

CAPITAL COMMITTEE  
MEETING AGENDA

July 16, 2025

10:30 AM

50 Water Street, 17<sup>th</sup> floor Boardroom

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**CALL TO ORDER**

José Pagán

- **ADOPTION OF MINUTES – May 5, 2025**

José Pagán

- **VICE PRESIDENT’S REPORT**

Manuel Saez, PhD

**ACTION ITEMS**

- **Resolution** **Leora Jontef**  
Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius (“Landlord”) for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164th Street, Jamaica, New York (the “Premises”) by NYC Health + Hospitals/Queens (“Queens”) for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or \$171,273/yr which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.  
**Vendex:** NA  
**EEO:** NA
- **Resolution** **Leora Jontef**  
Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140th Street, Block 2303, Lot 58, in the Bronx (the “Property”) to Mott Haven-Port Morris Community Land Stewards, Inc. (“Tenant”) for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.  
**Vendex:** NA  
**EEO:** NA
- **Resolution** **Leora Jontef**  
Authorizing New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to sign a 99-year ground lease (including tenant options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together “Tenant”) to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the “Facility”) to be the site for the construction of a 17-story 359,000 square foot mixed-use building (the “Building”) with approximately 328 residential units for households earning less than 80% of Area Median Income including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable

units, including a residential unit for the Building's superintendent, with approximately 6,000 square feet to be provided for community facility use, and with approximately 7,500 square feet to be provided for an open space, with Tenant anticipated to pay at least \$4,000,000 on lease signing at lease signing as one time advance rent and an annual administrative fee of \$12,000; and

Further authorizing NYC Health + Hospitals to sign a sub-sublease with RC Health Master Tenant LLC, Tenant's affiliate subtenant ("Sub-Landlord"), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the "Gotham Expansion Clinic") to be used by NYC Health + Hospitals at the Facility for its clinical operations and a parking facility accommodating approximately 75 parking spaces for the use of the Facility staff and patients (the "Garage") at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000 per annum. **Vendex:** NA  
**EEO:** NA

- **Resolution** **Leora Jontef**  
Authorizing New York City Health and Hospitals Corporation (the "System") to sign a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC ("Landlord") for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 446 West 36th Street in Manhattan (the "Hotel") for the System's Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 plus \$250,000 for minor ancillary expenses that might be incurred for a grand total of \$19,361,400.  
**Vendex:** NA  
**EEO:** NA
- **Resolution** **Manuel Saez, PhD**  
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with JRM Construction Management (the "Contractor") to undertake a gut renovation at NYC Health + Hospitals/South Brooklyn Health's Main Building to create a new Ambulatory Care Center by repurposing the former Emergency Department space, for a contract amount of \$16,582,022 with a 10% project contingency of \$1,658,202 to bring the total cost not to exceed \$18,240,224.  
**Vendex:** Pending  
**EEO:** Pending
- **Resolution** **Manuel Saez, PhD**  
Authorizing New York City Health and Hospitals Corporation (the "System") to execute stand-by, Job Order Contracts with Volmar Construction Inc. and BA Global Construction, Corp. (the "Contractor" or collectively "Contractors") to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.  
**Vendex:** Approved for Volmar and pending for BA Global.  
**EEO:** Approved for both.
- **Resolution** **Manuel Saez, PhD**  
Authorizing the New York City Health and Hospitals Corporation (the "System") to extend the

contract term by one year with seven Construction Management (“CM”) consulting firms, namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, the McCloud Group LLC. (the “Vendors”), to provide professional CM services; on an as-needed basis at various facilities throughout the System.

**Vendex:** NA

**EEO:** NA

**OLD BUSINESS**

**José Pagán**

**NEW BUSINESS**

**ADJOURNMENT**

# **CAPITAL COMMITTEE MINUTES**

**MAY 5, 2025**

**Capital Committee Meeting – May 5, 2025**

**As reported by:** José Pagán

**Committee Members Present:** Dr. Theodore Long, MD, Freda Wang, Karen St. Hilaire; Erin Kelly;

José Pagán called the meeting to order at 10:08 a.m. and stated for the record that Theodore Long, MD is representing Mitchell Katz, MD, President, Erin Kelly is representing Suzanne Miles-Gustave, and Karen St. Hilaire would be representing Molly Wasow Park, all in a voting capacity.

Mr. Pagán called for a motion to approve the minutes of the April 8, 2025 Capital Committee meeting.

**Upon motion made and duly seconded the minutes of the Capital Committee meeting held on April 8, 2025, were unanimously approved.**

**VICE PRESIDENT REPORT**

Mr. Saez provided update on Essential infrastructure and clinical renovation projects throughout the system:

NYC H+H/Queens: We have recently completed the N-Building cooling project, replacement of two air handling units for the data rooms for the hospital. This is critical for the operations of Queens as these data rooms store all IT needs.

NYC H+H/Elmhurst: The Medical ICU and the Central Sterile both have completed new Air Handler Unit projects. The previous units were nearing the end of their useful life and these new units will ensure the continuity of service for both of these critical hospital areas.

At NYC H+H/Harlem: The Martin Luther King Building 15th Floor Critical Care Unit Renovation is reaching conclusion. This project provided much needed upgrades to the unit, including a New HVAC system, new isolation room, telescopic doors, new flooring, electric upgrades, plumbing upgrades, dialysis upgrades, medical gas upgrades, nurse call upgrade, new patient monitors, cameras, and TVs. This overhaul of the unit will provide a better environment for patients and staff.

**ACTION ITEMS**

Mr. Saez read the resolution into the record:

**Authorizing New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a design-build contract with Barr & Barr Inc. (the "Contractor") to undertake the renovation and construction of the RISE (Recovery, Integrated Support, Empowerment) Center at New York City Health + Hospitals/Lincoln for a contract amount of \$11,183,855, with a 10% project contingency of \$1,118,386, to bring the total cost not to exceed \$12,302,241 for a duration of 36 months.**

Mr. Saez was joined by Michael Rawlings, Chief of Operations, NYC H+H/Lincoln and Mahendranath Indar, Assistant Vice President, Facilities Development. The group presented background information, project scope, budget and funding overview, solicitation details and contract terms.

- Ms. Wang asked what is the criteria to determine when to use the design build methodology and what benefits they anticipated seeing.

Mr. Indar said that time savings and cost savings are factors that determine the use of design build. A minimum criterion is estimated project value as design build can only be used on projects over \$10M. We ask; Is the project over \$10M? Is the space a shell-space? Is timing a factor?

- Ms. Wang asked is there was a gross maximum on the contracts. Mr. Indar said no but the goal of design build is to be collaborative and all risk is shifted to the designer and the builder to limit change orders. There could still be unforeseen conditions but those should be limited.
- Ms. Wang asked if references were for performance on design build projects. Mr. Indar said no, since design build is new to New York, but there is experience on CM build projects which is a similar methodology.

Mr. Rawlings added that the architectural firm that is being engaged has performed work at NYC H+H/Lincoln and the facility has been pleased with their services.

Mr. Saez noted that design build collaboration should increase efficiency.

- Ms. Wang asked if decanting was included in the contract. Mr. Indar said no that work would be done in-house.
- Mr. Pagán asked what would happen to those being served out of Belvis. Mr. Rawlings said moves would begin in the coming months to Lincoln, which should be a benefit to the community.

Mr. Indar said he believed the facility has plans for the space.

Upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

Mr. Saez read the resolution into the record:

**Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with Johnson Controls, Inc., (the "Contractor"), to provide Building Management System preventative maintenance and repair services at various NYC Health + Hospitals facilities for a contract amount of \$12,128,122.89, with a 10% project contingency on preventative maintenance portion of the contract of \$548,793.41, to bring the total cost not to exceed \$12,676,916 for an initial term of 3 years with 2 one-year options to extend.**

Mr. Indar presented details on the background and current state of the contract services, the procurement process was discussed, MWBE plans, vendor evaluations, and anticipated value of contracts.

- Ms. Wang asked if they were the only potential vendor. Mr. Indar explained that there had been effort to incorporate third party vendors but it had not been successful. It was a proprietary system and they did not have a process to train third party vendors.
- Ms. Wang asked if there was a way we could avoid getting in a similar situation in the future. Mr. Indar said that if we were slowly pulling out equipment, as opportunity to presents, to decrease the equipment under contract.
- Mr. Pagán said it would be interesting to know more about the systems and how they are used to optimize energy. Mr. Indar said retrofitting equipment helps to modernize and increase performance.

Upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

There being no further business, the Committee Meeting was adjourned at 10:28 a.m.

# **VICE PRESIDENT'S REPORT**



# Vice Presidents Report

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Essential infrastructure and clinical renovation projects throughout the system:

- **NYC H+H/Queens:** The Interventional Radiology (IR) Suite Renovation project is complete. The project modernized and expanded the IR Suite from 580 SF to 900 SF. The new suite includes a larger procedure room, control room, and equipment closets, while adding a new dressing room, radiographic room, and CT Scan vitals room. The completion of this project will allow for a more efficient patient flow and allow our staff to provide better patient care.
- **NYC H+H/Lincoln:** Phase 1 of the Garage renovation has completed, and Phase 2 has begun. The project is to update and refresh the current garage which is original to NYC H+H/Lincoln Hospital, and has been in service for since 1976. The project was phased to ensure that the parking Garage remains open for the staff and visitors and is expected to be complete in Spring 2026.

# **LEASE AGREEMENT**

**MIKHAIL KANTIUS**

**79-18 164<sup>TH</sup> STREET, JAMAICA**

**NYC HEALTH + HOSPITALS / QUEENS**

**RESOLUTION**

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius (“**Landlord**”) for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164<sup>th</sup> Street, Jamaica, New York (the “**Premises**”) by NYC Health + Hospitals/Queens (“**Queens**”) for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or \$171,273/yr which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.

**WHEREAS**, The Women Infant Children (“WIC”) Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income; and

**WHEREAS**, such clinics are federally grant funded; and

**WHEREAS**, the System and Queens have a need for WIC clinical sites; and

**WHEREAS**, the System and Queens have been successfully operating a WIC clinic at such space since 2012; and

**WHEREAS**, the Queens WIC program has determined that its program can operate comfortably on only the first floor of the Premises and Queens has determine that it has a need for additional administrative space that can be fulfilled with the basement portion of the Premises; and

**WHEREAS**, the Queens WIC program and Queens executed a Memorandum of Understanding by which the use of the Premises is divided between them as described and the costs of occupying the Premises are apportioned between the two accordingly; and

**WHEREAS**, the negotiation and administration of the proposed lease shall be the responsibility of the Senior Vice President overseeing the NYC Health + Hospitals Central Office Real Estate unit; and

**WHEREAS**, the proposed lease permits the sharing of the Premises as proposed; and

**WHEREAS**, Queens desires to continue the operation of such WIC clinic in the smaller space for the benefit of the community and its patients; and

**WHEREAS**, the Premises does not require any work to be performed within the space as it is already in use as a WIC clinic.

**RESOLVED**, New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius (“**Landlord**”) for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164<sup>th</sup> Street, Jamaica, New York (the “**Premises**”) by NYC Health + Hospitals/Queens (“**Queens**”) for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or \$171,273/yr which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.

**EXECUTIVE SUMMARY  
PROPOSED LEASE  
WITH MIKHAIL KANTIUS FOR A WIC PROGRAM**

**OVERVIEW**

The Women Infant Children ("WIC") Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income. Its is a federally funded program. NYC Health + Hospitals/Queens has been operating a WIC clinic at the Premises since 2012.

**SITE SELECTION** NYC Health + Hospitals/Queens desires to continue operation of the clinic.

**PROGRAM:** The use of the Premises will be divided with the WIC program getting the first floor of the Premises and Queens administrative functions will take the basement portion of the Premises with the cost of the Premises to be apportioned between the two functions.

**FINANCING**

The WIC Program is grant funded by the U.S. Department of Agriculture through the NYS Department of Health. With the new shared structure of the occupancy, the WIC program will pay roughly half of the rent and other occupancy costs and Queens will pick up the other half using its general funds.

**TERMS**

**RENT**

Year	Base Rent \$ per SF	Operating \$ per SF	Total
1	\$37.91	\$4.91	\$171,272.77
2	\$38.85	\$5.03	\$175,554.97
3	\$39.93	\$ 5.02	\$179,943.44
4	\$40.82	\$5.29	\$184,441.50
5	\$41.84	\$5.42	\$189,053.47
Years 6-10			\$1,041,111.36
<b>Total</b>			<b>\$1,978,591.21</b>

**Request to Lease with Mikhail Kantius for New  
York City Health + Hospitals /Queens  
79-18 164<sup>th</sup> Street, Jamaica 11432**

**Capital Committee Meeting  
July 16, 2025**

**Michael Geldert, COO, NYC H+H/Queens  
Leora Jontef, Sr. AVP, Real Estate & Housing  
Deborah Morris, AICP, Senior Director, Real Estate & Housing**

## For Capital Committee Consideration

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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius (“**Landlord**”) for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164<sup>th</sup> Street, Jamaica, New York (the “**Premises**”) by NYC Health + Hospitals/Queens (“**Queens**”) for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or \$171,273/yr which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.

# WIC programs at H+H

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- The Women Infant Children (“WIC”) Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income.
- WIC is a federally funded, state-run program.
- H+H has WIC program offices at the following locations:

## **On Campus**

- NYC Health + Hospitals/Bellevue
- NYC Health + Hospitals/Coney Island
- NYC Health + Hospitals/Elmhurst
- NYC Health + Hospitals/Harlem
- NYC Health + Hospitals/Lincoln
- NYC Health + Hospitals/Metropolitan
- NYC Health + Hospitals/Queens
- NYC Health + Hospitals/Woodhull
- Gotham Health/East New York
- Gotham Health/Cumberland
- Gotham Health/Morrisania
- Gotham/South East Queens
- Gotham/Hillcrest
- Gotham Health/Williamsburg

## **Off Campus**

- 212 Canal Street, Manhattan
- 2101 Mermaid Avenue, Brooklyn
- 1902 Flatbush Avenue, Brooklyn
- 850 Longwood Avenue, Bronx
- 81-06 Baxter Avenue, Queens
- 49-02 Queens Blvd, Queens

# Queens WIC

- The Women Infant Children Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income.
- The New York State Department of Health awarded and funded a WIC Program grant to Queens for service within the zip codes 11365, 11367, 11375, 11412, 11413, 11418, 11432, 11433, 11434, 11435, 11436 in 2023. The WIC grant includes a rental allowance to cover the cost of space.
- These communities served at two locations NYC H+H/Queens.
- The NYC H+H/Queens location currently has a case load of 2500 clients.
- This WIC program has operated in this location since 2012.
- Queens Hospital also uses a 1900 SF portion of the space for administrative purposes.





# Lease Terms

- NYC Health and Hospitals/Queen will occupy 4000 SF at 79-18 164<sup>th</sup> Street, Jamaica, NY.
- A 5-year lease term will commence upon execution of the lease with one 5-year option.
- Base Rent: \$37.91/square foot to escalate 2.5% each year.
- Operating Expenses: \$4.91/square foot to escalate 2.5% each year.
- Utilities billed as used.
  - The System will hold an option to terminate the lease at the end of the 5<sup>th</sup> year if the DOH WIC Program grant is not continued. To exercise such termination option, the System shall pay a termination fee equal to three months rent.
- The total annual occupancy fee for base rent over the potential 10-year term will be approximately \$1.9 million

Year	Rent \$ per SF	Operating \$ per SF	Total
1	\$ 37.91	\$ 4.91	\$ 171,272.77
2	\$ 38.85	\$ 5.03	\$ 175,554.97
3	\$ 39.93	\$ 5.02	\$ 179,943.44
4	\$ 40.82	\$ 5.29	\$ 184,441.50
5	\$ 41.84	\$ 5.42	\$ 189,053.47
Years 6-10			\$ 1,041,111.36
Total			\$ 1,978,591.21

## For Capital Committee Approval

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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius (“**Landlord**”) for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164<sup>th</sup> Street, Jamaica, New York (the “**Premises**”) by NYC Health + Hospitals/Queens (“**Queens**”) for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or \$171,273/yr which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.

June 13, 2025

Mr. Dion Wilson  
Director of Real Estate  
NYC Health + Hospitals Corporation  
55 Water Street, 25<sup>th</sup> Floor  
New York, NY 10041

Re: Updated Fair Market Value Report  
H+H WIC program  
79-18 164<sup>th</sup> Street, Queens NY 11432-1115

Dear Dion:

You have requested that I update a previous report dated October 12, 2020, on the value of the referenced property for an additional rental renewal. This previous valuation report describes the referenced premises as an H+H WIC program and gives the current rent valuation of \$33.51 per rentable square foot (RSF), plus operating expenses of approximately 12% of base rent and Real Estate Taxes, bringing the cost to \$43.64. This shall serve to comment on the unit's rent valuation going forward. We are updating that report and advise that the current base rent has increased to approximately \$44.00 per RSF plus the outlined additional cost of approximately \$10-12 per foot to \$56-57 RSF.

This letter confirms that I've reviewed the proposal of the economic terms, as presented, of the lease by and between Landlord and NYC Health + Hospitals Corporation intended response as Tenant comprising the following:

- The unit is currently occupied and zoned for use as medical offices appropriate for the WIC sponsored program.
- The lease is up for renewal effective January 1, 2026, in accordance with a five-year renewal option.
- The Landlord has proposed renewal terms.
- The Tenant has responded with the terms provided herein.
- The unit collectively totals approximately 4,000 SF of the Ground Floor and Lower Level of the referenced premises.
- This evaluation is for the purpose of a lease renewal.

Landlord and Tenant agree to a proposal of starting base rent inclusive of an increase of 2.5% from the current term's final year's rate of approximately \$43.96/SF. The Tenant is also responsible for operating expenses plus Real Estate Taxes. The annual rent reflects those charges. The lease would be considered a Modified Gross Lease or Net Lease structure. The lease renewal calls for a 2.5% compounded yearly base rent increase, plus operating expenses charges and Real Estate Taxes. operating expenses charges are also calculated at a 2.5% per year increase while Real Estate Taxes are projected to have increased consistently with commercial tax rates as proposed by New York City building guidelines.

Landlord might continue to claim rents to be greater than Tenant is currently paying but given current market conditions we are skeptical. Further, there must be consideration given to a Tenant when renewing its lease. The renewing Tenant will provide Landlord with a continued rent stream uninterrupted by vacancy, little or no Tenant Improvement Allowance, no gap in marketing a vacant space and the time it takes to do so, and any free rent which would be given to a new Tenant. In addition, ancillary costs such as architects and engineering, commissions, and hard and soft legal fees are also avoided.

(Please see space comparables.)

Given the proposed Landlord rent and NYC Health + Hospitals response, we value the rent at a range of \$44.00-49.00/RSF plus operating expenses plus Real Estate Taxes, which will bring the starting rent to \$47.50 per foot, is consistent with the market. Further, the 2.5% asking rent increase is average for percentage rent escalations and remains consistent with current market conditions.

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

If you have any further questions, please let me know.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael Dubin", written in a cursive style.

Michael E. Dubin  
Partner

**Comps for H+H WIC Program**

<b>Address</b>	<b>Cross Streets</b>	<b>Square Feet</b>	<b>Price Per SF</b>
15916 Union Tpke.	159 <sup>th</sup> St. & 160 <sup>th</sup> St.	2,500	\$40.00
178-02 Hillside Ave.	168 <sup>th</sup> Pl. & 169 <sup>th</sup> St.	3,500	\$45.00
18502-18510 Union Tpke.	Chevy Chase St. & 188 <sup>th</sup> St.	410	<b>*\$58.53</b>
86-47 Highland Ave.	164 <sup>th</sup> St. & 165 <sup>th</sup> St.	400	\$42.00
17520 Hillside Ave.	175 <sup>th</sup> St. & 178 <sup>th</sup> St.	2,000	\$36.00
8315 Parsons Blvd.	Grand Central Pkwy & 84 <sup>th</sup> Ave.	3,267	\$46.00
162-16 Union Tpke.	162 <sup>nd</sup> St. & 164 <sup>th</sup> St.	300	\$55.00
12510 Queens Blvd.	82 <sup>nd</sup> Rd. & 83 <sup>rd</sup> Ave.	1,539	\$37.82

**\*Asking Rent**

# **LEASE AGREEMENT**

**MOTT HAVEN-PORT MORRIS COMMUNITY  
LAND STEWARDS, INC.**

**349 EAST 140<sup>TH</sup> STREET, BLOCK 2303, LOT  
58, BRONX**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140<sup>th</sup> Street, Block 2303, Lot 58, in the Bronx (the “**Property**”) to Mott Haven-Port Morris Community Land Stewards, Inc. (“**Tenant**”) for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.

**WHEREAS**, the Property is within the System’s portfolio, was previously used for outpatient substance abuse programs until 2013 after which, the Property has been vacant and unused and the Property’s condition has seriously deteriorated; and

**WHEREAS**, the unoccupied and severely deteriorated state of the Property exposes the System to potential maintenance costs and liability; and

**WHEREAS**, the Property is situated adjacent to a playground and near PS 49 elementary school and is amenable for public use and community programming; and

**WHEREAS**, local elected officials and community groups have for many years requested that the System relinquish the Property to local community groups for use as a community center; and

**WHEREAS**, at the System’s request, the New York City Economic Development Corporation conducted a public, competitive solicitation to select an entity to develop the Property for the public’s benefit; and

**WHEREAS**, Tenant submitted a proposal in response to the competitive solicitation and the proposal was found to be satisfactory in that the Mott Haven-Port Morris Community Land Stewards partnered with Alembic Community Development, which together have a proven development record leading community engagement and land stewardship for the purpose of community building, and the demonstrated professional and financial strength to do so at the Property; and

**WHEREAS**, Tenant will lease the Property “as-is” and will be solely responsible for renovating the Property to prepare it for its intended use; and

**WHEREAS**, the proposed lease will require Tenant to renovate the Property and operate it as a community center that will offer programming focused on education, arts, and culture with a health and wellness element; and

**WHEREAS**, the System will not pay any part of the costs of renovating or operating the Property although the City of New York will provide \$15.25 Million to assist Tenant in the development of the Property; and

**WHEREAS**, a public hearing was held following due notice on July 10, 2025 in the auditorium of NYC Health + Hospitals/Lincoln pursuant to Section 7385(6) of the System’s enabling act; and

**WHEREAS**, prior to lease execution, the proposed lease is subject to the approval of the City Council and the Office of the Mayor.

**WHEREAS**, the negotiation and administration of the proposed lease shall be the responsibility of the Senior Vice President overseeing the NYC Health + Hospitals Central Office Real Estate unit.

### Now therefore, be it

**RESOLVED**, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign a 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140<sup>th</sup> Street, Block 2303, Lot 58, in the Bronx (the “**Property**”) to Mott Haven-Port Morris Community Land Stewards, Inc. (“**Tenant**”) , for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.

## EXECUTIVE SUMMARY

**Proposed Ground Lease  
to Mott Haven-Port Morris Community Land Stewards, Inc.  
349 East 140th Street, Bronx, NY**

<b>Overview</b>	The System has a property located at 349 East 140th Street, Block 2303, Lot 58, in the Bronx (the “ <b>Property</b> ”), pursuant to its operating agreement with the City of New York. The Property, known as the Lincoln Recovery Center, has not been used by the System since 2013 resulting in the Property’s deterioration, creating an unsightly condition in its neighborhood and exposing the System to potential maintenance costs and liability. The System, in conjunction with the New York City Economic Development Corporation, issued an RFP seeking proposals for development of the Property to benefit the community. Only one proposal was received and such proposal met all the criteria of the RFP.
<b>Use</b>	Mott Haven-Port Morris Community Land Stewards, Inc. (“ <b>Tenant</b> ”) plans on developing a flexible, multi-generational community center that accommodates a broad-spectrum of neighborhood uses and needs; including health and wellness-oriented programs and events, such as, for example, active living, preventative and holistic health, and healthy aging, as well as programming focused on arts and culture, education, and youth initiatives; encouraging active street life and creatively integrating the property into the local context and surrounding area, including with the abutting Willis Playground and Alexander’s Alley; and preserving the existing Property’s architectural details all while promoting sustainability and energy efficiency. Tenant will operate its own programs in the Property but it also plans to sublease parts of the Property to other not-for-profit community-based organizations whose programming will account for part of the planned activity at the Property and whose rent will help to cover the operating expenses of the Property.
<b>Anticipated</b>	It is anticipated that the proposed lease will be executed with an effective date in the <b>Closing Date</b> early Winter, 2025.
<b>Anticipated</b>	It is anticipated that the Property will be ready for use 24 months from the closing <b>Completion</b> date.
<b>Terms</b>	The System proposes to provide to Tenant a 49-year ground lease, with two 25-year renewal options for an annual sum of one dollar. The lease will require that the Mott Haven-Port Morris Community Land Stewards, Inc. use the Property for a community facility center with a preference for programming focused on education, arts, and culture, and with a required health and wellness element.
<b>Funding</b>	The System will not provide any funding for the renovation or the operation of the Property. The City of New York is providing \$15.25 million in capital dollars to support the Project, as well as a zero-dollar Payment in Lieu of Taxes so long as Tenant meets the community benefit requirements of the lease. Tenant will also benefit from Historic Tax Credits, New Markets Tax Credits, grant funding, as well as private financing.



# **Request to Ground Lease Old Lincoln Recovery Center to Mott Haven-Port Morris Community Land Stewards, Inc.**

## **Capital Committee Meeting**

**July 16, 2025**

**Leora Jontef, Sr. AVP, Real Estate & Housing**  
**Deborah Morris, AICP, Senior Director, Real Estate & Housing**  
**Jeremy Berman, Deputy General Counsel**

## For Capital Committee Consideration

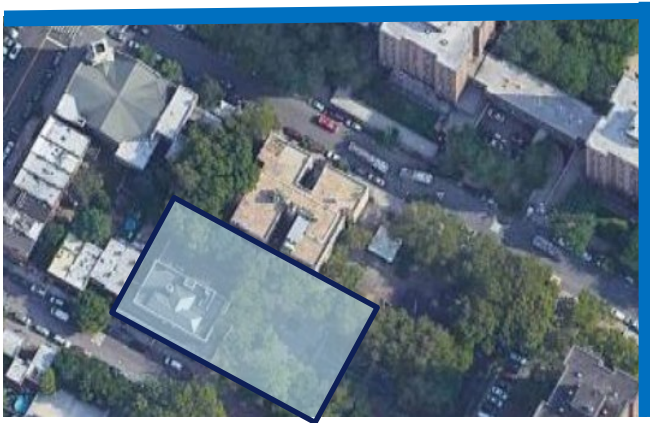
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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140<sup>th</sup> Street, Block 2303, Lot 58, in the Bronx (the “**Property**”) to Mott Haven-Port Morris Community Land Stewards, Inc. (“**Tenant**”) for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.

# Old Lincoln Recovery Center

## Bronx

Lincoln Recovery Center  
Block: 2303, Lot: 58  
349 E. 140th Street



**Present Use:** Vacant

**Proposed Use:** Community Center

# Old Lincoln Recovery/HEArts Center



- The Old Lincoln Recovery Center operated as a drug rehabilitation clinic from the 1970s until it closed in 2012.
- It is a vacant, 22,750 SF three-story structure. It is in poor condition and is costly to maintain.
- EDC issued an RFP in 2022 and selected Mott Haven Port Morris Community Land Stewards' proposal - a comprehensive renovation of the space into the HEArts Community Center: (H)ealth, (E)ducation, and the (A)rts.



## Project Team

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- The Mott Haven-Port Morris Community Land Stewards were established in 2015 by South Bronx residents as a Community Land Trust.
  - It maintains land permanently for public use, community self-determination, and homeownership.
- Alembic was founded in 2004 in NYC to partner with nonprofit organizations to develop affordable housing and community facilities in underserved communities.
  - Developed properties totaling more than 2,500 affordable and supportive housing units; 300,000 square feet of commercial and community facility space; and \$1.2 billion of development costs

# Old Lincoln Recovery/HEArts Center



- The HEArts Community Center will serve a diverse population with health and wellness programming – from arts, education, workforce development, music, and events.
- Programming will include nutrition classes, cooking demos, exercise classes, health screenings, and Tai Chi.
- The project has significant community and elected official support. The program and design were developed through a multi-year engagement process including the project architects.

# Project Funding Sources

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- Total cost for building rehabilitation is \$42.3 million
- System will not contribute to cost of construction or operations
- \$15.25 million in City Capital committed by City Council, Borough President and Mayoral Funds
- \$27 million in State and Federal Tax Credit Equity and Grants

# Ground Lease Process

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- **Public Notice:** June 18, 2025
- **Public Hearing:** July 10, 2025
- **Capital Committee:** July 16, 2025
- **H+H Board Meeting:** July 31, 2025
- **City Council:** Fall 2025
- **Ground Lease Execution:** Winter 2025



# Lease Terms

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- The Mott Haven-Port Morris Community Land Stewards will renovate and occupy the Lincoln Recovery Center located at 349 E. 140th Street, a 22,750 SF three-story structure.
- **Term:** a 49-year ground lease, with two 25-year renewal options term will commence upon execution.
- **Requirements:**
  - Tenant will substantially improve existing building through \$43 million rehabilitation.
  - Tenant will operate the building as the HEArts Community Center: (H)ealth, (E)ducation, and the (A)rts.
  - Tenant will sub-lease space to other community based entities with H+H approval. Subtenants will provide community-based programming complimentary to the programming of Mott Haven-Port Morris Community Land Stewards.
- **Base Rent:** \$1/year

## For Capital Committee Approval

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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140<sup>th</sup> Street, Block 2303, Lot 58, in the Bronx (the “**Property**”) to Mott Haven-Port Morris Community Land Stewards, Inc. (“**Tenant**”) for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.

**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**

This public hearing concerned the proposed lease by NYC Health + Hospitals to The Mott Haven-Port Morris Community Land Stewards, Inc., building and land known as the Lincoln Recovery Center at 349 E. 140th Street, Bronx, NY (Borough: Bronx, Block 2303, Lot 58). The property, 22,750 square feet, 3-story structure, had been formerly used as a community health facility but the building has been vacant for many years. The hearing was held on the 10<sup>th</sup> day of July, 2025, at 6 P.M., pursuant to a notice which was sent to all of the Directors of New York City Health and Hospitals Corporation and which was provided to the public by the Secretary. The following Board members and panelists were present:

Mr. José Pagán, Chairman of the Board of Directors  
Dr. Mitchell Katz, President and CEO, NYC Health + Hospitals  
Ms. Freda Wang, Vice Chair of the Board of Directors and Chair of Finance Committee  
Ms. Vanesa Rodriguez, City Council designee for the borough of the Bronx  
Dr. Michael Espiritu, City Council designee for the borough of Manhattan  
Ms. Andrea Cohen, Senior Vice President and General Counsel  
Ms. Colicia Hercules, Secretary to the Corporation

**CHAIR'S REMARKS**

Mr. Pagán, called the meeting to order at 6:29 p.m. Mr. Pagán, chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof.

Mr. Pagán, advised all attendees that Spanish interpretation was available upon request and the registration to address the panel/speak would end promptly at 6:30 p.m.

Mr. Pagán explained that the public hearing was to present the proposed lease by NYC Health + Hospitals to The Mott Haven-Port Morris Community Land Stewards, Inc., building and land known as the Lincoln Recovery Center at 349 E. 140th Street, Bronx, NY (Borough: Bronx, Block 2303, Lot 58). The property, 22,750 square feet, 3-story structure, had been formerly used as a community health facility but the building has been vacant for many years. The proposal is for a comprehensive renovation of the vacant property to create a Health Education and Arts Community Center ("HEArts"). HEArts will serve the local community with health education, workforce development training, and music and art events. The Mott Haven-Port Morris Community Land Stewards, Inc. will operate its own programs and will also manage the mission-aligned programming of other community-based groups.

Mr. Pagán noted that additional approvals by the Office of the Mayor and the City Council must be obtained pursuant to New York City Health + Hospital's enabling act.

**MOTT HAVEN-PORT MORRIS COMMUNITY LAND STEWARDS & ALEMBIC COMMUNITY DEVELOPMENT PRESENTATION**

Mychal Johnson, Treasurer, Mott Haven-Port Morris Community Land Stewards, joined by Dr. Monxo Lopez, secretary, Mott Haven-Port Morris Community Land Stewards, and Jonathan Leit, Principal, Alembic Community Development, outlined the redevelopment of the former Lincoln Recovery Center in Mott Haven, Bronx, into the HEArts Center, a \$42 million community-driven project led by Mott Haven-Port Morris Community Land Stewards and Alembic Community Development. The site, vacant since 2013 and in need of significant remediation, will be transformed into a vibrant hub for health and wellness, education, and arts and culture through reuse and expansion. Dr. Lopez highlighted the significant cultural and historic importance of the building in the community.

Since 2013, the community has advocated for repurposing the building, and the vision has been shaped through collaborative efforts with local organizations and institutions. The project includes space for nonprofit offices, community gatherings, youth programming, and performance areas. The initiative is projected to generate over 80 full-time jobs and serve more than 4,000 residents annually through accessible programs and services. Key partners such as Green City Force, UpBeat NYC, and South Bronx Unite will lead programming in workforce development, arts education, and health and wellness.

Construction is expected to begin in early 2026 and conclude by late 2027. The development is supported by a mix of City, State, and Federal funding, including grants and tax credits, many of which have already been secured. The HEArts Center represents a significant step toward addressing systemic inequities in health access, education opportunities, and affordable space in the South Bronx.

**MODERATOR**

Ms. Cohen reminded all of the purpose of the public hearing and advised all speakers of the logistics of the hearing. The hearing is not a question/answer forum but rather a forum where members of the Board of Directors would listen to community's comments and concerns for the allotted

time. Ms. Cohen, reminded the attendees that Spanish interpreters are available upon request. Ms. Cohen also provided instructions for the submission of written remarks.

Ms. Cohen proceeded to call on the registered speaker.

**SPEAKER(S)**

1. **Hon. Vanessa L. Gibson, Bronx Borough President.** Ms. Gibson voiced strong support for the HEArts Center project, calling it a transformative investment in health, education, and community development in the South Bronx. Ms. Gibson highlighted her \$1 million capital funding allocation for the HEArt Center and an additional \$6 million in collaboration with other elected officials for a new opioid recovery and bridge clinic at Lincoln Hospital. Ms. Gibson praised South Bronx Unite for its leadership and persistent advocacy. The redevelopment will revitalize the long-vacant Lincoln Recovery Center, create over 80 jobs, and serve local youth, reflecting a broader commitment to equity, healing, and neighborhood revitalization.
2. **Romina Enea, Deputy Chief of Staff, Representing Congressman Ritchie Torres, NY-15 Congressional District.** Ms. Enea, on behalf of Congressman Torres, expressed strong support for the HEArts Center, describing it as a vital investment in public health, arts, education, and community organizing in the South Bronx. She emphasized the project's broad community backing and urged its approval as a reflection of dignity and empowerment.
3. **Stephanie Herrera, Deputy Chief of Staff, Representing Councilwoman Diana Ayala, 8th District.** Ms. Herrera expressed, on behalf of Councilwoman Ayala, strong support for the HEArts Center, noting the transformation of a long-vacant building into a hub for health, education, culture, and empowerment. She emphasized the Councilwoman's early and ongoing commitment, including over \$14 million in capital funding, and described the center as a safe, welcoming space for healing and connection in the South Bronx.
4. **Richard Izquierdo, Chairperson of the NYC Health + Hospitals /Lincoln Community Advisory Board.** Mr. Izquierdo voiced strong support for the HEArts Center project, highlighting the transformation of a long-vacant, deteriorated building into a vital community hub. He emphasized the project's cultural, educational, and health benefits for the South Bronx and praised Mychal Johnson's unwavering vision and leadership.

He urged the NYC Health + Hospitals' Board of Directors to approve the lease agreement, noting the proposal's strong community backing and alignment with City goals.

5. **Dr. Melissa Barber, President of the Mott Haven Community Board District 7**, expressed support for the HEArts Center, calling it a reflection of the South Bronx community's resilience, vision, and a 13-year effort. She emphasized the project's deep community roots, inclusive planning, and commitment to holistic healthcare, education, and empowerment. Dr. Barber underscored the community's determination to see this dream realized and vowed continued advocacy until it becomes a permanent fixture in the neighborhood.
6. **Brenda Irizarry, Private Citizen, as a resident of the Bronx, Ms. Irizarry** urged NYC Health + Hospitals to grant a 99-year lease for the HEArts Center, emphasizing its role in transforming a long-vacant property into a much-needed space focused on health, education, and the arts. She highlighted the project's commitment to public good, community empowerment, and accessible, no-cost services, stressing the importance of keeping public land in public hands.
7. **Rey Allen, Executive Artistic Director, Theatre International/Community Board 1**. Mr. Allen, as a theater arts specialist and longtime South Bronx resident, expressed strong support for the HEArts Center, emphasizing the vital role of arts and culture in community healing and identity. Reflecting on his personal journey and commitment to the Bronx since 1968, he described the project as a long-overdue opportunity to restore and uplift the neighborhood through creative expression and community engagement. He pledged continued support to help make the HEArts Center a reality.
8. **Rev. Michael Strong, Pastor/ Vice Chair of Theatre International**. Rev. Allen shared his vision for community empowerment through entrepreneurship, education, and sports, including starting businesses, learning creative skills like screenwriting, and introducing tennis to local youth. He expressed strong support for the HEArts Center and praised the leadership of Mychal Johnson and others, believing the project will grow significantly and help transform the Bronx into a vibrant, thriving community.

9. **David Rosales, South Bronx Unite.** Mr. Rosales highlighted that the HEArts Center's work is already underway, with community programming happening regularly—even outdoors on rainy days. He shared a personal experience of wellness at a recent event, emphasizing the connection between arts and health. He encouraged others to attend future events to see firsthand the positive impact and preventive care the center will provide.
10. **Steven Perryman, Private Citizen.** Mr. Perryman spoke in support of the HEArts Center. The center will be a dedicated space which will provide much needed access to new programs in education and health in the community.
11. **Matthew Shore, Senior Organizer, South Bronx Unite.** Mr. Shore expressed strong support for the 99-year lease for the HEArts Center, sharing personal and community stories that reflect the building's legacy of care and accessibility. He highlighted the center's ongoing impact through wellness and arts programming, its central location near public housing, and its potential to offer green jobs and workforce development. He praised the community-led development model, emphasizing its long-term benefits and alignment with equity and inclusion.
12. **Melissa Basley, South Bronx United.** Ms. Basley shared her personal journey of reconnecting with her neighborhood through her thesis work, which led her to the HEArts Center project. She emphasized the theme of connection—how the project has brought together diverse individuals and strengthened community bonds. Expressing full support, she noted how rare and meaningful it is to be part of such a unifying and community-driven effort.
13. **Ejiro Ojeni, Bronx Unite.** Ms. Ojeni expressed strong support for the HEArts Center, sharing her personal experiences of having to leave the Bronx for quality healthcare, education, and arts access. She emphasized that the HEART Center represents a unique, long-overdue opportunity to shift the narrative of disinvestment in the Bronx and provide residents with the high-quality resources they deserve. She urged approval of the lease as a step toward community empowerment and equity.



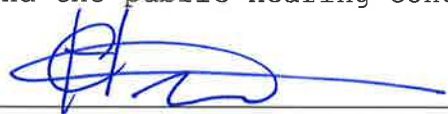
14. **Kaila Paulino, Community Member and Musician.** Ms. Paulino, a harm reduction detox specialist passionately supported the HEArts Center, highlighting its deep connection to community healing, love, and resilience. She reflected on the Bronx's history of struggle and survival, emphasizing the importance of creating inclusive, culturally rooted spaces where people feel seen, valued, and empowered. She described the HEArts Center as a place of education, arts, healing, and violence prevention—essential for addressing ongoing health crises, trauma, and social inequities in the community.

**WRITTEN REMARKS**

1. **Heather Guerino, Co-Founder, Foster Children/Parent Advocate, Crusaders for Children's Rights.** Ms. Guerino suggests creating a Foster Parent Ombudsman Advocacy Center in the Bronx to support foster parents by offering legal assistance, mediation with foster agencies, and a designated play area for children. The center would address the shortage of good foster parents, which she believes is due to the lack of proper protections and services. Community organizations in the Bronx are willing to provide space for the initiative, eliminating the need to wait for government action.

**MEETING ADJOURNMENT**

There being no other registered speaker Ms. Cohen thanked the presenters and the public hearing concluded at 7:43 P.M.



Colicia Hercules  
Corporate Secretary



# **GROUND LEASE AGREEMENT**

**RIVER COMMONS OWNERS, LLC**

**NYC HEALTH + HOSPITALS/GOTHAM -  
MORRISANIA**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation ("**NYC Health + Hospitals**") to sign a 99-year ground lease (including tenant options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together "**Tenant**") to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the "**Facility**") to be the site for the construction of a 17-story 359,000 square foot mixed-use building (the "**Building**") with approximately 328 residential units for households earning less than 80% of Area Median Income including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable units, including a residential unit for the Building's superintendent, with approximately 6,000 square feet to be provided for community facility use, and with approximately 7,500 square feet to be provided for an open space, with Tenant anticipated to pay at least \$4,000,000 at lease signing as a one time advance rent and an annual administrative fee of \$12,000; and

Further authorizing NYC Health + Hospitals to sign a sub-sublease with RC Health Master Tenant LLC, Tenant's affiliate subtenant ("**Sub-Landlord**"), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the "**Gotham Expansion Clinic**") to be used by NYC Health + Hospitals at the Facility for its clinical operations and a parking facility accommodating approximately 75 parking spaces for the use of the Facility staff and patients (the "**Garage**") at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000 per annum.

**WHEREAS**, the New York City Department of Housing Preservation and Development ("**HPD**") designated Tenant as the developer of the subject property following an RFP conducted in conjunction with the 2017 Jerome Avenue Neighborhood Plan; and

**WHEREAS**, Tenant's members are leaders in the development of affordable, moderate/middle income and supportive housing including mixed income and mixed-use projects and are experienced in the construction and operations of such projects; and

**WHEREAS**, the Facility is the busiest diagnostic and treatment center operated in the NYC Health + Hospitals/Gotham network; and

**WHEREAS**, the Facility was first constructed in 1968 facing Gerard Avenue with a 15,000 square foot annex added in the 1980's (the "**Annex**"); and

**WHEREAS**, as part of the development plan, Tenant will demolish the Annex to make room for the Building; and

**WHEREAS**, as part of NYC Health + Hospitals' sublease of the Gotham Expansion Clinic and the Garage, Tenant will complete the fit-out of the space at NYC Health + Hospitals' expense pursuant to plans and specifications not yet finalized;

**WHEREAS**, once the plans and specifications of the Gotham Expansion Clinic are finalized, authorization from the Board for the expenditure of the funds necessary for the construction shall be requested; and

**WHEREAS**, pursuant to a New York City Human Resources Administration (“HRA”) Congregate Supportive Housing Request-for-Proposals, the Tenant shall provide on-site supportive services for qualifying adults living with mental illness or substance use disorder; and

**WHEREAS**, NYC Health + Hospitals and Tenant shall, consistent with applicable regulations, establish protocols allowing for the referral to Tenant of NYC Health + Hospitals’ patients who qualify for residence in the supportive housing units in the Building; and

**WHEREAS**, the individuals who are to live in such supportive units shall be screened to ensure that they are suitable for independent living in the community; and

**WHEREAS**, the negotiation and administration of the proposed lease shall be the responsibility of the Senior Vice President overseeing the NYC Health + Hospitals Central Office Real Estate unit; and

**WHEREAS**, a Public Hearing was held on July 1, 2025 in accordance with the requirements of the NYC Health + Hospital’s Enabling Act; and

**WHEREAS**, prior to lease execution, the proposed lease is subject to the approval of the City Council and the Office of the Mayor.

**NOW, THEREFORE, be it**

**RESOLVED**, that New York City Health and Hospitals Corporation (“**NYC Health + Hospitals**”) be and hereby is authorized to sign a 99-year ground lease (including tenant renewal options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together “**Tenant**”) to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the “**Facility**”) to be the site for the construction of a 17-story 359,000 SF mixed use building (the “**Building**”) with approximately 328 residential units including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable units, including a unit for the Building super, with approximately 6,000 square feet to be provided for a community facility use, with Tenant anticipated to pay at least \$4,000,000 at lease signing as a one-time advance rent and an annual administrative fee of \$12,000; and

**IT IS FURTHER RESOLVED**, that NYC Health + Hospitals is authorized to sign a sub-sublease with RC Health Master Tenant LLC, Tenant’s affiliate subtenant (“**Sub-Landlord**”), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the “**Gotham Expansion Clinic**”) to be used by the Facility for its clinical operations and a 75 car garage for the exclusive use of the Facility staff and patients (the “**Garage**”) at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000.

## EXECUTIVE SUMMARY

### SUBLEASE AGREEMENT

#### NYC HEALTH + HOSPITALS/GOTHAM/MORRISANIA RIVER COMMONS HOUSING DEVELOPMENT FUND COMPANY INC. AND RIVER COMMONS OWNERS LLC

##### OVERVIEW:

NYC Health + Hospitals seeks authorization from its Board of Directors to execute a lease with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together "**Tenant**") to rent about 42,000 square feet of the parking lot and a portion of which is now the site of the 15,000 square foot Annex at NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the "**Facility**"). The development project involves a sequence of actions as follows: Tenant will demolish the Facility Annex and will erect a new exterior wall to close up the Facility; Tenant will construct a new 17-story 359,000 square foot apartment building (the "**Building**"); Tenant will sublease an approximately 43,000 square foot portion of the Building to RC Health Master Tenant LLC, Tenant's controlled subtenant ("**Sub-Landlord**"); Sub-Landlord will sub-sublease to NYC Health + Hospitals approximately 43,000 square feet on the cellar, first, and second floors of the Building (the "**Sub-sublease**") for the Facility's clinical operations (the "**Gotham Expansion Clinic**") and a 75 car garage for the Facility's exclusive use (the "**Garage**"); and pursuant to the Sub-sublease, Sub-sublandlord will construct the interior fit-out of the Gotham Expansion Clinic at NYC Health + Hospitals' cost.

##### TENANT:

The named tenant, River Commons Housing Development Fund Company Inc. is an affiliate of BronxWorks, Inc., a not-for-profit social services provider based in the Bronx ("**BronxWorks**"). The beneficial tenant will be River Commons Owners LLC of which the indirect members are Type A Projects LLC, a woman owned affordable housing developer, and L&M Development Partners, one of the most experienced developers of affordable housing in the City with a robust construction arm.

##### NEED/ PROGRAM:

The City of New York continues to suffer from an acute shortage of affordable housing with a particular need for supportive housing. Tenant is a leader in the development of affordable, moderate/middle income and supportive housing.

Tenant shall develop approximately 328 residential units including approximately 98 supportive units and approximately 230 affordable units, including a unit for the Building superintendent, affordable to households earning less than 80% AMI

NYC Health + Hospitals shall establish protocols, consistent with applicable regulations for the referral to the Tenant of its patients who are appropriate for independent living in the community and qualify for occupancy of the supportive housing units.

##### CLINICAL:

The Facility footprint will initially be reduced by 15,000 square feet by way of demolition of the Annex. This will make way for the Building including the 43,000 square foot Gotham Expansion Clinic. In this way, the Facility will become larger with new space designed to the Facility's specifications that provides the Facility opportunity to expand. The Building and the Gotham Expansion Clinic will front on River Avenue, which is a busy commercial thoroughfare. Coincidentally, the MTA is obtaining the right to construct an elevator and stair adjacent to the Building right next to an MTA Subway station which will further increase

foot traffic near the Gotham Expansion Clinic thereby even further increasing the Gotham Expansion Clinic's visibility creating an opportunity to attract additional patients.

**COMMUNITY:  
FACILITY**

In addition to the Gotham Expansion Clinic, the Building will also have about 6,000 square feet of community facility space to be occupied by a BronxWorks "Empowerment Center" and the African Resource Center.

**OPEN SPACE:**

In addition to the Building, the Tenant shall build and maintain a 7,500 landscaped open space that will be accessible to the public.

**TERMS:**

**Lease:**

Tenant anticipated to pay at least \$4,000,000 at lease signing as a one-time advance rent and an annual administrative fee of \$12,000. Thereafter no further rent will be payable by Tenant. NYC Health + Hospitals will not pay any part of the cost to demolish the Annex, to repair the Facility or to construct the Building.

**Sublease:**

Tenant will sub-lease a 43,000 square foot portion of Building to RC Health Master Tenant LLC, Tenant's controlled subtenant ("**Sub-Landlord**"), which will sub-sublease the Gotham Expansion Clinic and the Garage to NYC Health + Hospitals. Under the terms of the proposed sub-sublease, NYC Health + Hospitals will pay Sub-Landlord rent in an amount calculated to cover only its proportionate share, 16.29%, of the cost of operating the Building exclusive of any amortization or finance costs. This is estimated to be approximately \$90,000 initially. NYC Health + Hospitals will pay the local utility for its electric consumption and will be responsible for its own cleaning and interior maintenance. Additionally, NYC Health + Hospitals will be responsible for all of the costs of operating the Garage.

**Fit Out;  
Funding:**

Sub-Landlord will deliver the Garage to NYC Health + Hospitals in ready to use condition equipped with stackers for parked cars

Sub-Landlord will construct the core and shell of the Building and will deliver the Gotham Expansion Clinic as a vanilla box. Sub-Landlord will complete the design and internal fit-out of the Gotham Expansion Clinic in accordance with NYC Health + Hospitals' plans and specifications at NYC Health + Hospitals' cost. A projected fit out cost estimate cannot be given until the full design is complete. Management will return to the Board for authority to commit to the Tenant fit-out once reliable estimates can be generated. The cost of the fit-out and its design is to be funded by City Capital. Sub-Landlord is required to bid out the work to be performed to complete the tenant fit-out. NYC Health + Hospitals will be able to add contractors to the list of bidders and to observe the bidding process. In this way, NYC Health + Hospitals can ensure that the construction budget will be fair and reasonable.

**Request to Ground Lease for Housing  
Gotham/Morrisania to  
River Commons Owners LLC**

**Capital Committee Meeting**  
July 16, 2025

**Matt Siegler, Chief Growth and Strategy Officer**  
**Leora Jontef, Sr. AVP, Real Estate & Housing**  
**Jeremy Berman, Deputy General Counsel**  
**Deborah Morris, AICP, Senior Director, Real Estate & Housing**

## For Capital Committee Consideration

- Authorizing New York City Health and Hospitals Corporation (“**NYC Health + Hospitals**”) to sign a 99-year ground lease (including tenant options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together “**Tenant**”) to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the “**Facility**”) to be the site for the construction of a 17-story 359,000 square foot mixed-use building (the “**Building**”) with approximately 328 residential units for households earning less than 80% of Area Median Income including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable units, including a residential unit for the Building’s superintendent, with approximately 6,000 square feet to be provided for community facility use, and with approximately 7,500 square feet to be provided for an open space, with Tenant anticipated to pay at least \$4,000,000 at lease signing as a one time advance rent and an annual administrative fee of \$12,000; and
- Further authorizing NYC Health + Hospitals to sign a sub-sublease with RC Health Master Tenant LLC, Tenant’s affiliate subtenant (“**Sub-Landlord**”), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the “**Gotham Expansion Clinic**”) to be used by NYC Health + Hospitals at the Facility for its clinical operations and a parking facility accommodating approximately 75 parking spaces for the use of the Facility staff and patients (the “**Garage**”) at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000 per annum. .

# Housing for Health

## Relationship between Housing and Health at H+H

- In 2024, ~80,000 H+H patients are homeless or marginally housed and over 50% are also DHS clients
- On average, patients experiencing homelessness visited the **ED 3x more often** than other patients
- Patients experiencing homelessness were more likely to have an inpatient visit and **stayed 4x longer** across their admissions

## H+H Approach: Housing for Health

### Connecting patients experiencing homelessness with housing supports and opportunities

- Provide Housing Navigation Services
- Operate Medical Respite Beds
- Fund Case Management Services in Affordable Housing
- Dedicate NYC H+H Land for Affordable and Supportive Housing

**Housing for Health has stably housed nearly 1500 patient households**

**Expediting this population into stable housing saves lives, improves health outcomes, and reduces the expensive emergency health care and in patient resources.**



# H+H Land for Affordable and Supportive Housing

**10 buildings on 5 campuses with  
1600 units of senior, supportive and  
low income housing**

- Buildings owned/operated by private developers with an H+H ground lease
- Connections to care with local H+H facilities
- Projects with supportive housing work closely with Housing for Health and HRA for referrals
- Most recent project is Comunilife 2 at Woodhull Hospital



# Morrisania-River Commons

## Bronx

Gotham/Morrisania

Block: 2489, Lot: 60

1225 Gerard Avenue



**Present Use:** Healthcare + Parking

**Proposed Use:** Affordable Housing + Gotham Expansion Clinic + Community Facility

# Project Overview and Benefits

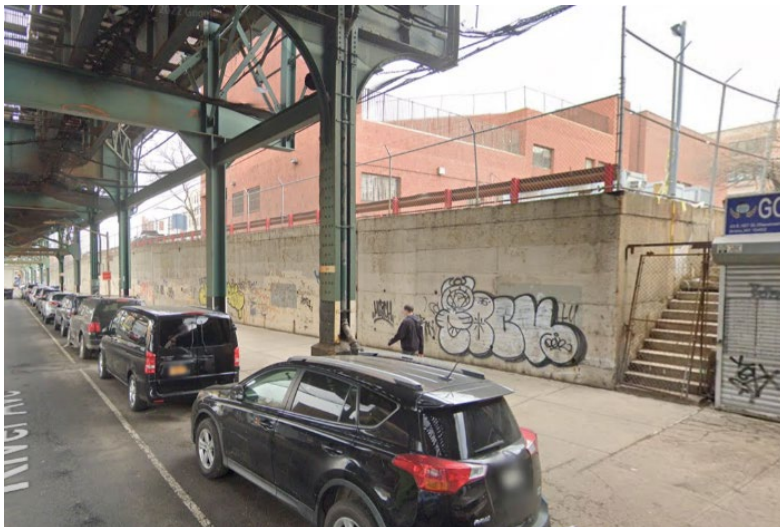


- Approximately 328-Unit entirely affordable residential building
  - 98 supportive units for eligible H+H patients in collaboration and the community
- Building will include a 43,000 SF modern clinical space and a 75-car parking facility
- 6,000 SF Community Facility space for African Resource Center and Bronx Works Empowerment Center
- 7,500 SF community community green space/plaza
- Fulfills Mayor's Housing Blueprint and promotes Housing for Health



# Project Overview

## Existing Conditions



## Proposed



## Type A Projects

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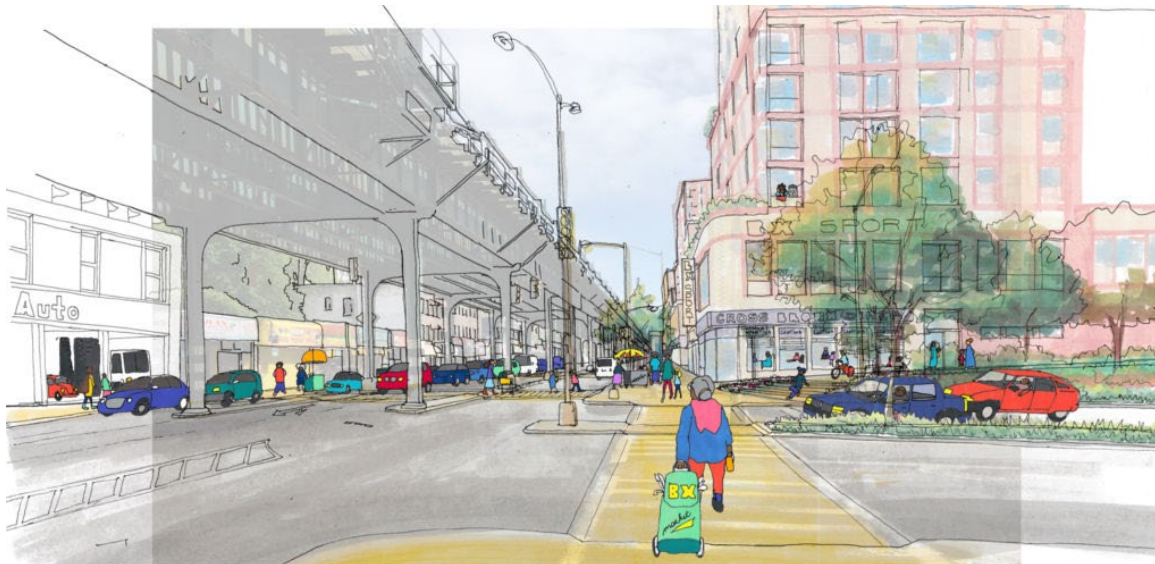


- Women-owned affordable housing developer focused on community-driven development
- 1,000+ affordable apartments completed/in development
- Community based not-for-profit
- 50 years providing Bronx families housing, health services, and opportunities to improve economic well-being
- Annually serves 64,000 Bronx residents at 50+locations
- Impact-driven developer, builder, and manager of multi-family, mixed use and affordable housing
- Built or preserved nearly 40,000 residential units and 1.2 square feet of retail and community facility space



# Project Timeline

- **Jerome Avenue Neighborhood Plan and Rezoning: 2018**
- **Jerome-Anthony RFP: 2019**
- **HPD Designation: 2020**
- **Design Process: 2021-2024**
- **Ground Lease Process: Fall 2025**
- **Construction Start: 2026**
- **Anticipated Project Completion: 2029**



# Ground Lease Process

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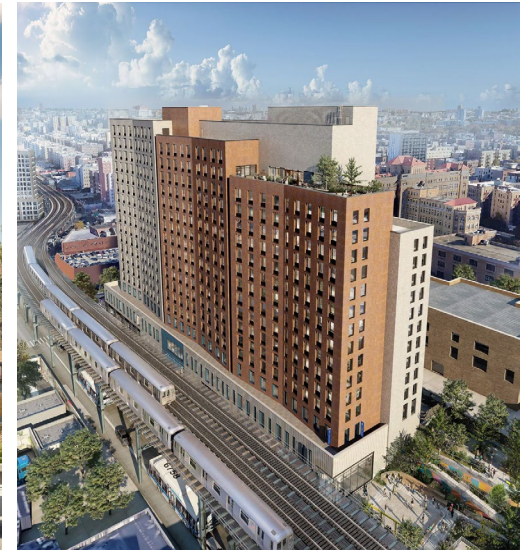
- **Public Notice:** June 5, 2025
- **Public Hearing:** July 1, 2025
- **Capital Committee:** July 16, 2025
- **H+H Board Meeting:** July 31, 2025
- **City Council:** Fall 2025
- **Ground Lease Execution:** December 2025

# Unit Mix + Tenant Amenities

Units	#	%
STUDIO	117	36%
1 BEDROOM	106	32%
2 BEDROOM	69	21%
3 BEDROOM	36	11%
<b>TOTAL</b>	<b>328</b>	<b>100%</b>

- 24/7 security
- Fitness Center, Playroom, and Community Room
- 15<sup>th</sup> floor landscaped terrace
- On-site management office
- On-site supportive service office
- Supportive Housing for eligible H+H patients

Affordability		%
30 – 80% AMI		70%
Supportive*		30%





# Expanded Gotham/Morrisania



- 43,000 SF new clinical space and 75-car garage
- No disruption in clinical services: Administrative spaces in the main building on Gerard Avenue were renovated in order to accommodate relocated services from Annex, which will be demolished



- Complete continuity of care during construction:
  - **Clinic currently serves 50,000 patients annually**
- Convenient staff parking will be provided nearby off-site during construction

# Project Funding

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- **Housing Development Project Cost: \$252 million**
  - \$ 96.3 M funded by Low Income Housing Tax Credits
  - \$ 92.5 M HPD City Capital subsidy loan
  - \$ 20 M HDC Subsidy Loan
  - \$ 24.4 M amortizing bank loan
  - \$ 13.6 M deferred HPD interest
  - \$ 5.2 M developer contribution
  - Includes the cost of constructing Gotham/Morrisania core, shell, and replacement parking
  - Project governed by 60-year HPD Regulatory Agreement and Mortgage
  
- **Supportive Housing Social Services**
  - \$2M annual NYC HRA contract to provide robust on-site case management services
  
- **Gotham Expansion Clinic Cost to H+H**
  - Fit Out: In Design: will return to Board for authorization for Not to Exceed Value.
    - Clinic fit out to meet H+H wage, bidding, and design specifications

# Lease Terms

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- **Term:** 99 Years including tenant options
- **Tenant Requirements:**
  - Ground lease a 42,000 SF area that includes space that is presently occupied by surface parking and the 15,000 SF Annex building of the Gotham/Morrisania clinic.
  - Finance and construct a 359,000 SF mixed-use building including approximately 328 apartments with affordability pursuant to HPD requirements, including 98-supportive units which includes:
    - a 43,000 SF healthcare facility and 75-car parking garage
    - a 6,000 SF of community facility space
    - a 7,000 SF public plaza
- **Ground Lease Fee:** a one-time payment of at least \$4,000,000 at lease signing
- **Ground Lease Rent:** \$1/year after initial payment. After Year 15, excess cash flow allow for potential limited payments to H+H.
- **Ground Lease Administrative Fee:** \$12,000/year

# Sub lease Terms: Clinic + Parking

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- **Term:** 99 Years
- **Requirements:**
  - H+H will sublease back from developer for H+H's use approximately 43,000 SF space on the cellar, first, and second floors to operate expanded services for Gotham/Morrisania.
  - Sublease back from Developer shall also include a 75-parking garage for use as staff parking.
  - Landlord will design and build space to tenant specifications
- **Sublease Rent:** Sublease rent payable by H+H to owner will be a pass through of H+H's prorated share (16%) of the building's operating expenses , approximately \$90,000 annually, exclusive of capital investment or financing costs.
- **Gotham Expansion Clinic Fit Out Costs:** In Design: will return to Board with Not to Exceed Value.

## For Capital Committee Approval

- Authorizing New York City Health and Hospitals Corporation (“**NYC Health + Hospitals**”) to sign a 99-year ground lease (including tenant options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together “**Tenant**”) to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the “**Facility**”) to be the site for the construction of a 17-story 359,000 square foot mixed-use building (the “**Building**”) with approximately 328 residential units for households earning less than 80% of Area Median Income including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable units, including a residential unit for the Building’s superintendent, with approximately 6,000 square feet to be provided for community facility use, and with approximately 7,500 square feet to be provided for an open space, with Tenant anticipated to pay at least \$4,000,000 at lease signing as a one time advance rent and an annual administrative fee of \$12,000; and
- Further authorizing NYC Health + Hospitals to sign a sub-sublease with RC Health Master Tenant LLC, Tenant’s affiliate subtenant (“**Sub-Landlord**”), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the “**Gotham Expansion Clinic**”) to be used by NYC Health + Hospitals at the Facility for its clinical operations and a parking facility accommodating approximately 75 parking spaces for the use of the Facility staff and patients (the “**Garage**”) at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000 per annum. .



**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**

This public hearing concerned the proposed lease by the NYC Health + Hospitals Corporation to River Commons Owners LLC for the development of "River Commons," a new mixed-use building on a 42,000 square foot parcel at NYC Health + Hospitals/Gotham Morrisania located at 1225 Gerard Avenue in the Bronx. The hearing was held on the 1<sup>th</sup> day of July, 2025, at 6 P.M., pursuant to a notice which was sent to all of the Directors of New York City Health and Hospitals Corporation and which was provided to the public by the Secretary. The following Board members and panelists were present:

Mr. José Pagán, Chairman of the Board of Directors  
Dr. Mitchell Katz, President and CEO, NYC Health + Hospitals  
Ms. Freda Wang, Vice Chair of the Board of Directors and Chair of Finance Committee  
Ms. Sally Hernandez-Piñero, Chair of Audit Committee and MetroPlus Chair (Subsidiary)  
Ms. Vanesa Rodriguez, City Council designee for the borough of the Bronx  
Dr. H Jean Wright  
Ms. Andrea Cohen, Senior Vice President and General Counsel  
Ms. Colicia Hercules, Secretary to the Corporation

**CHAIR'S REMARKS**

Mr. Pagán, called the meeting to order at 6:09 p.m. Mr. Pagán, chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof.

Mr. Pagán, advised all attendees that a Spanish interpreter was available upon request and the registration to address the panel/speak would end promptly at 6:30 p.m.

Following the introduction of the members in attendance, Mr. Pagán explained that the public hearing was to present the proposed by the NYC Health + Hospitals Corporation to River Commons Owners LLC for the development of "River Commons," a new mixed-use building on a 42,000 square foot parcel at NYC Health + Hospitals/Gotham Morrisania located at 1225 Gerard Avenue in the Bronx. The new building will include approximately 328 units of affordable and supportive residential housing for both the community and patients, as well as a live-in super's unit, community facility space, approximately 41,000 square foot healthcare facility, a 75-car parking garage for use by NYC Health + Hospitals, and a public plaza.

Mr. Pagán noted that additional approvals by the Office of the Mayor and the City Council must be obtained pursuant to New York City Health + Hospital's enabling act.

#### **TYPE A PARTNER PRESENTATION**

Annie Tirschwell, Principal at Type A Projects, led the presentation, which outlined the details of this major initiative in partnership with NYC Health + Hospitals and other community-based organizations. Ms. Tirschwell noted the shared mission to deliver affordable, community-centered housing solutions and Type A Projects' role, its services, and its Bronx-based portfolio.

Ms. Tirschwell shared an overview of the existing state and the proposed development. River Commons will bring 328 affordable apartments to the Bronx, including 98 supportive housing units specifically targeted to serve individuals through NYC Health + Hospitals' Housing for Health initiative. In addition to housing, the development will include a 43,000 square foot expansion clinic for NYC Health + Hospitals| Morrisania Gotham Health and 75 space parking garage for Health + Hospitals staff.

The project also features several community-oriented components. These include approximately 2,900 square feet for the African Resource Center, 3,300 square feet for the BronxWorks Empowerment Center, and a 7,500 square foot publicly accessible community green space. There is also a future plan to coordinate with the MTA for elevator and stairs. The building features a sustainable design and will rise to 17 stories.

The construction of the new building is slated to begin in January 2026 and conclude in April 2029, followed by lease-up and full occupancy by December 2029. These dates are contingent on funding from NYC Housing Development Corporation (HDC) and the Department of Housing Preservation and Development (HPD).

At least 25% of HPD/HDC-supported costs will be directed to certified Minority and Women-Owned Business Enterprises (MWBEs). Type A Projects, the lead developer, is a certified WBE. The development team has committed to engaging MWBE firms throughout the design and construction phases.

#### **MODERATOR**

Ms. Cohen reminded all of the purpose of the public hearing. The proposed lease by the NYC Health + Hospitals corporation to River Commons Owners LLC,

for the development of "River Commons," a new mixed-use building on a 42,000 square foot parcel at NYC Health + Hospitals| Morrisania Gotham Center. The new building will include approximately 328 units of affordable and supportive residential housing for both the community and patients, as well as a live-in super's unit, community facility space, approximately 41,000 square foot healthcare facility, a 75-car parking garage for use by NYC Health + Hospitals, and a public plaza.

Ms. Cohen advised all speakers of the logistics of the hearing. The hearing is not a question/answer forum but rather a forum where members of the Board of Directors would listen to community's comments and concerns for the allotted time. Ms. Cohen, reminded the attendees that Spanish interpreters are available upon request. Ms. Cohen also provided instructions for the submission of written remarks.

Ms. Cohen proceeded to call on the registered speaker.

**SPEAKER(S)**

1. John Morales, Member, Builders Benchmark Design. Mr. Morales emphasized the importance of inclusive development strategies that actively engage long-standing local and minority-led organizations. He noted that while his firm has over 30 years of experience in housing development—often in collaboration with major community organizations like the Acacia Network—there was minimal notice or outreach prior to the public hearing for this project. Mr. Morales expressed concern over the lack of participation opportunities for local minority professionals, particularly in the Bronx, where access to capital and integration into the City's development pipeline has historically been limited. He stressed that despite the project appearing fully planned, there should have been greater effort to involve qualified local talent in the process.

**MEETING ADJOURNMENT**

There being no other registered speaker Ms. Cohen thanked the presenters and the public hearing concluded at 6:48 P.M.



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Colicia Hercules  
Corporate Secretary



# **LEASE AGREEMENT**

**HUDSON WEST HOSPITALITY, LLC**

**446 WEST 36<sup>TH</sup> STREET, MANHATTAN**

**BRIDGE TO HOME PROGRAM**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC (“**Landlord**”) for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 446 West 36th Street in Manhattan (the “**Hotel**”) for the System’s Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 plus \$250,000 for minor ancillary expenses that might be incurred for a grand total of \$19,361,400.

**WHEREAS**, the System’s Bridge to Home program has been established to provide unhoused individuals suffering from serious mental illness who have been discharged from the System’s facilities with temporary housing to allow such individuals a stable, safe and supportive environment while they prepare themselves for permanent housing; and

**WHEREAS**, the System and the City of New York routinely use hotels for similar programs as it is economically and programmatically advantageous to do so; and

**WHEREAS**, the Bridge to Home program has identified the subject hotel as being suitable for the program’s needs, the lease terms satisfactory, and the rates for the room use to be fair and reasonable; and

**WHEREAS**, the proposed lease calls for the System to buy out the entire hotel and to pay for all rooms whether they are in use or not, provided that if any rooms are unavailable due to the Landlord’s failure to make necessary repairs, the System shall not be charged for such rooms until they are put back into service; and

**WHEREAS**, the System’s central office unit, Ambulatory Care, and NYC Health + Hospitals/Bellevue will be responsible for managing the hotel lease; and

**WHEREAS**, the Landlord shall be responsible for cleaning and maintaining the Hotel, including common areas, hotel rooms, linens and beddings.

**NOW THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to execute a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC (“**Landlord**”) for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 446 West 36th Street in Manhattan (the “**Hotel**”) for the System’s Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 plus \$250,000 for minor ancillary expenses that might be incurred for a grand total of \$19,361,400.

**EXECUTIVE SUMMARY  
PROPOSED LEASE  
WITH HUDSON WEST HOSPITALITY, LLC  
FOR HUDSON RIVER HOTEL**

**OVERVIEW**

The System's Bridge to Home program aims to house persons with serious mental illness who are discharged from the System's facilities. The New York City Department of Homeless Services ("**DHS**") has previously identified the Hudson River Hotel as suitable for its homeless shelter clients. The System has determined that such hotel is of suitable size and location for its programmatic use and seeks to lease the entire hotel including its 56 hotel rooms and all common areas for its program.

**PROGRAM**

The Bridge to Home program is designed to house homeless individuals who are discharged from the System's facilities and are likely eligible for a DHS shelter but, because of their serious mental illness, require services additional to what is available in such a shelter. The program will bring the System's clinicians to treat such individuals with the aim of stabilizing their condition such that they are prepared to live independently in permanent housing.

**TERMS**

Years 1-3: Room fee of \$185 per night  
Years 4-5: Room fee of \$190/night  
No additional fixed fees  
No payment due for rooms that cannot be used due Landlord's fault  
Anticipated start date: September 3, 2025  
The System has the right to terminate at its convenience on 180 days' notice  
Landlord services include, but are not limited to, provision of cleaning, linen and bedding services

**PROCUREMENT**

Consistent with the System's rules a structured competitive procurement process was not used. However, the System performed appropriate diligence to ensure the terms of this transaction are reasonable and at the market price. Landlord and the Hotel had been identified by the City Department of Homeless Services ("**DHS**") as suitable for use to house DHS clients or those similarly situated. The System and DHS are the main, and perhaps the only, entities that buy out entire hotels in New York City. The System has had considerable experience in such transactions during COVID and as part of the recent migrant asylum HERRC program. In that connection, the System is very familiar with the market for hotel buy outs and, on that basis, the System is confident that the rental rate for the Hotel is at market. Throughout the HERRC program., the System leased about 12 hotels. The rates paid for such hotel ranged from \$185/room/night to \$210/room/night. Each of such rentals was made with explicit Office of Management and Budget approval. The \$185/room/night initial rate under the proposed lease is within the range previously agreed upon.

**Proposed Lease with  
Hudson West Hospitality LLC  
Hudson River Hotel, 442 West 36th  
Street**

**Bridge to Home**

**Capital Committee Meeting**

**July 16, 2025**

**Dr. Ted Long, Senior Vice President  
Chris Keeley, Senior Assistant Vice President  
Jeremy Berman, Deputy General Counsel**

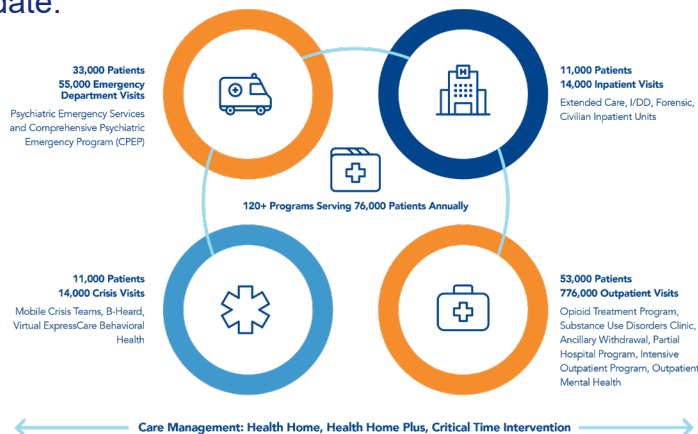
## For Capital Committee Consideration

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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC (“**Landlord**”) for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 442 West 36th Street in Manhattan (the “**Hotel**”) for the System’s Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 with \$250,000 for potential additional expenses for a total NTE of \$19,361,400.

# Overview

- Bridge to Home offers a home-like environment to NYC Health + Hospitals patients with serious mental illnesses (SMIs) who have successfully completed in-patient treatment and can be permanently housed after additional out-patient care.
- Bridge to Home is for patients who have a behavioral health diagnosis, have recently completed treatment in the Extended Care Unit (ECU) or inpatient setting and are at a high risk for housing instability, homelessness, and street homelessness.
- Bridge to Home will partner with and build on successes already achieved by the Housing for Health effort, which has successfully housed almost 1,500 patient households to date.



# Bridge to Home: Key Components



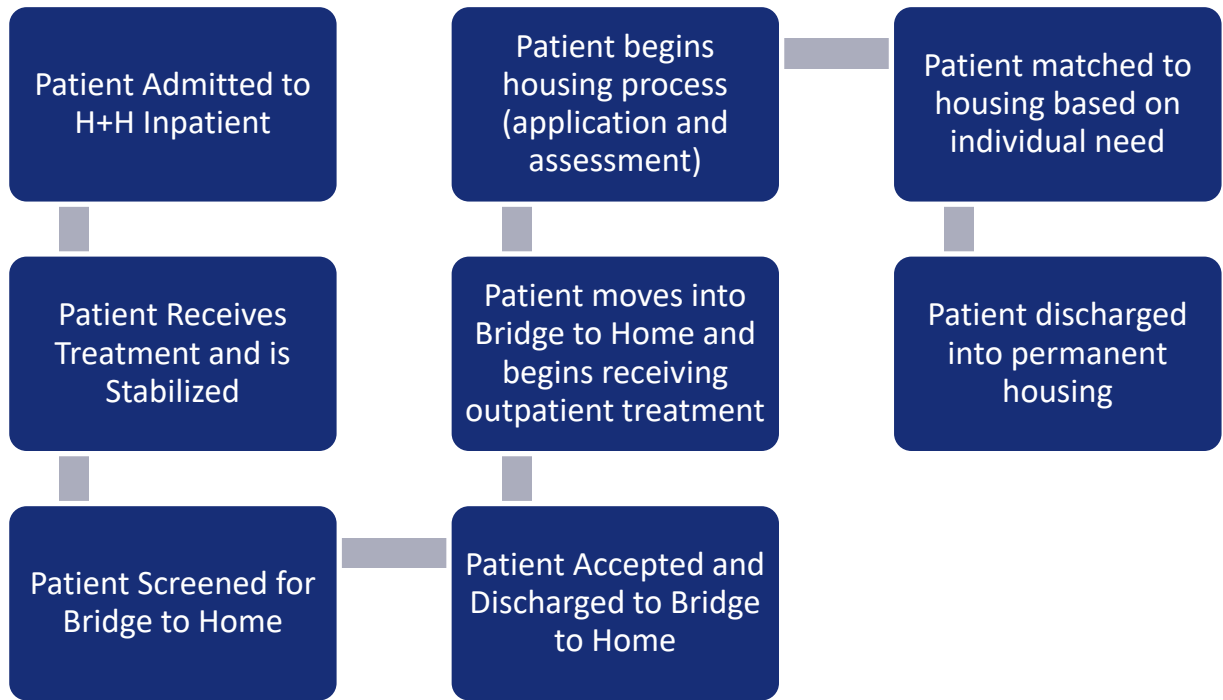
A new voluntary hospital discharge option for individuals diagnosed with SMI and at a high-risk for experiencing homelessness

For patients who have psychiatric challenges, have undergone stabilization, and need ongoing support while awaiting permanent housing

Provides 24/7 care in a home-like environment for people with SMI. Leverages the full H+H continuum of services.

Guests are planned to stay and receive treatment for up to 12 months until they can be connected to permanent housing

# Patient Journey





# Program Model

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- H+H will create a home-like environment temporary, emergency housing to serve individuals with SMI being discharged from H+H hospitals in with co-located behavioral health services.
- Bridge to Home will be staffed 24/7 by NYC Health + Hospitals professionals
- The overall initiative will serve up to 100 individuals in single rooms, starting with the first site housing about 50 guests in September 2025. This will balance privacy and socialization, through therapeutic groups and other structured recreation opportunities. Guests may stay up to 12 months.
- Bridge to Home will provide three meals a day, medication management, individual and group therapy, substance use disorder treatment, and around-the-clock support.
- OMB-funded program will cover program expenses, including food, security, laundry, staff, and housing; OMB funded FY26 budget at \$6M and FY27, FY28, and FY29 at \$12.9M; Insurance reimbursements will further offset and philanthropic dollars will supplement
- In addition to the co-located behavioral health services, this initiative will also leverage the entire NYC Health + Hospitals continuum of services, including:
  - Virtual ExpressCare
  - Street Health Outreach and Wellness (SHOW) vans
  - Primary Care Safety Net clinics
  - Mobile crisis/treatment services
  - Critical Time Intervention teams
  - Housing for Health

# Staffing Model

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- Bridge to Home includes a multidisciplinary team meant to support patients as they transition from hospital to permanent housing – including:
  - **Psychiatric provider** to support medication, medication management, and crisis intervention
  - **Social workers** to develop a care plan for patients along with direct patient care and connection to support services
  - **Peers** who have lived experience in mental health, to provide support to patients in their care plan
  - **Nurses** to support connections to traditional medical and specialty care to manage health conditions
  - **Occupational therapist** to support community independence and support guests in independent living in housing
  - **Psychiatric technicians and security** for wellness checks, de-escalation and to ensure the safety of patients, staff, and community

# Program Eligibility & Outcomes

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## ➤ Eligibility

- Single adult, 18 years old and over; and
- Identify as male; and
- Completed in-patient stabilization at NYC Health + Hospitals within the last year; and
- Diagnosed with an SMI; and
- Has been referred by an NYC Health + Hospitals behavioral health clinician; and
- Is likely to experience homelessness/housing instability at discharge; and
- May have had multiple engagements with outpatient treatment and social services following hospital discharge but still could not be placed in permanent housing; and
- Be able to perform basic Activities of Daily Living or ADLs (bathing, continence/toileting, dressing, eating, transferring/mobility); and
- Have agreed to participate in Bridge to Home

## ➤ Outcomes

- Provide a home-like environment for patients;
- Increased engagement in outpatient mental health and/or substance use disorder (SUD) treatment;
- Decreased unnecessary emergency department visits and hospitalizations;
- Reduced shelter entry and street homelessness.

# Lease Terms

- NYC Health and Hospitals/Bridge to Home will occupy the entire Hudson River Hotel at 442 West 36th Street in Manhattan
- A 3-year base lease term will commence upon execution of the lease with two additional one-year options years available solely at the discretion of H+H
- Base Rent: \$185/room/night Years 1-3 to escalate to \$190/room in the option years
  - The System has the right to terminate at its convenience on 180 days' notice
  - No payment for rooms that cannot be used due to Landlord's fault
  - Landlord will provide cleaning, linen and bedding services
- New hotel not previously used during COVID or HERRC; Site has been vetted by DHS
- Licensed under Bellevue and operational partnership between Central Office and Bellevue
- Total occupancy of 56 rooms: 46 guest rooms, 10 for administrative space
- The total annual occupancy fee for base rent over the potential 5-year term will be \$19,111,400 with \$250,000 for potential additional expenses for a total NTE of \$19,361,400

Years	Cost
Base Term	\$ 11,344,200
Option Years	\$ 7,767,200
Rental Cost	\$ 19,111,400
Additional Expenses	\$ 250,000
Total	\$ 19,361,400

## For Capital Committee Approval

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- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC (“**Landlord**”) for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 442 West 36th Street in Manhattan (the “**Hotel**”) for the System’s Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 with \$250,000 for potential additional expenses for a total NTE of \$19,361,400.

# **CONTRACT APPROVAL**

**VOLMAR CONSTRUCTION, INC.  
BA GLOBAL CONSTRUCTION CORP.**

**JOB ORDER CONTRACT SERVICES**

**NYC HEALTH + HOSPITALS / SYSTEM-WIDE**

## **RESOLUTION**

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute stand-by, Job Order Contracts with Volmar Construction Inc. and BA Global Construction, Corp. (the “Contractor” or collectively “Contractors”) to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.

**WHEREAS**, the System uses stand-by or Job Order Contracts (“JOCS”) which provide specialized services, such as those of General Contracting contractors, on an as needed basis because they give the System a reliable way to call upon specialized service providers when they are needed without making long-term commitments; and

**WHEREAS**, the current contracts for General Contracting JOCS contractors used by the System are due to expire December 31, 2025; and

**WHEREAS**, the System issued competitive sealed bid solicitations for General Contracting contractors on June 3, 2024; 10 firms bid on the GC1 and 9 firms bid on the GC2 contract; Volmar Construction Inc. submitted the lowest responsive and responsible bid for the GC1 contract, and BA Global Construction Corp. submitted the lowest responsive and responsible bid for the GC2 contract; and

**WHEREAS**, Volmar Construction Inc. is currently performing work for the System as a JOCS HVAC contractor with a System performance rating of Good (ranking 89%); and

**WHEREAS**, BA Global Construction Corp. is currently performing work for the System as a JOCS general contractor with a System performance rating of Good (ranking nearly 90%); and

**WHEREAS**, the Volmar Construction Inc. has committed to a 30% MWBE subcontracting plan and BA Global Construction Corp. is a certified MWBE vendor; and

**WHEREAS**, the System’s Office of Facility Development will be responsible for the management of the proposed agreements.

**NOW THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute stand-by, Job Order Contracts with each, Volmar Construction Inc., and with BA Global Construction Corp., respectively, to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.

**EXECUTIVE SUMMARY  
JOCS CONTRACTS  
VOLMAR CONSTRUCTION INC.  
BA GLOBAL CONSTRUCTION INC  
FOR GENERAL CONTRACTING SERVICES**

<b>OVERVIEW:</b>	The System uses stand-by or Job Order Contracts (“ <b>JOCS</b> ”) which provide specialized services, such as those of General Contracting contractors, on an as needed basis because they give the System a reliable way to call upon specialized service providers when they are needed without making long-term commitments. The current contracts for General Contracting JOCS contractors used by the System are due to expire December 31, 2025.
<b>PROCUREMENT</b>	The System issued competitive sealed bid solicitations for General Contracting contractors on June 3, 2024; 10 firms bid on the GC1 and 9 firms bid on the GC2 contract; Volmar Construction Inc. submitted the lowest responsive and responsible bid for the GC1 contract, and BA Global Construction Corp. submitted the lowest responsive and responsible bid for the GC2 contract; the Contractors submitted the lowest responsive and responsible bids, respectively.
<b>TERMS:</b>	The proposed contracts will each be for two years. The contracts will each be for an amount not to exceed \$10,000,000.
<b>FINANCING:</b>	The financing of the work to be performed under the proposed contracts will vary depending on the nature of the work and the project.
<b>MWBE:</b>	Volmar Construction Inc. has committed to a 30% MWBE subcontracting plan and BA Global Construction Corp. is a certified MWBE vendor.



# **General Contracting Job Order Contracts Request for Approval**

**Capital Committee Meeting  
July 16, 2025**

**Manny Saez, PhD, VP, Office of Facilities Development  
Mahendranath Indar, AVP, Office of Facilities Development**

# For Capital Committee Consideration

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- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute stand-by, Job Order Contracts with Volmar Construction Inc. and BA Global Construction, Corp. (the “Contractor” or collectively “Contractors”) to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.

## Background / Current State

- Job Order Contracting (JOCs) are Construction Contracts that are awarded based on public bid, whereby bidders use a multiplier, against an itemized catalog of services, to establish their base bid. Solicitation and award in alignment with NYC Health + Hospitals Operating Procedure 100-5.
- Current General Contracting contracts began January 2024 and expire at the end of this year

Vendor	Start Date	End Date	# of WOs	Contract Value	Award to Date
BA Global Construction Corporation	1/1/2024	12/31/2025	17	\$10,000,000	\$ 3,995,693
Jemco	1/1/2024	12/31/2025	25	\$10,000,000	\$ 7,038,732
Total			42	\$20,000,000	\$ 11,034,425

# Procurement

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- Public bids opened on June 3rd, 2025 for two contracts, each for \$10M, to provide general construction services. The contracts will be for a two year term.
  
- Volmar Construction Inc was the lowest responsible bidder for GC1.
  - Lowest multiplier submitted by Volmar Construction Inc – 0.8296
  - Previous GC1 low bid multiplier was 0.7020 (Jemco)
  - Volmar user rating ~89% rating. Volmar is the current JOC contractor for HVAC and the rating is for work provided throughout the system. Volmar also provided GC services for the contract term before the previous term. (1 facility with 1 evaluation)
  
- BA Global Construction Corporation (“BA Global”) was the lowest responsible bidder for GC2
  - Lowest multiplier submitted by BA Global – 1.0390
  - Previous GC2 low bid multiplier was 0.6702 (BA Global)
  - BA Global user rating - ~90% rating. Currently one of our JOC General Contractors. (1 facility with 1 evaluation)

# GC MWBE Utilization Plans

- Volmar has committed to a 30% MWBE spend:

Subcontractor	Certification	Supplies/Services	Utilization Plan %
Eastern Plumbing	WBE	Plumbing	11%
ANR Mechanical Corp	MBE	HVAC	15%
Park Avenue Building and Roofing Supplies	MBE	Material Supplier	4%
<b>Total</b>			<b>30%</b>

- BA Global is certified MWBE vendor so 100% of spend will be MWBE

# Budget

HVAC JOC Contractors		
Volmar Construction		\$10,000,000
BA Global		\$10,000,000
<b>Total</b>		<b>\$20,000,000</b>

# Volmar Vendor Evaluations

<div> <div> <b>NYC</b> <b>HEALTH+</b> <b>HOSPITALS</b> </div> <div> Vendor Performance Evaluation Volmar </div> </div>	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	YES
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	NO
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	YES
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	YES
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	YES
Did the vendor pay its suppliers and subcontractors, if any, promptly?	YES
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	YES
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	YES
Did the vendor adequately staff the contract?	YES
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	YES
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	YES
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	YES
Performance and Overall Quality Rating Satisfactory	Good

<70% ----- Not satisfactory  
 71% - 80% ----- Satisfactory  
 81% - 90% ----- Good  
 91% - 100% ----- Excellent

# BA Global Vendor Evaluations

<div> <div> <b>NYC</b> <b>HEALTH+</b> <b>HOSPITALS</b> </div> <div> Vendor Performance Evaluation BA Global </div> </div>	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	YES
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	NO
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	YES
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	YES
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	YES
Did the vendor pay its suppliers and subcontractors, if any, promptly?	YES
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	YES
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	YES
Did the vendor adequately staff the contract?	YES
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	YES
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	YES
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	YES
Performance and Overall Quality Rating Satisfactory	Good

<70% ----- Not satisfactory  
 71% - 80% ----- Satisfactory  
 81% - 90% ----- Good  
 91% - 100% ----- Excellent



# For Capital Committee Approval

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- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute stand-by, Job Order Contracts with Volmar Construction Inc. and BA Global Construction, Corp. (the “Contractor” or collectively “Contractors”) to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.

To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Franco Esposito *Franco Esposito*  
Deputy Counsel  
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: BA Global Construction Corp.

Date: June 23, 2025

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The below information indicates the vendor's status as to responsibility, EEO and MWBE as provided by the Office of Facilities Development and Supply Chain:

**Vendor Responsibility**

Pending

**EEO**

Approved

**MWBE**

100%

To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Franco Esposito *Franco Esposito*  
Deputy Counsel  
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Volmar Construction, Inc.

Date: June 23, 2025

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The below information indicates the vendor's status as to responsibility, EEO and MWBE as provided by the Office of Facilities Development and Supply Chain:

**Vendor Responsibility**

Approved

**EEO**

Approved

**MWBE**

30%

**CONTRACT APPROVAL**

**JRM CONSTRUCTION MANAGEMENT**

**AMBULATORY CARE CENTER  
CONSTRUCTION SERVICES**

**NYC HEALTH + HOSPITALS / SOUTH BROOKLYN**

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with JRM Construction Management (the "Contractor") to undertake a gut renovation at NYC Health + Hospitals/South Brooklyn Health's Main Building to create a new Ambulatory Care Center by repurposing the former Emergency Department space, for a contract amount of \$16,582,022 with a 10% project contingency of \$1,658,202 to bring the total cost not to exceed \$18,240,224.

**WHEREAS**, NYC Health + Hospitals/South Brooklyn Health seeks to consolidate, modernize, and expand ambulatory care services currently scattered across the hospital campus to improve efficiency, increase access, and support the system-wide shift toward ambulatory and primary care services; and

**WHEREAS**, this project will involve a full gut renovation of approximately 25,000 square feet on the first floor of South Brooklyn Health's Main Building, previously occupied by the Emergency Department, which was relocated to the Ruth Bader Ginsburg Building; and

**WHEREAS**, the scope of work includes demolition and replacement of all HVAC systems, electrical distribution, and plumbing, and installation of new interior finishes including walls, ceilings, floors, doors, and fixtures; and

**WHEREAS**, the renovated space will provide 48 exam rooms shared by primary care, orthopedics, urology, and podiatry services, along with support spaces including treatment rooms, x-ray rooms, a cast room, consultation rooms, clean and soiled utility rooms, staff workstations, centralized storage, and secured medication dispensers; and

**WHEREAS**, in accordance with Operating Procedure 100-5, a public solicitation was posted to the City Record on April 3, 2025, site tours were held on April 14 and April 15, 2025, and twelve bids were received by the June 4, 2025 deadline, with JRM Construction selected as the lowest responsive and responsible bidder on June 16, 2025; and

**WHEREAS**, the Contractor has met all legal, business, and technical requirements and is qualified to perform the services as required in the contract documents; and

**WHEREAS**, the overall responsibility for the administration of the proposed contract shall be with the Vice President, Office of Facilities Development.

**NOW, THEREFORE, be it**

**RESOLVED** that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with JRM Construction Management in the amount of \$16,582,022, plus a contingency of \$1,658,202, for a total amount not to exceed \$18,240,224, to renovate the former Emergency Department space at NYC Health + Hospitals/South Brooklyn Health into a new Ambulatory Care Center.

**EXECUTIVE SUMMARY**  
**SOUTH BROOKLYN HEALTH – AMBULATORY CARE**  
**CENTER RENOVATION CONTRACT**  
**JRM CONSTRUCTION MANAGEMENT**

**CONTRACT SCOPE:** General Construction Work

**NEED:** NYC Health + Hospitals/South Brooklyn Health requires general construction services to undertake a full gut renovation of the vacated Emergency Department space on the first floor of the Main Building in order to consolidate, modernize, and expand the hospital's ambulatory care services. The project will co-locate primary care, orthopedics, urology, and podiatry into a single, efficient, modernized setting in alignment with NYC Health + Hospitals' system-wide goals of expanding access to ambulatory and preventative care.

**CONTRACT DURATION:** Eighteen months; construction is slated to begin in Fall 2025 with anticipated completion by Spring 2027.

**PROCUREMENT:** A competitive sealed bid was posted to the City Record on April 3, 2025. Site tours were conducted on April 14 and April 15, 2025, with twenty-one contractors in attendance. Twelve bids were received by the bid due date of June 4, 2025. JRM Construction Management was selected as the lowest responsive and responsible bidder, for a contract not to exceed a total of \$18,240,224. JRM Construction has prior experience delivering capital construction projects and is a recognized, qualified vendor.

**MWBE:** JRM Construction Management has committed to achieving a 32% MWBE participation goal.

**Application to Award Contract to JRM Construction  
Management for Emergency Department to Ambulatory  
Care project at NYC Health + Hospitals/ South Brooklyn  
Health**

**Capital Committee Meeting - July 16, 2025**

**Svetlana Lipyanskaya, CEO, NYC Health + Hospitals/South  
Brooklyn**

**Manuel Saez, PhD, VP, Office of Facilities Development**

**Mahendranath Indar, AVP, Office of Facilities Development**

**Kelly Burns, Director, NYC Health + Hospitals/ South Brooklyn**

- Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with JRM Construction Management(the “Contractor”), to undertake a gut renovation at NYC Health + Hospitals/ South Brooklyn Health’s Main Building to create a new Ambulatory Care Center by repurposing the former Emergency Department Space, for a contract amount of \$16,582,022 with a 10% project contingency of \$1,658,202 to bring the total cost not to exceed \$18,240,224 with an expected duration of 18 months.



# Program Background / History

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- Healthcare is rapidly changing its focus to Ambulatory Care particularly on growth within Primary Care.
- NYC H+H/SBH currently offers primary care, orthopedic, podiatry, X-Ray and urology services at locations scattered throughout the hospital campus
- Renovation of the 1<sup>st</sup> floor of the Main Building will be to relocate, expand, modernize and consolidate ambulatory care services into a single location on campus.
- The proposed ambulatory care center will be housed on the first floor in a space previously occupied by the Emergency Department, which was relocated to the Ruth Bader Ginsburg building, to ensure continuity of patient care services during construction.
- This will be a full gut renovation of the area, including the replacement of all existing HVAC systems, electrical distribution and plumbing, to ensure the new space is compliant with the current code.

# Construction Scope and Schedule

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## New Ambulatory Care Center

- Demolition of the vacant space on 1<sup>st</sup> Floor of the Main building.
- Renovation of approximately 25,000 sq ft and replacement of all Mechanical, Plumbing, Electrical and interior finishes, including new walls, ceilings, floors, doors, and fixtures;
- New layout to create 48 exam rooms which will be shared among the primary care, orthopedics, urology and podiatry services, 2 treatment rooms for urodynamics, 2 x-ray rooms and a cast room.
- All services will share the following support spaces: consultation rooms, equipment rooms, clean supply and soiled utility rooms, care stations that will be spread throughout the floor, staff workstations, centralized storage and secured medication dispensers.
- New Ambulatory Care center will have direct access from the street to make drop off easier



# Future Waiting Areas



# Future Care Stations & Corridors



# Overview of Procurement

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- 04/03/2025: Posted to City Record
- 04/14/2025 and 4/15/2025: Site tour conducted, 21 contractors attended
- 06/04/2025: Bid Due Date, with 12 bids received
- 06/16/2025: Determination of low bid finalized, and JRM Construction Management was selected as the lowest responsive and responsible bidder.



# Construction Contract

- Procurement is sourced via Public Bid
- Contract Amount is \$16,582,022
- JRM Construction Management has completed 3 relevant projects that have all received positive ratings:
  - St Francis College- Contract amount \$31,500,000
  - Biograph New York Clinic- Contract amount \$13,085,000
  - Pace University- Contract amount \$31,000,000
- Construction is anticipated to start in the Fall 2025 with completion expected by Spring 2027 (18 months)
- JRM has committed to a 32% MWBE Goal:

Subcontractor	Certification	Supplies/Services	Utilization Plan
Tristate Air Conditioning Incorporated	NYS MBE	HVAC	23%
KMF Construction Corp	NYS WBE	Drywall	9%
			32%

# Project Budget

South Brooklyn Health- Emergency Department to Ambulatory Care Center		
Construction		\$16,582,022
Project Contingency (10%)		\$1,658,202
<b>Total</b>		<b>\$18,240,224</b>



- Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with JRM Construction Management(the “Contractor”), to undertake a gut renovation at NYC Health + Hospitals/ South Brooklyn Health’s Main Building to create a new Ambulatory Care Center by repurposing the former Emergency Department Space, for a contract amount of \$16,582,022 with a 10% project contingency of \$1,658,202 to bring the total cost not to exceed \$18,240,224 with an expected duration of 18 months.

To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Franco Esposito *Franco Esposito*  
Deputy Counsel  
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: JRM Construction Management

Date: June 23, 2025

---

The below information indicates the vendor's status as to responsibility, EEO and MWBE as provided by the Office of Facilities Development and Supply Chain:

**Vendor Responsibility**

Pending

**EEO**

Pending

**MWBE**

32%

**CONTRACT EXTENSION**

**CONSTRUCTION MANAGEMENT SERVICES**

**NYC HEALTH + HOSPITALS / SYSTEM-WIDE**

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to extend the contract term by one year with seven Construction Management (“CM”) consulting firms, namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, the McCloud Group LLC. (the “Vendors”), to provide professional CM services; on an as-needed basis at various facilities throughout the System.

**WHEREAS**, in November 2020, following an RFP, the System’s Board of Directors approved contracts with the 7 Vendors to provide professional construction management services on an as-needed basis at a cost not-to-exceed \$10 Million over a five-year period including two one-year options exercisable at the sole discretion of the System; and

**WHEREAS**, in March 2022, the System’s Board of Directors approved a \$40 Million increase in the Not-To-Exceed (NTE) for the contracts with the Vendors bringing the total NTE to \$50 Million; and

**WHEREAS**, of the \$50 Million approved, currently \$23.3 Million remains uncommitted with six months of the allowed term of the Vendor contracts remaining; and

**WHEREAS**, the there is a desire to extend the term of the contracts while the Office of Facilities Development undertakes a procurement to select new vendors to perform construction management services, a process that should take approximately one year; and

**WHEREAS**, the performance of the Vendors has been satisfactory which is demonstrated by the volume of projects successfully progressing; and

**WHEREAS**, the Vendors have committed to MWBE participation of at least 30% detailed in the November 2020 Resolution and have adhered to their plans and three of the seven firms are MWBE; and

**WHEREAS**, the Vice President – Office of Facilities Development is responsible for the administration of the agreements.

**NOW, THEREFORE, be it**

**RESOLVED**, that New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to extend the contract term by one year with seven CM firms namely, AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, and the McCloud Group LLC., to provide professional CM services on an as-needed basis at various facilities throughout the Corporation with no increase to the not to exceed value of the contracts.

**EXECUTIVE SUMMARY  
INCREASE IN TIME FOR  
SEVEN CONSTRUCTION MANAGEMENT COMPANIES**

- BACK-GROUND:** In November 2020 the System conducted an RFP for professional construction management firms. The System supplements its own forces with requirements contractors in various fields to provide the manpower and expertise that the System cannot economically sustain at the level needed for large projects. In November 2020, the System's Board of Directors approved contracts with seven Construction Management ("CM") consulting firms namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, and the McCloud Group LLC., to provide professional CM services on an as-needed basis at various facilities throughout the System. The not-to-exceed cost of the contracts was set at \$10 Million over the 3-year term plus 2 one-year System options. In March of 2022 the Board of Directors approved an increase of \$40M to the previously approved NTE of \$10M for a total NTE of \$50M.
- TERMS:** The terms of the previously authorized contracts will increase by one year to a total of six years
- MWBE:** All the Vendors are meeting the M/WBE goals set forth in their utilization plans.

# **Increase in time for Construction Management (CM) Pool for Professional Services**

**Capital Committee Meeting  
July 16<sup>th</sup>, 2025**

**Manuel Saez, PhD., Vice President, Office of Facilities Development  
Mahendranath Indar, Assistant Vice President, Office of Facilities Development**

# For Capital Committee Consideration

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- Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to extend the contract term by one year with seven Construction Management (“CM”) consulting firms, namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, the McCloud Group LLC. (the “Vendors”), to provide professional CM services; on an as-needed basis at various facilities throughout the System.

# Background

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- H+H requires professional construction management services on an as needed basis, for projects throughout the system. Services include:
  - Perform construction administration functions, i.e., report writing, scheduling, reviewing material, inspecting work, making timely recommendations, performing progress analysis, record keeping, investigating and preparing contractor evaluations in keeping with the Corporation's policies and procedures.
  - Provide and monitor various types of testing, including laboratory analysis and reports.
  - Provide CM Services during the construction period by qualified inspectors.
- The current contracts in place for CM services expire December 31<sup>st</sup>, 2025.
  - Board approved contracts in November 2020
  - Board approved increase in NTE from \$10M to \$50M in March 2022
- Pool value is \$50,000,000
- Current spend for CM services: \$26,698,911
- Term of contracts: Five years (three base year, two one-year options to renew)



## Current Vendor Pool

- We are seeking approval for a one year time extension on the current contracts for Construction Management services
- The one year extension will allow us to continue to spend down the remaining value on this pool of contracts while we work to complete a new procurement

Vendor	Current Rating	Current Spend
AECOM USA	Good	\$ 2,574,790.76
Armand*	Excellent	\$ 3,082,432.30
Gilbane Building Company	Excellent	\$ 4,499,628.67
Jacobs Project Management	Good	\$ 9,098,630.23
McKissack & McKissack*		
TDX Construction Company	Good	\$ 6,134,627.75
The McCloud Group LLC*	Good	\$ 1,578,801.03
<b>TOTAL</b>		<b>\$ 26,968,910.74</b>

\* MWBE Vendor

## For Capital Committee Approval

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- Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to extend the contract term by one year with seven Construction Management (“CM”) consulting firms, namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, the McCloud Group LLC. (the “Vendors”), to provide professional CM services; on an as-needed basis at various facilities throughout the System.