilion and to add outpatient primary care facilities at a cost not to exceed \$6,627,734, which includes a 9% construction contingency.**

Ebone Carrington, Executive Director, NYC Health + Hospitals / Harlem, read the resolution into the record. Ms. Carrington was joined by Mahendranath Indar, Senior Director, Office of Facilities Development.

Ms. Carrington provided contextual framework to the project, explaining the Public Health Laboratory relocation, and allowing Mr. Indar to provide overview of the construction work.

Ms. Carrington explained that the relocation of the New York City Department of Health Public Health Lab was a Mayoral Initiative, being led by the Economic Development Corporation (EDC), who was responsible for construction of the Public Health Lab as well as the demolition of the Women’s Pavilion, for which the bid documents were being created. The project included the relocation of existing programs into an existing building on the Harlem campus. Programs being relocated includes; a data center, Information Technology Department, Human Resources, Occupational Health Services, Health Information Management/Medical Records, several Behavioral Health Ambulatory programs, and various trade shops. The building will be decanted in preparation for demolition and construction of the new multi-story structure.

Mr. Indar explained that funding for the project came from two sources; NYC Health + Hospitals Capital (NYC Capital), in the amount of \$29 million, and, New York State Department of Health Capital Restructuring Finance Program (CRFP), in the amount of \$9.1 million – which was awarded to Harlem for the integration of Behavioral Health programs into a Primary Care setting.

Mr. Indar outlined the various project components, and their specific funding sources, indicating that the IT Data Center and Support Services relocations would be funded by NYC Capital, and the Behavioral Health Relocation would be funded by the CRFP. He noted that the project being discussed at the meeting fell under the CRFP funded relocation of Behavioral Health, specifically the construction portion, for which Vanguard Construction (Vanguard) had been awarded a contract in the amount of \$6,627,734.

Mr. Indar advised that the construction portion of the project had been solicited by public bid. Vanguard Construction was the lowest responsible bidder and had met a 30% Minority, and Women Owned Business (MWBE) goal, with 10% WBE and 20% MBE. He noted that the contract for \$6,627,734 included a 9% contingency.

Mr. Peña-Mora stated that MWBE goals had been established during bidding and contracting, but if work had not been completed then the goals had not in fact been met. Mr. Indar agreed. He noted that Vanguard had presented a plan including subcontracting Heating, Ventilation and Air Conditioning (HVAC) work in the amount of \$1,234,000 (approximately 20% of the contract value), and Millwork and Ceramic Tile work in the amount of \$660,500 (approximately 10.9% of the contract value).

Mr. Peña-Mora stated that was a 31% plan, exceeding goals.

Mr. Indar said construction was expected to begin on June 3, 2019, with anticipated completion by November 29, 2019.

Matthew Siegler, Senior Vice President, Office of the President, thanked Ms. Carrington and Ms. Weinstein, and their respective teams, for the collaborative effort on the project. Mr. Peña-Mora seconded that statement, noting that the project was a high profile priority and the collaborative work effort was much appreciated.

There being no further 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.

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a three month revocable license agreement with T-Mobile Northeast LLC (the "Licensee") to operate a mobile cellular communications system on an approximately 750 square foot parcel of land located on the campus of the former Neponsit Health Care Center (the "Facility"), located at 67 Rockaway Beach Boulevard, Queens, at an occupancy fee of \$50,000 or \$267 per square foot.**

Milenko Milinic, Associate Executive Director, NYC Health + Hospitals / Elmhurst, read the resolution into the record.

Mr. Milinic explained that T-Mobile had requested authorization to locate a temporary cell tower on a 75 square foot parcel of land on the campus of the former Neponsit Health Care Facility. He noted that the facility had been closed and the building on site vacated for nearly twenty years. Mr. Milinic added that a \$50,000 occupancy would be paid for the three-month term.

Freda Wang asked why the term was so short. Louis Iglhaut, Assistant Vice President, Office of Facilities Development explained that the location was near the beach and the request was to provide better service to beach goers during the summer beach season.

Ms. Wang asked if this was expected to be a recurring agreement, for the following summers as well. Mr. Milinic said that he believed that would be determined based on the success of this first agreement.

Ms. Wang asked if Health + Hospitals had initiated the agreement or if T-Mobile had come to Health + Hospitals. Mr. Milinic advised that T-Mobile approached the system. Mr. Berman agreed, and noted that companies frequently looked for desirable locations to locate equipment that would expand their service area. He advised that over the years there had been a number of such agreements, at locations throughout the system.

Ms. Wang noted that the occupancy fee was significantly larger than similar arrangements referenced in the package. Mr. Milinic said yes, it was more than double the fee paid for other existing antenna agreements. Mr. Berman agreed and said that other arrangements were slightly different, being that they were for longer terms. Negotiations for this particular site had started much lower, said Mr. Berman, at \$12,000 for the term, but an agreement was reached for \$50,000 for the full three-month term.

There being no further 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.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a requirements contract with Jemco Electrical Contractors (the "Contractor") in the amount of \$10,000,000 to provide general construction services on an as-needed basis at various facilities throughout NYC Health + Hospitals over a two-year term.**

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

Mr. Iglhaut advised that these types of contracts, procured approximately every two years, were in place to facilitate construction projects that come up on an as needed basis. These types of contracts had been used for nearly 20 years and met needs throughout the system. He noted that the same types of contracts were used in other City agencies, including, School Construction Authority, Department of Sanitation and the Department of Environmental Protection. They all used Indefinite Quantity Construction Contracts (IQCCs).

Ms. Wang asked if these contracts were related to the Requirements Contracts addressed at the March meeting. Mr. Peña-Mora said no, those were Professional Services, these contracts are for construction, and are new contracts. Mr. Iglhaut confirmed.

Mr. Iglhaut stated that usage of the current contracts, which expires at the end of June 2019, were \$7,757,626, \$9,132,076, and \$7,469,653, all nearing the \$10,000,000 threshold.

Ms. Wang asked if projects utilizing these contracts would be brought before the Capital Committee and Board. Mr. Iglhaut said no, the approval of these contracts is the approval to issue up to that amount of work to these vendors but each work order issued against them would require funding be in place.

Mr. Peña-Mora asked if there were requirements for the number of respondents when a proposal or bid was requested. Mr. Iglhaut said no and explained that these types of contracts were established based on an itemized task catalog, meaning that basic materials, jobs, and work to be performed were already priced.

So there are unit prices, asked Mr. Peña-Mora. Yes, said Mr. Iglhaut.

Ms. Wang asked for an explanation of the process. Mr. Iglhaut explained that there was a task catalog that included, varied items related to construction, materials, etc., and the bidding contractors bid on those itemized tasks in the catalog – and that was called their multiplier. For example, if painting a room is valued at \$1 then the vendor bids based on how close to that dollar their price will be.

Ms. Wang said, for example, a vendor could bid \$0.90. Mr. Iglhaut said yes.

Mr. Iglhaut noted that having these contracts in place allowed for quick responses to construction needs throughout the system.

Ms. Wang asked if all three contracts being presented would perform the same work. Mr. Iglhaut said yes.

Ms. Wang asked if they all met MWBE requirements. Mr. Iglhaut advised that Jemco had a 30% utilization goal, and the other two vendors, Rashel and Carefree, were Minority Owned Businesses (MBEs).

Mr. Peña-Mora asked if there was documentation of Jemco meeting their utilization goals. Ms. Weinstein said yes, that information was reviewed and forwarded prior to the meeting but could be sent again.

There being no further 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.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a requirements contract with Rashel Construction Corporation (the "Contractor") in the amount of \$10,000,000 to provide general construction services on an as-needed basis at various facilities throughout NYC Health + Hospitals over a term of two years.**

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

Mr. Peña-Mora asked if Rashel was an MWBE. Mr. Iglhaut said yes, Rashel was an MBE and their certificate was included in the package.

Mr. Peña-Mora noted that the other two vendors had approved Vendex but Vendex status was pending for Rashel. Mr. Iglhaut said yes, they have submitted all required information into the Vendex-PassPort system and a vendor name check is being performed by the Department of Investigations, a regular step in the process for all vendors as a part of review. Mr. Iglhaut indicated that approval was anticipated as the vendor historically had no Vendex problems and has had multiple contracts with NYC Health + Hospitals.

Ms. Weinstein explained that as part of a new process there was Health + Hospitals staff specifically responsible for checking the system for approvals or red flags. We had not been informed of any issues, so it just seemed to be moving a little slower through the process than the others.

Mr. Peña-Mora asked when contracts were anticipated to begin. Mr. Iglhaut said by July 1, 2019. Mr. Peña-Mora asked whether the contract would be issued without Vendex approval. Mr. Iglhaut said no, as is the case with all contracts that have Vendex requirements. No contract and no work would be issued until Vendex was approved.

Mr. Peña-Mora asked if subcontracting and MWBE plans had been submitted, being that the vendor was an MBE. Mr. Iglhaut and Ms. Weinstein said they would have to review that information and report back. Mr. Peña-Mora said he would be interested in knowing. They may be self-performing, which would be acceptable, but I would like to know.

Ms. Wang asked if the contracts were procured through a single bid. Mr. Iglhaut said no, there were three bids for the same services. He noted that if one vendor was awarded one of the single bids then they were excluded from the other bids.

Ms. Wang asked if the award criteria was included in the package. Mr. Iglhaut said yes, along with MWBE status and past experience. The criteria was judged by facility Directors of Engineering.

Mr. Peña-Mora asked if task orders were sent to all vendors or only one. Mr. Iglhaut said they go to all vendors. Mr. Berman explained that no vendor awarded one of these contracts was promised any work.

Mr. Pagán asked if this could not be presented as one contract. Mr. Iglhaut explained that there were three separate contracts, with three separate vendors, for individual amounts, so they would need to be approved individually.

Mr. Peña-Mora said he felt these services could be contracted using a pool. Ms. Weinstein said she welcomed reviewing the process and seeing if other methods worked better.

Ms. Wang asked why the Requirement Contracts for services were pooled and the JOCs were not. Mr. Iglhaut said the separate contracts were to ensure that no single vendor performed all work. Mr. Peña-Mora said there were ways to do that using only one contract and multiple vendors but noted, there were different structures contracting.

Mr. Berman said it could be presented as a \$30,000,000 pool with three available vendors. Mr. Iglhaut reiterated that these were bid as separate contracts and needed to be awarded as such. Mr. Peña-Mora said he understood, and again noted that there were various ways of procuring services. Ms. Weinstein agreed and said the department was happy to explore other methods.

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

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

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a requirements contract with Carefree Improvements (the "Contractor") in the amount of \$10,000,000 to provide construction services for general construction services on an as-needed basis at various facilities throughout NYC Health + Hospitals over a term of two years.**

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

Mr. Iglhaut noted that this was an MBE vendor. Ms. Weinstein added that subcontracting information would be provided to Mr. Peña-Mora, as requested with the other contracts.

There being no further 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.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to approve a Capital Project for an amount not to exceed \$17,605,000 for construction services necessary for the reconstruction of the exterior façade and the re-roofing of the "P" Building (the "Project") at NYC Health + Hospitals / Kings County Hospital Center (the "Facility").**

Graham Gulian, Deputy Executive Director, NYC Health + Hospitals / Kings County, read the resolution into the record. Mr. Gulian was joined by Daniel Gadioma, Associate Director, NYC Health + Hospitals / Kings County.

Mr. Gulian explained that the five-story "P" Building, on the Kings County campus, housed the Lab Services Department, where testing and results of approximately 5.6 million tests were completed annually. A core service to the hospital, he said.

Mr. Gulian asked Mr. Gadioma to provide more detailed information on the project. Mr. Gadioma noted that the building had been constructed in 1955 and the exterior envelope was still original. The roofing was now deteriorating, causing water infiltration, the stone panels of the façade were delaminating and the bricks were cracking. The final element of the project was the windows, which are single pane and inefficient. This project would correct all those deficiencies. The selected contractor is an MBE vendor.

Mr. Siegler asked if this was for inpatient labs. Mr. Gulian said yes. Mr. Siegler asked if the facility was using the joint venture labs. Mr. Gulian said yes, the Northwell Joint Venture.

Mr. Peña-Mora asked if for the subcontracting information for this vendor as well. Mr. Iglhaut said it would be provided.

Mr. Peña-Mora asked if the vendor had worked with Health + Hospitals previously. Mr. Iglhaut said not in many years.

There being no further 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 10:54 A.M.

LEASE AMENDMENT

COMMUNITY HEALTH CLINIC

1920 WEBSTER AVENUE, BRONX

NYC HEALTH + HOSPITALS / GOTHAM HEALTH

RESOLUTION

Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.

and

Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”

and

Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.

WHEREAS, at its October 2018 meeting the System’s Board of Directors authorized the execution of a lease for the rental of the Premises in the form attached; and

WHEREAS, the total area to be rented was incorrectly stated to be 21,236 square feet although the actual measurement is approximately 21,643 square feet; and

WHEREAS, although the October resolution stated an incorrect measurement of the area to be rented, the correct figure was used in calculating the rent payments authorized and thus the correction of the error does not alter the financial projections or authorizations; and

WHEREAS, the resolution named the Landlord as “Master Lease LLC;” and

WHEREAS, upon negotiation of the lease and review of the Landlord’s organization chart it was determined that the correct name of the Landlord is actually, “TR Master Lease LLC;” and

WHEREAS, to avoid any uncertainty concerning the effectiveness of the October 2018 authorizing resolution, it is prudent to amend the resolution to correct the total area to be rented and the name of the Landlord; and

WHEREAS, a corner portion measuring approximately 1,500 sq. ft. of the property to be leased had originally been held back by the Landlord for possible rental to a third party has subsequently become available for lease to the System; and

WHEREAS, it will be useful to the System to include in the property to be leased the previously unavailable 1,500 sq. ft. so that the property leased consists of a more regular space without cutouts and so that the System gets the use of the corner portion of the property to increase the visibility of the clinic.

NOW THEREFORE BE IT RESOLVED that the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.

AND IT IS FURTHER RESOLVED that the October 2018 resolution be further amended to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”

AND IT IS FURTHER RESOLVED that the October 2018 resolution is further amended to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.

EXECUTIVE SUMMARY
AMENDMENT TO PRIOR RESOLUTION AUTHORIZING
THE RENTAL OF SPACE AT
1920 WEBSTER AVENUE, BRONX, NY
TO HOUSE A COMMUNITY HEALTH CENTER

OVERVIEW: At its October 2018 meeting, the System's Board of Directors authorized a lease of space at 1920 Webster Avenue, Bronx, NY to house a Community Health Center under the Gotham FQHC structure. Three amendments to the resolution are sought: two are technical corrections and one is a small but substantive change.

PROGRAM: The new location is one of three new primary care sites authorized at the October 2018 Board meeting. These represent a major initiative by the System to expand primary care. The three new locations reflect a new vision for primary care as to the size of the planned clinics which enables the provision of a wider range of services, as to the use of the Gotham FQHC structure, as to the purposeful location of the sites rather than the use of historic locations and as to the unified and coherent architectural and clinic design of the sites. See the attached Board approved resolution from October 2018 for further details.

PROPOSAL: Three amendments to the October 2018 resolution are sought. The first two are technical. (1) To correct an error in the statement of the area to be rented originally said to be "approximately 21,236 square feet" whereas it is approximately 21,643 square feet. This is primarily a technical matter because the total rent authorized in the original resolution was correctly stated and so no change is need to reflect an increased rent payable. (2) To correct the name of the Landlord from "Master Lease LLC" to "TR Master Lease LLC." The building in which the clinic is to be located is structured to provide affordable housing. Affordable housing developments generally use elaborate ownership structures for regulatory, tax and financing reasons and the Landlord had not be clear about the correct name of the actual landlord entity. (3) To authorize the rental of an additional 1,500 square foot area. This is a desirable corner location that abuts the original clinic dimensions. This area had originally been held back by the Landlord for possible rental to a third party. Subsequently the Landlord offered the space to the System. The additional space is an addition to the original space. With the new space included the property to be leased will consist of a more regular space without cutouts and the corner portion of the property will increase the visibility of the clinic. Having the additional space creates the possibility for its use as a retail pharmacy with potential to attract customers beyond clinic patients.

FINANCING: The general financing of the project is included in the attached October 2018 resolution. The proposed amendments with the increase in the rentable square feet by 1,500 at \$42.50/ft increases the initial rent by \$63,750 over the first year of the lease and corresponding amounts in subsequent years and brings the total rental cost of the project to \$17,626,267 over the 15-year term of the lease after factoring in eight months of free rent.

1920 Webster Ave.

	<u>Floor Area (SF)</u>	<u>Rent/SF</u>	<u>Annual Rent</u>	<u>Escalation/yr</u>	<u>15 Year total *</u>
Original Lease	21,643	\$42.50	\$919,828	3%	\$16,483,086
Space Added	<u>1,500</u>	\$42.50	<u>\$63,750</u>	3%	<u>\$1,143,181</u>
Total	23,143		\$983,578		\$17,626,267

*includes free rent

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a lease with Master Lease LLC (the "Landlord") for an initial term of 15 years with one five- year option to renew for approximately 21,236 square feet of ground floor space (the "Premises") in the building at 1920 Webster Avenue, Bronx, New York (the "Building") to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828 year or \$42.50/square foot to be escalated by 3% annually for a total rent after factoring in eight months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached.

WHEREAS, System wishes to increase the number of unique patients seen in primary care; and

WHEREAS, part of this initiative is opening new community health centers in medically underserved neighborhoods with underserved patients including MetroPlus enrollees; and

WHEREAS, the Board of Directors of Gotham Health FQHC, Inc., a Federally-Qualified Health Center, has voted to locate a primary care clinic in the Tremont section of the Bronx; and

WHEREAS, the proposed clinic will provide comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients; and

WHEREAS, the Premises will be delivered to the System as a newly renovated "vanilla box" with all base building and structural elements in good working order, however, it will require construction to out-fit the Premises for use as a medical facility; and

WHEREAS, the System will return to the Board of Directors for authorization to undertake the fit-out of the Premises with a defined budget; and

WHEREAS, the fit-out of the Building shall be the responsibility of the System's Vice President for Corporate Operations and the clinical operation of the Community Health Center will be the responsibility of the System's Vice President for Ambulatory Care.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a lease with Master Lease LLC for an initial term of 15 years with one five-year option to renew for approximately 21,236 square feet of ground floor space in the building located at 1920 Webster Avenue, Bronx, New York to house a community health clinic to be operated by the System under the NYC + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828/year or \$42.50/sf to be escalated by 3% annually for a total rent after factoring in 8 months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/GOTHAM HEALTH FQHC 1920 WEBSTER AVENUE, BRONX, NEW YORK

- BACKGROUND:** The System seeks authorization from its Board of Directors to execute a lease for a term of 15 years with one five-year option for approximately 21,236 square feet of ground floor space at 1920 Webster Avenue located in the Tremont section of the Bronx for the System's operation of a community health clinic under the NYC Health + Hospitals/Gotham FQHC, Inc. structure.
- NEED:** The System is working to expand its primary care services and the number of unique patients seen in primary care. Currently the System sees approximately 417,000 unique patients in primary care at hospital-based clinics and community health centers. Part of this expansion is opening new community health centers in medically underserved neighborhoods where there is potential for attracting patients not currently attached to a regular primary care provider including those who are MetroPlus enrollees.
- GOTHAM STRUCTURE:** The System is party to a Co-applicant Agreement with Gotham Health FQHC, Inc. ("Gotham") pursuant to which the System and Gotham share certain aspects of the governance of certain health care clinics according to guidelines established by the Health Resources and Services Administration ("HRSA"). The System operates such clinics with its staff, resources and facilities and collects all of the revenues generated by such clinics. In accordance with HRSA regulations, the Gotham board is entirely independent of the System though some of its members also serve on Community Advisory Boards associated with the System's hospitals. Per such regulations, some members of the Board are patients at the health center. HRSA has recognized the clinics operated under such structure as a Federally Qualified Health Center (an "FQHC") which is entitled to Medicaid reimbursement at preferential rates. In the allocation of governance powers mandated by HRSA, the Board of Directors of Gotham has the authority to approve the opening of a new site. Following that approach, the Gotham Board visited many prospective sites and has voted to locate a new community health center in the Premises. With the vote by Gotham Board, the question now shifts to the System's Board to determine if the System wishes to operate an FQHC at the Premises.
- THE BUILDING:** The Building is a 13-story mixed use structure that will contain 256 affordable housing units on the upper floors and retail on the ground floor. It is located near the B and D subway lines and is 3.8 miles from NYC Health + Hospitals/Jacobi and 3.6 miles from NYC Health + Hospitals/North Central Bronx. The Building is currently under construction and the base building mechanical, electrical and plumbing systems for the ground floor space will be completed in early 2019. The Premises will be delivered in finished "vanilla box" condition. The System, at its own expense, will build-out the interior to accommodate an Article 28 health facility.
- CONSTRUCTION:** The System has not yet prepared detailed plans for the fit-out of the Premises and accordingly a definite budget for such construction does not yet exist. Recent experience indicates that the design and fit-out of a clinic of this size to Article 28 standards including design, FF&E and IT infrastructure, will cost approximately \$800/ft. for a total cost of \$17M. When detailed plans and a definite construction budget have been developed, the System will return to the Board of Directors for authority to proceed with the fit-out.

It is anticipated that the clinic will open in 2021.

PROPOSED PROGRAM The clinic at the Building will offer comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients to be finalized based on detailed community analysis. A projected status-quo Profit and Loss statement will be attached.

TERMS:

Term. 15 years

Renewal Option. One five-year option

Base Rent. \$42.50/sf or \$919,828/year for, a total of \$17,107,802 over the term

Escalation. 3% annually

Free Rent. 8 months valued at \$624,716

Total Rent. Total rent over the term with free rent included will be \$16,483,086

Landlord Work Letter. \$33/sf

Utilities. Tenant will be responsible for payment of all utilities

Real Estate Taxes. Tenant shall pay its proportionate share of real estate tax increases above the 2019/2020 base year.

Repairs/Maintenance. Landlord shall be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building-wide mechanical systems including repair/replacement of the roof, windows and the main utility feeder, water and waste lines.

Construction. Tenant will be responsible for build-out of the interior space at an estimated cost of \$17M which includes design, FF&E and IT/telecomm infrastructure. When detailed plans and a construction budget is finalized, Board approval will be obtained.

Primary Care Expansion

Capital Committee Meeting

July 11, 2019

Dr. Theodore Long, Vice President Ambulatory
Care



Primary Care Strategy

Access

Employee engagement

Value

Growth

- Grow where we are (additional PCPs, clinical efficiencies)
- Grow in new locations
 - Grow with integrated primary care and one-stop-shopping services
 - Grow where there is need AND opportunity
 - Grow in spaces that will attract and retain patients

Proposal: Lease and build 3 new primary care sites

Impact:

- 50K additional patients
- \$83M of capital required—already allocated by City
- Positive revenue projected for all sites by year 2



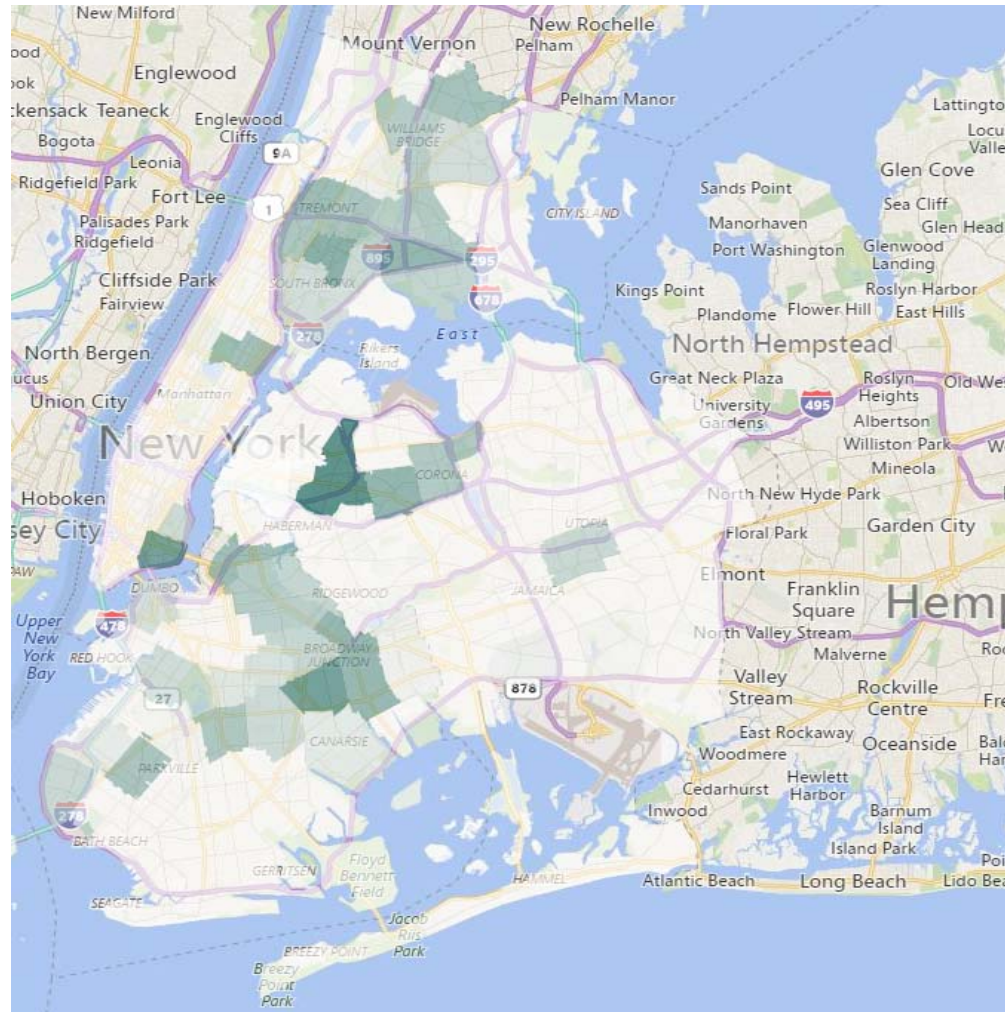
Neighborhood Selection Criteria

Need

- Current health outcomes
- Social determinants of future health outcomes
- Physical environment

Opportunity

- Relative number of newly insured individuals in a particular area that need primary care
- Concentration of M+ enrollees



Opportunity and need (darker for greater composite score).



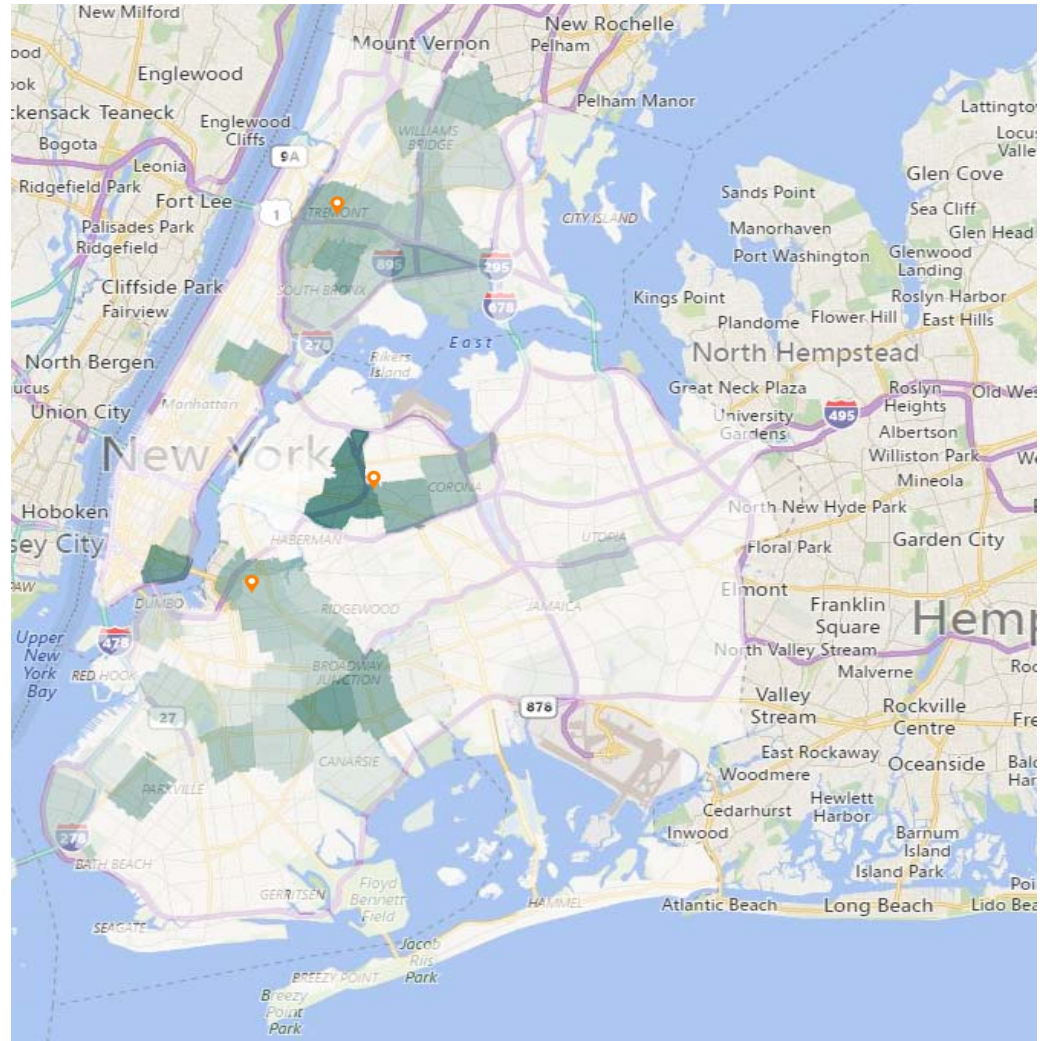
Expansion Proposal

Three-borough expansion

- Brooklyn:
815 Broadway
- Queens:
71-17 Roosevelt Ave
- Bronx:
1920 Webster Ave

Services

- Integrated primary care
- Full one-stop shopping experience
- Evening and weekend hours



Opportunity and need (darker for greater composite score)

📍 Proposed sites



71-17 Roosevelt Ave

- High-need section of Queens with opportunity to build flagship Queens Gotham location
- Co-located with 154 units of affordable and market rate housing directly across from the subway
- Private ground floor/retail entrance
- Population growth means more patients with Medicaid and private insurance will seek care in the future
- New site will complement specialty services at Elmhurst Hospital



H+H location

1920 Webster Ave

- Bronx has densest concentration of high- need zip codes in NYC and opportunity for new patients in Tremont
- Ground floor retail in mixed-use building with 256 units of affordable housing and grocery store
- Site has excellent access to MetroNorth, subways, and bus
- New construction allows H+H to match service environment provided by Montefiore to Bronx patients and increase referrals to NCB and Jacobi



H+H location

815 Broadway

- High-need section of Brooklyn with opportunity to create one-stop-shop model at full scale
- Building is newly renovated and directly across from the subway
- Significant development nearby including 200+ housing units will create more primary care demand in future
- Site located less than 5 minutes from Woodhull Hospital and can complement specialty services



Case Study: Bushwick

Care is currently dispersed across multiple, non H+H sites in the area.



*This map is for illustrative purposes and does not include every provider in Bushwick. It shows a segment of non H+H providers near 815 Broadway.

Case Study: Bushwick

815 Broadway will integrate primary care and additional services at H+H.



Summary of Terms

Site	Area (Square Feet)	Lease Term	Total Rent	Rent/ sqft	Local Comp Rent/sqft	Capital Cost Estimate	Unique Patients	Exit
71-17 Roosevelt Ave	28,696	15 years; 5 year option	\$19,601,116	\$36.00	\$47.00	\$23M	>12.5K	Cancellation clause; sublet
1920 Webster Ave	23,143	15 years; 5 year option	\$17,626,267	\$42.50*	\$39.00	\$18M	>12.5K	Cancellation clause; sublet
815 Broadway	52,343	31 years and 8 months	\$117,196,200	\$44.05	\$66.20	\$42M	>25K	Sublet

*The 1920 Webster building is unique for the neighborhood as a ground up, affordable housing development in a neighborhood with many pre-war buildings. Consequently, local comps are indicative of commercial rents in the neighborhood but are not fully comparable to our rental property.



Current Status

- Leasing
 - 850 Broadway signed
 - 71-17 Roosevelt under law department review
 - 1920 Webster requires amendment
- Perkins-Eastman engaged for scoping and preliminary design
- Exploring options for delivering the job



Request to the Board of Directors

1. Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.
2. Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”
3. Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.



LEASE AGREEMENT

CAMELOT COUNSELING CENTERS

NYC HEALTH + HOSPITALS / SEA VIEW

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a 30 year lease with Camelot of Staten Island, Inc. ("Camelot") with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View (the "Facility") on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50/sq. ft. to be escalated by 2.5% per year for a total rent over the 30 year initial term of \$10,975,676.

WHEREAS, Camelot is a not-for-profit corporation formed in 1971, licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs; and

WHEREAS, Camelot currently operates two intensive residential programs – one for adolescent males, and one for adult males; and four out-patient programs – one on Staten Island and three out-patient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx; and

WHEREAS, since 2012 Camelot has operated a 35-bed adult male residential program on the Facility's campus in the Camelot-renovated "Group Building;" and

WHEREAS, the proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective; and

WHEREAS, the program will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense; and

WHEREAS, there is an acute need for SUD programs on Staten Island and SUD programs for women, in particular; and

WHEREAS, a Public Hearing was held on February 27, 2018, in accordance with the requirements of the System's Enabling Act, and, prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a 30 year lease with Camelot of Staten Island, Inc. with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder program on the campus of NYC Health + Hospitals/Sea View on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50 per sq. ft. to be escalated by 2.5% per year for a total rent amount over the 30 year term of \$10,975,676.

EXECUTIVE SUMMARY

LEASE WITH CAMELOT OF STATEN ISLAND, INC. NYC HEALTH + HOSPITALS/SEA VIEW

OVERVIEW:

The New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board of Directors to execute a lease with Camelot of Staten Island, Inc. ("Camelot"), for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View ("Sea View") in the approximately 20,000 square foot Administration Building. A Public Hearing was held on February 27, 2018, in accordance with the requirements of the System's enabling act. Prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

Camelot is a not-for-profit corporation formed in 1971 and licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs. Camelot currently operates two intensive residential programs – one for adolescent males, and one for adult males; and four out-patient programs – one on Staten Island and three out-patient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx. Since 2012, Camelot has operated a 35-bed adult male residential program on Sea View's campus in the Camelot-rehabilitated "Group Building."

PROGRAM/ NEED:

According to the NYS Department of Health, SUD are found on Staten Island at rates higher than the rest of New York City. Individuals with SUD represent approximately 33% of Medicaid beneficiaries on Staten Island and 32% of these are hospitalized at least once each year, which is twice the rate of those without SUD. Roughly 30% of these are women. There are no residential treatment programs on Staten Island for women with SUD. The proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective. It will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense.

Camelot maintains that acute detoxification services either alone or in combination with short-term 21 day inpatient rehabilitation is effective for less than 25% of patients and ongoing outpatient treatment is also effective for only a limited percentage of patients. Thus, longer duration programs are necessary. Women entering the Camelot program will remain as long as nine months.

The Camelot facility will accept referrals from the System and from a range of health and social service agencies on Staten Island including members of the Staten Island DSRIP PPS. Each Camelot patient will have a primary counselor and will receive treatment for SUD, mental health issues, trauma-related experiences and post-discharge planning with respect to employment and housing. Each resident will receive a medical and psychiatric evaluation and medications will be prescribed

Page Two – Executive Summary
Sublease Agreement – Camelot of Staten Island

for any chronic conditions. Camelot projects that 80% of its patients will achieve recovery.

PROCUREMENT: Camelot responded to an RFP issued by OASAS on February 13, 2017 for developers/operators of residential SUD treatment facilities in Bronx, Kings and Richmond County and was awarded funding and a contract to develop the Administration Building and operate the program. Also during this time period, the New York City Economic Development Corporation ("EDC") issued a Request for Expressions of Interest in the development of portions of the Sea View campus not being used for the operation of the facility. Camelot responded to the RFEI on April 24, 2017 with support, from among others, the Borough President, James Oddo. Although the Camelot proposal does not provide a comprehensive plan for the entire Sea View campus, EDC concluded that the proposed use of the Administration Building would complement the other proposed plans and that Camelot's independent funding would help to anchor either of the other two leading proposers.

TERMS: Camelot will lease a parcel of land measuring approximately 24,080 square feet including the Administration Building which is approximately 20,000 gross square feet over two floors and a cellar. The building is currently not in use. The renovation work for the Administration Building will include installation of a new elevator, new interior finishing, new windows, doors, roofing, mechanical and fire protection systems. The construction will be managed by the Dormitory Authority of the State of New York and will be entirely funded by OASAS at an estimated cost of approximately \$9 million. The term of the lease will be 30 years. Camelot will pay annual rent of \$250,000, or \$12.50 per square foot to be escalated by 2.5% per year for a total rent over the thirty year term of \$10,975,676. The sublease will contain one nineteen year renewal option. The annual base rent for the option term will be set at 95% of the property's appraised value. Camelot will be responsible for its operating expenses associated with the Administration Building including utilities, interior and exterior maintenance, and structural and non-structural repairs

Camelot will indemnify and hold harmless the System and the City of New York from any and all claims arising by virtue of its use of the property, and will also provide appropriate insurance naming each as additional insured.

SUMMARY OF ECONOMIC TERMS

SITE:	NYC Health + Hospitals/Sea View 460 Brielle Avenue Borough of Staten Island Block 955, Lot 1
TENANT:	Camelot Counseling, Inc. 4442 Arthur Kill Road, Suite No. 4 Staten Island, N.Y. 10309
BUILDING SIZE:	Approximately 20,000 square feet
PARCEL SIZE:	Approximately 24.080 square feet
TERM:	30 year initial term
RENEWAL OPTIONS:	One 19 year option. The annual base rent for the option term will be set at 95% of the property's appraised value and will escalate at 2.5% thereafter.
RENT:	\$250,000 per year in the first year of the term
ESCALATION:	2.5% per year
UTILITIES:	The cost of all utilities will be the tenant's responsibility.
MAINTENANCE:	The tenant will responsible for all interior and exterior structural and non-structural maintenance and repairs to the facility.
FINANCING:	Funding will be provided by the New York State Office of Alcohol and Substance Abuse Services.

Sea View - Camelot

<u>Year</u>	<u>Annual Rent</u>	<u>PSF</u>
1	\$250,000	\$12.50
2	256,250	12.81
3	262,656	13.13
4	269,223	13.46
5	275,953	13.80
6	282,852	14.14
7	289,923	14.50
8	297,171	14.86
9	304,601	15.23
10	312,216	15.61
11	320,021	16.00
12	328,022	16.40
13	336,222	16.81
14	344,628	17.23
15	353,243	17.66
16	362,075	18.10
17	371,126	18.56
18	380,405	19.02
19	389,915	19.50
20	399,663	19.98
21	409,654	20.48
22	419,895	20.99
23	430,393	21.52
24	441,153	22.06
25	452,181	22.61
26	463,486	23.17
27	475,073	23.75
28	486,950	24.35
29	499,124	24.96
30	\$511,602	\$25.58
Total	\$10,975,676	
NPV	\$4,024,714.41	

SAVITT PARTNERS

March 2, 2018

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

Re: Opinion of Value of the vacant Administration Building (Building #6) located within Sea View Hospital Center
460 Brielle Avenue, Staten Island, New York 10314

Dear Dion,

With regard to the referenced vacant and former Administration Building located within Sea View Hospital for the NYC Health + Hospitals (H+H) for a potential lease to a tenant at this premises, you have asked me to comment on the value of the existing building facility to be renovated for a program to house a 25-bed women's residential inpatient facility for a substance use disorder (SUD) program housed within this location.

NYC H+H plans to lease the entire Administration Building measuring approximately 20,000 usable SF to Camelot of Staten Island to operate a 25-bed residential program providing substance use disorder (SUD) and mental health services to individuals. This will be a program for women only. Camelot, the proposed tenant, will renovate the building at its own cost and expense with capital funded by OASAS. All operating and maintenance expenses during the lease term will be the responsibility of Camelot. H+H will enter into a 30-year long-term lease with the tenant.

Since it is H+H's intention to lease the entire administration building to an outside tenant, you have asked me to comment on the appropriate rent within the contemplated local community. Asking rents for commercial spaces in this area of Staten Island range from \$25-\$37.50/SF, with taking rents averaging \$32/SF in the area. There are several comps with asking rents in the mid-\$40 range but they are purely retail and accordingly are not being considered.

The comparable commercial spaces are not located within the Hospital complex, but have been used in part to evaluate this building. There is little or no loss factor ascribed to those premises. The loss factor, if any, would just consist of internal impediment to the space i.e. column spacing, shaft ways, etc. Further, the landlord would provide little or no additional improvement to the space but may from time to time provide system or building wide upgrades that the tenant would benefit from.

There is, however, a direct comparable for this building and program, as Camelot leases additional space within the Group Building (Wilson Building) where it operates a 35-bed program similar to the contemplated program here, but for male patients. In 2010, Camelot was awarded funding for that program and developed and operates space on similar terms and conditions as this proposed transaction. Camelot, in that instance, was responsible for the initial buildout and for the daily operating costs, as well as maintenance, supplies, repairs, and upkeep, etc. to run that facility. Its rent as escalated is approximately \$11 per SF on a net basis.

The proposed lease contemplates a similar structure. OASAS will be funding \$9 million dollars towards the renovation and buildout of this new facility. This amounts to approximately \$450 per SF, which is consistent with building and renovation costs for this type of buildout and in this type of property. If we consider the comparable rents in the area averaging approximately \$32 per SF as stated above, than an \$11 per SF rent on a net basis for this program is appropriate. We arrive at that conclusion as follows: From the \$32 per SF gross rent we subtract operating expenses of \$20 per SF. These operating expenses consist of, but are not limited to, electric usage, HVAC usage, repairs and maintenance, building equipment, supplies, and periodic upgrades. FF&E would not be considered part of the rent.

According to the facts presented, it would appear that \$11 per SF net rent paid by Camelot for renovating, building, operating and maintaining the Administration Building at Sea View Medical Center, at no cost to H+H, either initially or through a lease term, would be consistent within the market. If at any point during the lease term, H+H would be asked to provide any tenant improvement funding or work, this would permit H+H to increase the rent, subject to an agreed to amount at such time. It would be appropriate, in addition to the base rent, for a 2.50% - 2.75% compounded annual escalation in the rent for the 30-year term proposed. In addition, we understand that there is a lease extension being proposed to Camelot for an additional term of 19 years. The starting rent for any extension should be at 95% of the fair market value of the premises at the time.

If I could provide additional information, please let me know.

Very truly yours,

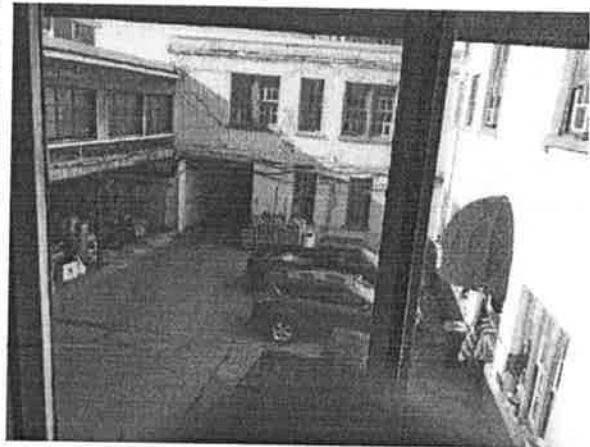


Michael Dubin
Partner

Available Comps for
Sea View Hospital: 460 Brielle Avenue, Staten Island, NY 10314

Address	Floor	Rent Per SF
3117 Richmond Rd.	2 nd	\$25.00
1970-1980 Victory Blvd.	1 st	\$36.00
800 Manor Rd.	Ground	\$30.00
1741-1743 Victory Blvd.	2 nd	\$20.00
961-965 Jewett Ave.	1 st	\$41.76
961-965 Jewett Ave.	1 st	\$37.57
961-965 Jewett Ave.	1 st	\$39.81
315 Bradley Ave.	1 st	\$42.00
774 Manor Rd.	2 nd	\$25.00
774 Manor Rd.	2 nd	\$25.00
1694-1698 Victory Blvd.	1 st	\$30.00
1694-1698 Victory Blvd.	2 nd	\$30.00
2048 Victory Blvd.	1 st	\$37.50
1757-1761 Victory Blvd.	1 st	\$30.00

**Photos of the Former Administrative Building
Located Within Sea View Hospital**



530 SEVENTH AVENUE, NEW YORK, NY 10018

CONTRACT EXTENSION

JOHNSON CONTROLS, INC. (JCI)

VARIOUS FACILITIES

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a six month extension of the existing agreement with Johnson Controls, Inc. (“JCI”) to manage and maintain the System’s building management system (“BMS”) and fire alarm monitoring system (“Fire System”) at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000.

WHEREAS, the System had entered into a contract with JCI for the maintenance and repair of the BMS and Fire System on July 1st, 2018 which is now expiring;

WHEREAS, the cost of the 2018 agreement was \$4.7 Million; and

WHEREAS, with the proposed six-month extension cost of \$1,425,000, for a total contract spend of \$6,100,000; and

WHEREAS, the total cost of the contract exceeds the \$5 Million threshold that requires Board approval even though the incremental cost is only \$1,425,000; and

WHEREAS, the System has issued a Request for Proposals for a new contract for the BMS maintenance and will be issuing a Request for Proposal for the Fire System monitoring in the coming weeks and expects to be able to award a new contract based on that solicitation and to obtain the approval of the Board of Directors within the next six months, if required, before the proposed extension expires; and

WHEREAS, JCI has been performing under its current contract; and

WHEREAS, the Contract Review Committee approved the execution of the proposed contract extension on June 25, 2019; and

WHEREAS, the proposed JCI contract extension will be managed by the Sr. Vice President for Facilities Development.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a six month extension of the existing agreement with Johnson Controls, Inc. to manage and maintain the New York City Health and Hospitals Corporation’s building maintenance system and fire system at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
RENEWAL WITH JOHNSON CONTROLS, INC.

- BACKGROUND:** The System utilizes a computerized building management system (a “BMS”) to monitor the mechanical and electrical equipment such as ventilation, lighting and power equipment throughout its facilities. It also uses a computerized system to monitor its fire alarms (the “Fire Systems”). Johnson Controls, Inc. (“JCI”) maintains and repairs both the BMS and the Fire Systems. The current contract with JCI was made on July 1, 2018 and is now expiring.
- PROPOSAL:** The System seeks authorization to continue the existing JCI agreement for six months. During the extension period, the System will have time to complete a Request for Proposals process, select a contractor and present the same to the Board of Directors for approval.
- PROCUREMENT:** The current contract was awarded based on the third party GSA agreement with JCI. The proposed contract extension was approved by the Contract Review Committee on June 25, 2019. The next contract for the management of the BMS and the Fire System will be awarded based on a Request for Proposals and will be presented for the approval of the Board of Directors if the value of the contract exceeds the threshold set by NYC H+H Operating Procedure 100-5.
- BUDGET** The cost of the proposed extension agreement will not exceed \$1,425,000 over the six-month term, for a total contract spend of \$6,100,000. Of the cost approximately \$250,000 is associated with work on the Fire System and \$1,175,000 is associated with the BMS. The cost to the System has been budgeted and signed off by System Finance.
- TERM:** The term of the proposed contract extension is six months.

BMS and Fire Systems Services

Capital Committee
July 11, 2019

Christine Flaherty
Senior Vice President

Office of Facilities Development

Background

- Johnson Controls (JCI) currently manages the maintenance and repair services for Chillers, HVAC, Building Management Systems (BMS), and Fire Systems at facilities throughout the System until June 30th, 2019
- HVAC/Chiller – mechanical cooling system
- BMS – Computer based control system to monitor mechanical and electrical equipment, i.e. ventilation, lighting, and power
- Fire Systems – Monitoring of fire alarm and suppression systems
- JCI spend was \$4.4M annually for the period from July 1st, 2018 – June 30th, 2019;
 - HVAC - \$1.93M
 - BMS - \$2.3M
 - Fire System - \$487,000

Current State

- RFP was issued for HVAC/Chiller
 - Proposal submissions received and evaluation complete
 - Award expected by September 30th, 2019 pending CRC and Board Approval
 - Plan in place to cover HVAC/Chiller maintenance and repair services up to new contract execution
- BMS RFP
 - RFP Issued
 - Proposals due back on July 3rd
 - Contract award expected by December 2019
- Fire System RFP
 - RFP will be presented to CRC on July 9th for approval to issue
 - Contract award expected by December 2019
- Extension of JCI Contract for BMS and Fire System Maintenance Needed
 - Six month extension
 - BMS - \$1,175,000
 - Fire System - \$250,000
 - CRC Approval granted on 06/25/19

Capital Committee Approval

- Operating Procedure 100-5
 - Any contract of value greater than \$5M must be reviewed and approved by board
- JCI HVAC/Chiller, BMS, Fire System Spend for FY19 - \$4.7M
- JCI six month BMS and Fire System extension- \$1,425,000
- Total JCI Spend \$6.1M
 - Exceeds \$5M threshold set by OP 100 -5
 - Requires Board Approval

Capital Committee Approval Request

Office of Facilities Development is seeking Board authorization to extend the current contract with Johnson Controls for six months (effective 7/1/19 to 12/31/19) at a cost of \$1,425,000, with a total contract spend of \$6,100,000, as RFP's are being awarded and contracted for BMS and Fire Safety services.

LICENSE AGREEMENT

VERIZON

NYC HEALTH + HOSPITALS / COLER

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Verizon Wireless (the "Licensee") to operate a cellular communications system in approximately 300 square feet of space on the roof of the "C Building" at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center (the "Facility") at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five year total of \$260,202.

WHEREAS, the Licensee currently operates a cellular communications network that provides coverage to ninety-eight percent of the United States; and

WHEREAS, the Licensee desires to install and operate equipment at the Facility that will enhance the performance of their cellular communications network; and

WHEREAS, the operation of the Licensee's equipment will not compromise Facility operations and the equipment complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

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 Verizon Wireless to operate a cellular communications system in approximately 300 square feet of space on the roof of the "C Building" at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five year total of \$260,202.

EXECUTIVE SUMMARY

LICENSE AGREEMENT VERIZON WIRELESS

COLER REHABILITATION AND NURSING CARE CENTER

NYC Health + Hospitals seeks Board of Director's authorization to execute a five year revocable license agreement with Verizon Wireless ("Verizon") to operate a cellular communications system on the campus of the NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center ("Coler").

Verizon operates a cellular communications network that provides coverage to ninety-eight percent of the United States. Verizon will be given the use and occupancy of approximately 300 square feet of space on the roof of the "C Building." The system installed and operated by Verizon will include four equipment cabinets, eighteen antennas and associated cabling, eighteen RRHs, an equipment platform, and a generator. Verizon will pay an annual occupancy fee of \$50,000 or \$167 per square foot with annual increases of 2% throughout the duration of the agreement for a five year total of \$260,202. Verizon will be responsible for the cost of maintaining its equipment. Verizon's equipment will not compromise Facility operations and it complies with applicable federal statutes governing the emission of radio frequency signals for cellular communications system.

The Licensee will obtain and purchase its own electrical power from the public utility and will be required to indemnify and hold harmless NYC Health + Hospitals and the City of New York from any and all claims arising out of its use of the licensed space, and shall provide appropriate insurance naming NYC Health + Hospitals and the City of New York as additional insureds.

The term of this agreement shall not exceed five years without further authorization by the Board of Directors and shall be revocable by either party upon six months prior notice.

Existing Commercial Antenna Sites

Site	Licensee	Area (SF)	Annual Fee	Monthly Fee	Annual Per SF Rate
Coler	T-Mobile	200	\$67,488	\$5,624	\$337
Lincoln	Sprint	300	\$96,492	\$8,041	\$322
Harlem	Con Edison	50	\$33,204	\$2,767	\$664
Neponsit*	T-Mobile	750	\$50,000	\$16,667	\$267

*lease term for three months, per sq. ft. rate calculated using annual fee projection

LICENSE AGREEMENT

NEW YORK CITY POLICE DEPARTMENT (NYPD)

NYC HEALTH + HOSPITALS / JACOBI

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a revocable five year license agreement with the New York City Police Department ("NYPD" or "Licensee") for its use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Medical Center (the "Facility") with the occupancy fee waived.

WHEREAS, the New York City Police Department is enhancing its city-wide radio frequency coverage footprint by improving radio communication network infrastructure; and

WHEREAS, the NYPD desires to install radio communications equipment at the Facility for the purpose furthering the objectives of its Tech Refresh Next Gen project; and

WHEREAS, the Facility has adequate space to accommodate the Licensee's needs; and

WHEREAS, the Licensee's radio communications system shall not compromise Facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a revocable five year license agreement with the New York City Police Department ("NYPD" or "Licensee") for use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Hospital Center (the "Facility") with the occupancy fee waived.

EXECUTIVE SUMMARY

LICENSE AGREEMENT NEW YORK CITY POLICE DEPARTMENT JACOBI MEDICAL CENTER

The New York City Health and Hospitals Corporation (the "System") seeks authorization to execute a revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for use and occupancy of space to operate radio communications equipment at Jacobi Medical Center ("Jacobi").

The New York City Police Department is enhancing its city-wide radio frequency coverage footprint by improving radio communication network infrastructure. NYPD desires to install radio communications equipment at Jacobi for the purpose furthering the objectives of its Tech Refresh Next Gen project. The radio communications system will not compromise facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

The NYPD will have use and occupancy of approximately 300 square feet of space in Building No. 1. The equipment to be installed at Jacobi will include whip and GPS antennas and a microwave dish. Public safety will be enhanced by the system's operation, therefore the occupancy fee will be waived. Jacobi will provide electricity to the licensed space. The operation and maintenance of the system will be the responsibility of the NYPD.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of its use of the Licensed Space.

The license agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation and shall be revocable by either party upon ninety (90) days written notice.