

CAPITAL COMMITTEE

MEETING AGENDA

March 14, 2013

11:00 a.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES February 14, 2013

Emily A. Youssouf

- ASSISTANT VICE PRESIDENT'S REPORT

Alfonso C. Pistone

ACTION ITEMS

- Resolution

Arthur Wagner

Authorizing the President of the New York City Health and Hospitals Corporation (the "Tenant" or the "Corporation") to execute a lease agreement with 2857 West 8th Street Associates (the "Landlord") for space at 2847 W. 8th Street, Borough of Brooklyn, to house the Ida G. Israel Community Health Center (the "Center") operated by Coney Island Hospital (the "Facility").

- Resolution

Iris Jimenez-Hernandez

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve a Capital Project for Harlem Hospital Center to Relocate and Modernize the Dental Clinic for a total project cost of \$6.25 Million.

INFORMATION ITEMS

- Henry J. Carter – Major Modernization – Status Report

Robert Hughes

- Project Status Reports

Alfonso Pistone

Central/North Brooklyn Health Network

Generations+/Northern Manhattan Health Network*

Queens Health Network*

* Network contains project(s) that require a delay report

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

FEBRUARY 14, 2013

MINUTES

Capital Committee

Meeting Date: February 14, 2013

Time: 8:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair

Josephine Bolus, RN

Alan D. Aviles, President

Michael A. Stocker, MD, Chairman of the Board

HHC Staff:

Steven Alexander – Chief Operating Officer, Bellevue Hospital Center

Jeremy Berman – Deputy Counsel, Legal Affairs

Deborah Cates – Chief of Staff, Office of the Chairman

Lynda Curtis – Senior Vice President, South Manhattan Health Network

Martin Everette – Director, Affirmative Action/Equal Opportunity Employment

Rebecca Fischer – Associate Executive Director, Bellevue Hospital Center

Jonathan Goldstein – Senior Consultant, Corporate Planning

Anthony Gounaris – Senior Project Manager, Office of Facilities Development

Mendel Hagler – Executive Director, Gouverneur Healthcare Services

Juan Izquierdo – Associate Executive Director, Queens Hospital Center

Caroline Jacobs – Senior Vice President, Patient Safety

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

Peter Lynch – Senior Director, Office of Facilities Development

Tamiru Mammo – Chief of Staff

Antonio Martin – Executive Vice President

Dean Moskos – Director, Office of Facilities Development

Dean Pearce – Senior Director, Office of Facilities Development

Alfonso Pistone – Assistant Vice President, Office of Facilities Development

Marsha Powell – Director, Office of Facilities Development

Christopher Provenzano – Associate Executive Director, Generations+/Northern Manhattan Health Network

Joseph Quinones – Senior Assistant Vice President, Operations

Michael Rawlings – Associate Director, Bellevue Hospital Center

Robert Rossdale – Deputy Executive Director, Queens Hospital Center

Salvatore Russo – General Counsel, Legal Affairs

Ann Sullivan – Senior Vice President, Queens Health Network

Cyril Toussaint – Director, Office of Facilities Development

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

Manasses Williams – Assistant Vice President, Affirmative Action/Equal Opportunity Employment
Dion Wilson – Assistant Director, Office of Facilities Development
Julius Wool – Executive Director, Queens Hospital Center
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Frank Zanghi – Supervising Confidential Examiner, Internal Audits

Other Attendees:

Steve Curro – Managing Director, Construction, Dormitory Authority of the State of New York
Melissa Dubowski – Office of Management and Budget (OMB)
Jon Levy – Base Tactical
Megan Meagher – Office of Management and Budget (OMB)
James Palace – Hunter Roberts Construction Group
John Pasicznyk – Managing Director, Construction and Metro New York Operations, Dormitory Authority of the State of New York

CALL TO ORDER

The meeting was called to order by Emily A. Youssouf, Chairman of the Capital Committee, at 8:15 A.M.

ASSISTANT VICE PRESIDENT'S REPORT

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, provided an overview of the meeting agenda. He informed members of the Committee that there was one action item for consideration; an impromptu information item regarding issuing a Request for Proposals (RFP) for Construction Management (CM) services relating to mitigation projects resulting from Super-storm Sandy; a status report on the major modernization project at Gouverneur Healthcare Services; and, two brief delay reports. Additionally, as follow-ups to previous Committee meeting inquiries, Mr. Pistone advised that John Levy, Base Tactical, was in attendance to provide answers with respect to the 100 and 500 year flood lines, and Jeremy Berman, Deputy Counsel, was prepared to give a brief update on the relinquishment of the steam plant on the Coler campus of Coler-Goldwater Specialty Hospital and Nursing Facility.

The Committee was also advised that HHC had received written commitment from the Office of Management and Budget (OMB) with respect to the representation that OMB would make HHC whole in the event that the \$1.7 million required for decommissioning at Goldwater was required to complete the Henry J. Carter Skilled Nursing Facility.

That concluded his report.

ACTION ITEMS

- Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

Julius Wool, Executive Director, Queens Hospital Center, read the resolution into the record on behalf of Ann Sullivan, Senior Vice President, Queens Health Network, who was present. Mr. Wool and Ms. Sullivan were joined by Robert Rossdale, Deputy Executive Director, and Juan Izquierdo, Associate Executive Director, Queens Hospital Center.

Mr. Wool explained that the "T-Building" was an approximately 250,000 square foot structure, that at present was approximately 85% vacant, with only about 30 programs occupying space; mostly administrative with a few ambulatory care services. Since the recent major reconstruction project on the campus the plan has been to evacuate the building, and as a result of that decision there have been no capital investments made on the structure in the past 10 years. At present, the facility has space available on campus as a result of Healthcare Efficiency and Affordability Law (HEAL) funded projects, which include creation of shell space that is available to house these programs.

Josephine Bolus, RN, asked if the trailer located off-site is convenient, and whether that is where volunteers would be reporting. Mr. Wool advised that the trailer is on-site and Mr. Rossdale added that volunteers would likely be moved to the Parson's trailer. He specified that the offices for the volunteer

program would be relocated but the volunteers themselves would only visit that site for initial registration purposes, they will not sign-in there on a daily basis.

Ms. Youssouf asked if the building would be left standing once it was evacuated. Mr. Rossdale said yes. Ms. Youssouf asked why it wouldn't be reused if it would be sitting empty on the facility's campus. Mr. Izquierdo advised that there had been previous discussions about the site being used for assisted living and that agreement fell through during the economic downturn. He said it still is widely known that the building is available and the subject is being discussed. Ms. Sullivan advised that LaRay Brown, Senior Vice President, Corporate Planning, and her office has been in some preliminary discussions with the facility as to whether an organization like CommunitiLife may be interested. The topic has been raised. The goal is to have the building be useful to the community and in some way beneficial to the hospital.

Mrs. Bolus asked if any possible future occupant would be responsible for upkeep, refurbishing, and/or remediation work necessary on the structure. All parties said yes. Any agreement would be sure to include that.

Antonio Martin, Executive Vice President, added that he was familiar with the building and believed that it is a life-safety issue and decommissioning the structure, with the hopes that repurposing in the future, is the best plan.

Mrs. Bolus asked what the Corporation would have to do to make the building safe. Mr. Rossdale said he did not believe that the building was an imminent disaster, although there are leaky roofs and unstable balconies. He noted that the building was built in 1938, as a tuberculosis hospital, and therefore was not designed in a way that is practical for a modern healthcare facility's needs.

Mrs. Bolus asked whether there was any need for concern that the structure would in some way injure passersby. Mr. Rossdale said no, but if there is no immediate plan for occupancy or take-over by another party then there are a few precautions that would be taken, such as scaffolding, or small decommissioning projects.

Ms. Youssouf asked if an RFP had been issued regarding developing the site. Mr. Martin said he believed that was the path that was being investigated but at this point it is most important to get the staff out of the site. Ms. Youssouf agreed but said there should be a plan and it should be high priority so that the building does not become a hazard on the property.

Ms. Youssouf asked about the trailer and the modular structures, and whether these were long term solutions. Mr. Rossdale advised that the modular buildings are in fact pre-fabricated structures with foundations, footings, etc. He noted that the Parsons trailer has been on the campus for 25-30 years, but the structures need to be legalized, which is part of the plan. Mrs. Bolus asked what that meant. Mr. Rossdale said that the site would then be considered an official building by the Department of Buildings, but in order to do that some work is needed to bring the structure up to code, such as, installation of sprinklers, and proposals are being solicited for someone to do that design work. Mrs. Bolus asked how much that would cost. Mr. Rossdale said the budget had allotted \$350,000 for that part of the project.

Ms. Youssouf asked why the contingency was only 5%. Mr. Rossdale explained that project contingencies vary. Some are low because there isn't much possibility of overrun, or because work has already been completed and it is clear that contingency would not likely be needed. For example, portions

of the design are almost complete and that contingency will not likely be needed Ms. Youssouf asked if unused contingency would then be shifted to another part of the project if necessary. Mr. Rossdale said yes.

Ms. Youssouf asked about decommissioning costs. Mr. Rossdale said that is not part of the project. If an organization takes over the building then HHC will not be responsible for that. Ms. Youssouf asked if, prior to the upcoming Board meeting, it could be determined how quickly an RFP could be issued and what the cost of decommissioning would be, as the longer the building sits idle the more likely HHC gets stuck paying for some decommissioning work.

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

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

INFORMATION ITEMS

- **RFP for Construction Management Services**

Joseph Quinones, Senior Assistant Vice President, Operations, explained that the Corporation would be issuing an expedited RFP for Architectural and Engineering (AE) Services for mitigation work resulting from the effects of Super-storm Sandy. Mr. Quinones was joined by John Levy, Base Tactical.

Mr. Quinones advised that while the final contract(s) will go before the Contract Review Committee (CRC) and will be presented to the full Board, it was determined that this was the best time to present the plan, in the interest of keeping the Capital Committee informed. Since there is no active contract, no action item could be presented, but the information item will allow them to have some knowledge of future items that may be seen by the full Board, if not at the Committee.

Mr. Quinones advised that the AE firms being solicited are for specialized services, which is why current AE firms do not have capacity to provide the types of services needed. Mr. Quinones shared an image of Lourdes Hospital in Binghamton, New York, that featured nine (9) foot flood gates that prevented severe flooding at that facility. He explained that this is an example of the type of mitigation work that is being considered for HHC facilities that were affected by the Super-storm; Coney Island Hospital, and Bellevue Hospital Center in particular.

Mr. Levy explained that the image showed a flood level of 8'3" running up against a 9' flood barrier.

Mr. Quinones explained that the need to expedite the RFP was in part due to the fact that the upcoming hurricane season begins in June. He added that there are a number of questions and engineering issues that will need to be answered in order to determine whether this is feasible for HHC facilities.

Dr. Stocker asked for clarification on the timeline of the RFP and issuing the contract. Mr. Quinones explained that this item will be brought before the full Board in March.

Mrs. Bolus asked if there was any estimate as to how much studies would cost. Mr. Levy said that soliciting the appropriate firms was the first step but until the RFP process is executed it was unclear what type of mitigation work would be suggested. He added that it is possible that the Committee may select more than one firm, in which case there would possibly be multiple options to consider. Until ideas are flushed out, the benefits of soliciting from firms across the country will provide detailed and useful responses from firms that specialize in this specific area.

Ms. Youssouf asked if this is something that is potentially covered by the Federal Emergency Management Agency (FEMA). Mr. Levy said yes. There is potential. HHC has been given a sense from sources inside and outside of FEMA that HHC should be looking at long-term solutions for preventing these things from happening again.

Alan Aviles, President, advised that another reason for expediting the process, and not coming before the Capital Committee at a later date, is the possibility of seeing some short-term mitigation options that may be able to be put into place prior to the upcoming hurricane season, being that much of the long-term, extensive mitigation projects may be projects that require longer lead time with regards to necessary funding and actual project completion.

Ms. Youssouf asked if this was an appropriate time to discuss the 100 and 500 year flood plan and asked for an explanation. Mr. Levy advised that flood plans were drafted by FEMA based on information secured by a Corps of Engineers and national engineering firms. They provided data over the last 15 years which transitions into these levels. They are scientists' best guess as to what could occur. He stated that the last significant study for the metropolitan area was done in 1972. Mr. Levy noted that these are parameters that provide guidance as to what is at risk. Since FEMA is the institution that can provide funds they have the ability to enforce guidelines that organizations need to follow should they wish to be reimbursed for future damages. Advisory levels are three (3) to four (4) feet higher than the 500 year plans. FEMA has advised that in order to receive hazard mitigation money, money to build walls, move pumps, etc., work had to be no less than the 500 year flood line in place at the time of the storm. Ms. Youssouf asked if FEMA said that. Mr. Levy said yes. Doing better than the minimum is the idea. He advised that switch gear repairs at Coler and Bellevue have been completed according to 500 year plan requirements.

Ms. Youssouf asked about whether any additional HHC facilities were included in new flood zones. Mr. Levy said he was unsure. Mr. Aviles said he did not believe that other facilities were in the flood zone, but some facilities that were not previously at risk are now considered so, such as, Harlem Hospital Center and Metropolitan.

Mrs. Bolus asked if HHC's insurance had increased. Mr. Aviles said no, HHC self-insures.

- **Relinquishment of Steam Plant at Roosevelt Island – Coler Campus**

Jeremy Berman, Deputy Counsel advised that it was determined that costs relative to leaving the steam plant and turning it back over to the Roosevelt Island Operating Corporation (RIOC) are limited to the costs of remediating the existing bulk storage petroleum tanks, there are no other costs involved. The Committee had asked what the cost would be and the estimate from Liro, through DASNY, was \$838,000. Mr. Berman explained that the estimate included \$100,000 for removal of contaminated soil, although testing shows no contamination (that's just in case), so in his opinion the \$838,000 may be higher than necessary.

Ms. Youssouf asked if this is being contracted out for. Mr. Berman said no, the plant will continue to operate for about a year from now so there is no obligation to close now. Timing is under HHC's control. In the coming months planning will be taking place.

- **Gouverneur Healthcare Services – Major Modernization – Status Report**

Mendel Hagler, Executive Director, Gouverneur Healthcare Services, provided the status report on the major modernization project. Mr. Hagler was joined by Lynda Curtis, Senior Vice President, South Manhattan Health Network, Dean Moskos, Director, Office of Facilities Development, John Pasicznyk, Managing Director, Construction and Metro New York Operations, and Steve Curro, Managing Director, Construction, Dormitory Authority of the State of New York.

Mr. Hagler advised that the Construction Manager had recently completed work on floors four (4), five (5), six (6) and seven (7) of the original building. The Department of Buildings (DOB) had issued temporary Certificate of Occupancy and the facility is waiting for pre-inspection surveys by the Department of Health (DOH) anticipated for February 21st and February 26th. Renovations merged the new ambulatory care building with the existing facility to create what appears to be a single 40,000 square foot space on each floor. The new fourth floor now houses Surgical and Imaging Services including a new Cat scan and expanded ophthalmology suite. Mr. Hagler thanked Dr. Stocker for his assistance in securing funding from LMDC for said scanner. On the fifth floor is a 21 inpatient bed Rehabilitation Center, and primary sub-acute care space. These are the central components to present the facility as a leader in sub-acute and rehabilitation services. This progress also enables the facility to work with other HHC facilities to discharge patients. The sixth and seventh floors hold 74 sub-acute and long term care beds, bringing the total number of renovated beds to 135.

Mr. Hagler noted that patients and residents, community and staff have been through a lot. This is a big project and renovating a facility while it is fully occupied is quite difficult but the progress has been significant in delivery of care. The overwhelming sentiment is extremely positive. Mr. Hagler took a moment to read a note from a recent patient, who said, "... choosing Gouverneur was the best choice I could have possibly made."

Mr. Curro confirmed that floors four (4), five (5), six (6) and seven (7) have been turned over to the facility, and the Department of Health (DOH) would be coming in soon so that floors ten (10) and eleven (11) can then be decanted and construction can begin. Work continues to advance on floors two (2), three (3), eight (8), and nine (9). Demolition and abatement phases are complete on ten (10) and eleven ((11), turnovers for two (2) and three (3) are scheduled for May 2013, in September for floors eight (8) and nine (9) and October for ten (10) and eleven (11). The final phase will be the first floor. Mr. Curro expressed confidence that the project had stabilized from a budgetary standpoint, noting that changes, errors and omissions, and any general surprises have likely by this point been mitigated.

Ms. Youssouf asked whether additional monies would be requested. Mr. Curro said no. He advised that regarding MWBE stats are 14% for Minority, 8% for Women, totaling approximately 22% at this point. Almost everything has been contracted out.

Mrs. Bolus asked about a section of the report that referenced the exclusion of CON fees, some planning fees, Value Engineering Services, and other things. Mr. Moskos advised that additional funding

sources, outside of the scope of DASNY work, such as DOH fees and value engineering were funded by City General Obligation (GO) Bonds and were under separate Certificate to Proceed (CP), and were therefore not included in the total DASNY budget.

He noted that the budget breakdown shows Information Technology (IT) infrastructure was funded separately and the budget reflects the \$4.4 total as well as the separate parts of that. \$1.7 million was a separate DASNY WO and the balance of \$2.2 million is managed by HHC. So that is a separate funding source outside the DASNY scope.

Ms. Youssouf asked if \$251 million is all inclusive amount. Mr. Moskos said yes. Ms. Youssouf asked if there was money available to cover the shortfall. Mr. Moskos said yes, in the recent past the Office of Management and Budget (OMB) approved an additional \$33 million plus some funds reallocated from within the capital plan. Ms. Youssouf asked what the \$33 million was for. Mr. Moskos explained that was what HHC had asked for to make the project whole. He explained that \$5 million of that, for contingency, will be provided if necessary. Mr. Pasicznyk explained that of the full contingency they will not approve \$5 million of that until it is deemed necessary.

Mrs. Bolus asked who determines if the money is needed. Mr. Curro said that if the project reaches a point where change orders cannot be completed or no encumbering can be completed, than prior to that point OMB would be asked for the money or at least a portion of it. Mr. Aviles advised that OMB has been closely tracking the project and he feels that because this is not actual contingency they do not wish to approve if not necessary. Ms. Youssouf asked that the numbers be included in the total project cost. The project is \$251 million not \$246 million. Whether they are related to DASNY or not the costs should all be included. She asked that the budget reflect that moving forward. This has to be reported as a whole. No missing pieces.

Dr. Stocker advised that as a result of the significant cost overruns on this project, and others, there has been some discussion about the construction management process at HHC. We have three (3) suggestions; 1) move to a CM at-risk process for construction projects, so that people doing work are responsible for timeliness, etc., that is common in other city departments, 2) need better data system for Capital project information, and, 3) OMB needs to be worked with very closely, as projects always come in low and then go over budget, which has affected our relationship with them. We owe it to them to have all costs included in initial estimates, and we need to have an honest working relationship with OMB. Ms. Youssouf added that the projects need to be fully investigated before beginning, and Central Office should review all preliminary estimates and scopes to be sure everything is included, and all planning is in place; i.e., moving, decommissioning, etc., and that everything is phased and planned appropriately.

Mr. Curro said he supported the idea and felt that it imposes a certain discipline on the project owner. It means money will need to be spent at the forefront, but it will be less than money that is being spent on the back end, as in these recent situations, although, CM at-risk has to be an option for HHC. He inquired as to whether HHC is allowed to hold the contract (single-prime). He explained that DASNY is permitted to do CM at risk, but only with certain legislation, and as long as there is a project sponsor. Mr. Pasicznyk added that there is blanket authorization within the State of New York (SUNY) Dormitory Authority statute to be able to use CM at risk at any dormitory facility, but otherwise it is specifically written in legislation for specific projects. He noted that DASNY has been looking for more broad legislation. Mr. Aviles said that HHC would be happy to work together on getting that legislation. Mr. Curro said the good news is that alternative delivery methods are advantageous and therefore things are

changing. DASNY has asked repeatedly over the years to open up to any contracting methodology so that organizations can choose their preferred contracting methodology. Multiple prime is being moved away from. The city PLA allows for single prime contractor. Ms. Youssouf requested that Counsel check with HHC legislation to see if these are possibilities and what the limitations are, and to determine what Economic Development Corporation (EDC), and the New York Power Authority (NYPA) legislation reflects. She asked that Counsel report back by the next Capital meeting. Mr. Berman said discussions were already taking place. We have more flexibility than currently exercised. Mr. Curro said that legislation is already in place that allows for under \$3 million projects to be Wicks exempt. Ms. Youssouf said that was not HHC's primary concern.

- **Project Status Reports**

North Bronx Health Network

South Manhattan Health Network*

South Brooklyn/Staten Island Health Network*

* Network contains project(s) that require a delay report

Mr. Pistone advised that two projects were reporting delays of six (6) months or more, the Boiler Replacement at Coney Island Hospital Center, and the Expansion of the Inpatient Psychiatric Unit at Bellevue Hospital Center. He explained that both projects experienced some delays due to the impact of Super-storm Sandy. With regards to the boiler project, NYPA is reviewing the plans to be sure the project is in line with any anticipated mitigation. He noted that he had further delay report information available but in the interest of time the report was kept short.

There being no further business, the meeting was adjourned at 9:15 A.M.

LEASE AGREEMENT

IDA G. ISRAEL COMMUNITY HEALTH CENTER

CONEY ISLAND HOSPITAL

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Tenant" or the "Corporation") to execute a lease agreement with 2857 West 8th Street Associates (the "Landlord") for space at 2857 W. 8th Street, Borough of Brooklyn, to house the Ida G. Israel Community Health Center (the "Center") operated by Coney Island Hospital (the "Facility").

WHEREAS, since 1984, the Center provided a full range of primary care services for its patients including pediatric care from newborn through adolescence, gynecologic services, adult primary care, immunizations, dental services, a WIC program, podiatric services, allergy and other medical specialty services as needed; and

WHEREAS, the Center also housed a Chemical Dependency Program which managed approximately 18,000 visits annually; and

WHEREAS, on October 29th and 30th, 2012, the building housing the Center at 2201-2203 Neptune Avenue, Borough of Brooklyn, was substantially destroyed by Hurricane Sandy rendering it unsuitable and untenable for use as a health care facility site and the Corporation terminated the lease effective November 27, 2012; and

WHEREAS, the Center served a primary services delivery area whose residents suffer from a higher rate of medical problems such as diabetes, cancer, heart disease, hypertension and asthma than the general population of New York City, and whose elderly female population exhibits a significant gynecological pathology; and

WHEREAS, there continues to be a need for healthcare services in the area and moving the Center to 2847 W. 8th Street will allow these services to remain within the community.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Tenant" or the "Corporation") be and hereby is authorized to execute a lease agreement with 2857 West 8th Street Associates, Borough of Brooklyn, to house the Ida G. Israel Community Health Center (the "Center") operated by Coney Island Hospital (the "Facility").

The Tenant shall have use and occupancy of approximately 24,000 square feet on the second floor of 2857 West 8th Street (the "Demised Premises"). The initial term of the lease shall be fifteen (15) years. The base rent shall be \$24 per square foot, or \$576,000 per year. The base rent shall be escalated by 2.5% per year. The lease shall contain three (3) five year renewal options exclusive to the Tenant. The base rent for the option periods shall be set at 95% of fair market value. The Landlord shall provide a credit in the amount of \$360,000 which may be used by the Tenant as free rent or applied towards the renovation costs.

The Landlord shall complete renovations to the Demised Premises in accordance with plans and specifications prepared by the Landlord developed from the space program provided by the Tenant. The Landlord

Page Two – Resolution
Ida G. Israel Community Health Center

shall prepare all schematic, design development, construction documents, specifications and construction estimates, and implement all filings, obtain all permits, certificate(s) of occupancy, comply with all applicable codes, rules and regulations. The renovations shall be completed at an estimated not-to-exceed cost of \$7.2M (derived using \$300 per square foot project cost, including FF&E). The Corporation anticipates FEMA reimbursement of 90% of the construction costs. The Landlord shall be reimbursed on a monthly basis for work installed during the construction period with 10% withheld pending completion of the work. The construction schedule for the renovations shall be established during the design phase of the project.

Utilities including electricity, gas, water and sewer shall be separately metered and paid directly to the public utility by the Tenant. If the Landlord fails to achieve substantial completion within thirteen (13) months after lease execution, the Tenant shall receive a rent credit equal to one (1) day of free rent for each day of delay.

Real estate taxes are included in the base rent. The Tenant shall pay its proportionate share of real estate tax increases above the 2014/2015 base year.

The Landlord shall be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building and premises, including replacement of the roof and main utility feeder and waste lines serving the building. The Tenant shall be responsible for non-structural repairs and maintenance.

EXECUTIVE SUMMARY

LEASE AGREEMENT IDA G. ISRAEL COMMUNITY HEALTH CENTER

CONEY ISLAND HOSPITAL

OVERVIEW: The President seeks authorization from the Board of Directors of the Corporation to execute a lease with 2857 West 8th Street Associates (the "Landlord") for space at 2857 West 8th Street, Borough of Brooklyn, to house the Ida G. Israel Community Health Center (the "Center") operated by Coney Island Hospital ("Coney Island").

**NEED/
PROGRAM:** The Ida G. Israel Community Health Center (the "Center") is the primary caregiver for the service area, which includes approximately 50,000 residents. Coney Island is also a Health Provider Shortage Area ("HPSA"). The Center's former site, 2201 Neptune Ave, was destroyed by Hurricane Sandy. The new site for the Center, 2857 West 8th Street is approximately one half mile away from the clinic's previous location. The Center's second floor location at West 8th will make it more storm resistant. The new site will contain approximately the same floor area as the Neptune Avenue location and is in the same Primary Service Delivery Area. The block that the Center will be located on shares adjacent space with many existing City Services including the Human Resources Administration, Department of Motor Vehicles, and NYPD's 60th Precinct. The Center will be accessible by mass transit. Based upon recent statistics, the population being served is made up of significant groups of Hispanic (18%) and African-American (23%) residents. Other growing populations include Asian Indian, and former Soviet Union refugees. The community's residents suffer from a higher than normal rate of medical problems such as diabetes, cancer, heart disease and hypertension. These numbers are significantly higher than the general population in New York City. There is also significant gynecological pathology among the elderly female population and the younger population has a higher than normal incidence of asthma.

The Center will continue to provide a full range of primary care services for its patients, including pediatric care from newborn through adolescence, gynecologic services, adult primary care, and immunizations. In addition, full dental services will be provided, a very active Women, Infant, and Child (WIC) program, podiatric services, allergy and an assortment of other medical specialty services as needed. The Center will continue to house a very successful Chemical Dependency Program.

UTILIZATION: A total of approximately 42,000 billable visits are currently being provided at the Center of which approximately 18,000 were provided by the Chemical Dependency Program in FY 12. In addition, the grant funded WIC program provided an additional 18,000 face-to-face encounters in FY 12. The total visits for the Center is anticipated to increase given the new convenient location, its proximity to public transportation and the fact that many medical/dental providers in the area will not re-build after being impacted by Sandy.

Page Two – Executive Summary
Ida G. Israel Community Health Center

TERMS: The Tenant will have use and occupancy of approximately 24,000 square feet on the second floor of 2857 West 8th Street (the "Demised Premises"). The initial term of the lease will be fifteen (15) years. The base rent will be \$24 per square foot, or \$576,000 per year. The base rent will be escalated by 2.5% per year. The lease will contain three (3) five year renewal options exclusive to the Tenant. The base rent for the option periods will be set at 95% of fair market value. The Landlord shall provide a credit in the amount of \$360,000 which may be used by the Tenant as free rent or applied towards the renovation costs.

The Landlord will complete renovations to the Demised Premises in accordance with plans and specifications prepared by the Landlord developed from the space program provided by the Tenant. The Landlord will prepare all schematic, design development, construction documents, specifications and construction estimates, and implement all filings, obtain all permits, certificate(s) of occupancy, comply with all applicable codes, rules and regulations. The renovations will be completed at an estimated not-to-exceed cost of \$7.2M (derived using \$300 per square foot project cost, including FF&E). The Corporation anticipates FEMA reimbursement of 90% of the construction costs. The Landlord will be reimbursed on a monthly basis for work installed during the construction period with 10% withheld pending completion of the work. The construction schedule for the renovations will be established during the design phase of the project. If the Landlord fails to achieve substantial completion within thirteen (13) months after lease execution, the Tenant shall receive a rent credit equal to one (1) day of free rent for each day of delay.

Utilities including electricity, gas, water and sewer will be separately metered and paid directly to the public utility by the Tenant.

Real estate taxes are included in the base rent. The Tenant will pay its proportionate share of real estate tax increases above the 2014/2015 base year.

The Landlord will be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building and premises, including replacement of the roof and main utility feeder and waste lines serving the building. The Tenant will be responsible for non-structural repairs and maintenance.

FINANCING: The Center's programs are financed by revenues from payors including Medicare, Medicaid, HMOs and self-paying patients, as well as special operating budget funds from the New York City Council in the amount of \$800,000, \$250,000 in NYCDOH funding for Child Health Centers, and \$268,000 in grant funds for the WIC program.

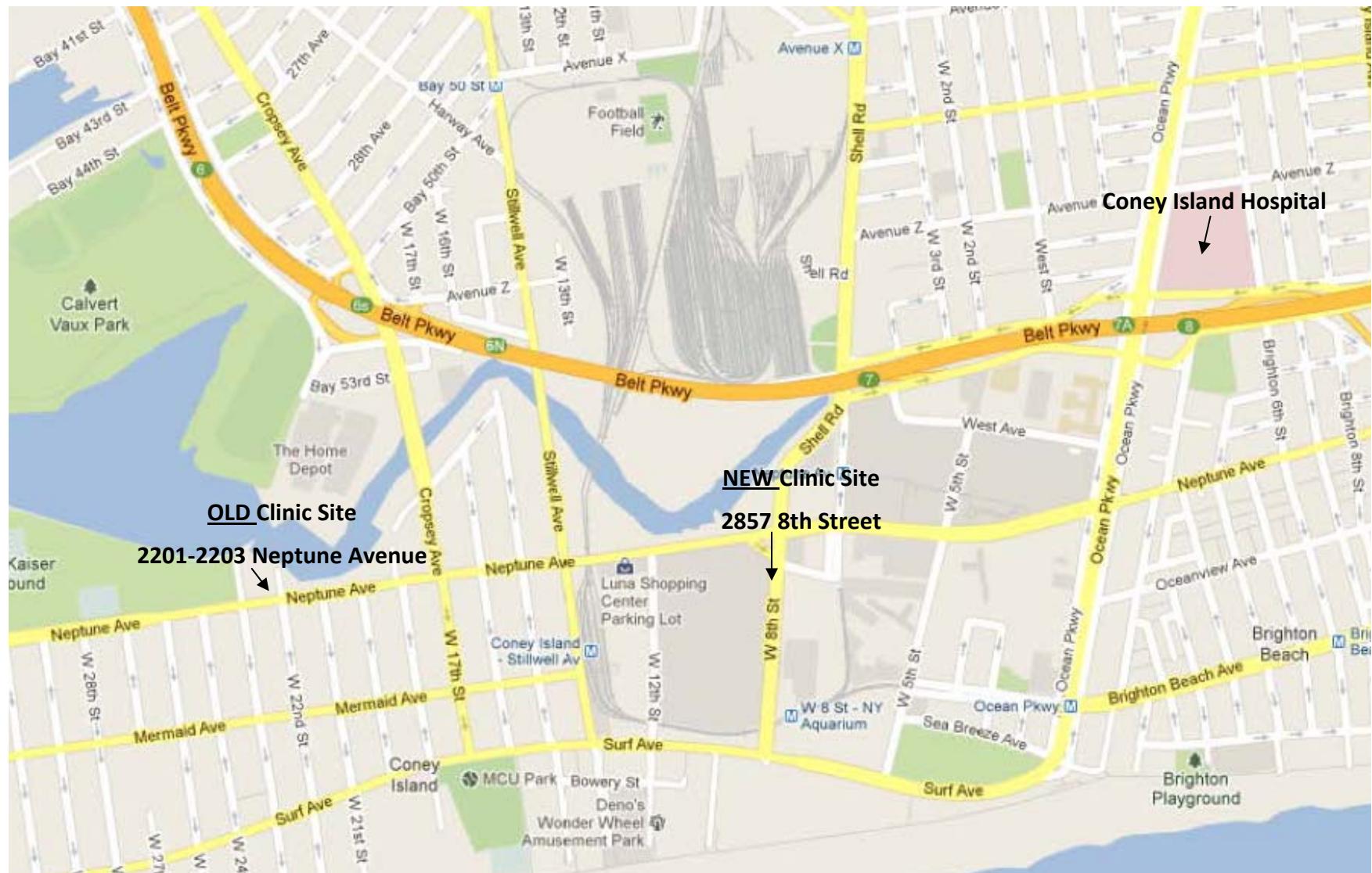
SUMMARY OF ECONOMIC TERMS

SITE:	2857 W. 8 th Street Block 7279, Lot 162
LANDLORD:	Steven Samuels 2857 W. 8 th Street Associates LLC
PREMISES:	24,000 square feet, 2 nd Floor
INITIAL TERM:	Fifteen (15) years
OPTIONS:	Three (3) five year options
BASE RENT:	\$24 per square foot, \$576,000 per year
ESCALATION:	2.5% per year
MAINTENANCE:	The Landlord will be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building and premises, including replacement of the roof and main utility feeder and waste lines serving the building. The Tenant will be responsible for non-structural repairs and maintenance.
UTILITIES:	Utilities including electricity, gas, water and sewer will be separately metered and paid directly to the public utility by the Tenant.
LANDLORD's WORK:	The Landlord will complete renovations in accordance with plans and specifications prepared by the Landlord developed from the space program provided by the Tenant. The Landlord will prepare all schematic, design development, construction documents, specifications and construction estimates, and implement all filings, obtain all permits, certificate(s) of occupancy, comply with all applicable codes, rules and regulations. The renovations will be completed at an estimated not-to-exceed cost of \$7.2M (derived using \$300 per square foot project cost, including FF&E). The Corporation anticipates FEMA reimbursement of 90% of the construction costs. The Landlord will be reimbursed on a monthly basis for work installed during the construction period with 10% withheld pending completion of the work. The construction schedule for the renovations will be established during the design phase of the project. If the Landlord fails to achieve substantial completion within thirteen (13) months after lease execution, the Tenant shall receive a rent credit equal to one (1) day of free rent for each day of delay.
TAXES:	Real estate taxes are included in the base rent. The Tenant will pay its proportionate share of real estate tax increases above the 2014/2015 base year.

IDA G. ISRAEL COMMUNITY HEALTH CENTER

2857 8th Street, Brooklyn

CONEY ISLAND HOSPITAL





West 8th Street
PREPARED BY
nf architectural designs, pllc
Frank Truglio, Architect
2/18/2013

PROJECT APPROVAL

DENTAL CLINIC

HARLEM HOSPITAL CENTER

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve a Capital Project for Harlem Hospital Center to Relocate and Modernize the Dental Clinic for a total project cost of \$6.25 Million.

WHEREAS, the Harlem Hospital Center Dental Clinic resides in the Women's Pavilion (WP) which is planned for eventual demolition; and

WHEREAS, the existing WP building infrastructure and clinic space cannot support the proposed modernization of the Dental Clinic; and

WHEREAS, Harlem Hospital Center has been granted HEAL 21 funds in the amount of \$3,858,653 to be used for the relocation and modernization of its Dental Clinic; and

WHEREAS, Harlem Hospital Center has been awarded an additional \$1.8 million in City Council funds for the purpose of purchasing equipment for a 23-operatory dental clinic which will be used to partially fund this project; and

WHEREAS, the proposed dental clinic equipment will provide a state of the art sterilization facility will correct existing deficiencies and conform to current codes and standards allowing the process to return to operation within the dental clinic thereby increasing efficiencies; and

WHEREAS, funding for the balance of this project above the HEAL 21 grant and City Council funds will be provided by Harlem Hospital Center Expense funds and existing Capital funds remaining in Capital Project #13200703; and

WHEREAS, the revision to Operating Procedure 100-5 requires that construction projects with budgets of \$3 million or more shall receive approval of the Board of Directors through the Capital Committee; and

WHEREAS, the proposed total project budget, inclusive of all contingencies, is estimated to be \$6.25 Million; and

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation"), be and hereby is authorized to approve a Capital Project for the Relocation and Modernization of the Dental Clinic at Harlem Hospital Center in accordance with the budget attached at a total project budget of \$6.25 Million.

RESOLVED, that the approval of this resolution shall be in lieu of an approval by the Capital Committee of a Work Order for the funds authorized in this resolution.

EXECUTIVE SUMMARY

PROJECT APPROVAL RENOVATION

HARLEM HOSPITAL CENTER DENTAL CLINIC RELOCATION AND MODERNIZATION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve a Capital Project for Harlem Hospital Center to Relocate and Modernize the Dental Clinic for a total project cost of \$6.25 Million.

Harlem Hospital Center plans to relocate its existing dental clinic to the Kountz Pavilion from the Women's Pavilion (WP) in order to vacate that building which is slated for demolition. The existing equipment is approaching 25 years of service and frequently requires extensive maintenance to remain in service. Moreover, the existing sterilization processing facility is no longer functional requiring all dental instruments and equipment to be processed through a facility located in a separate building resulting in prolonged turnover time between reuse, the need to purchase additional instruments to be used during the process and increased likelihood of loss of instruments through attrition.

In June, 2012, Harlem Hospital Center was awarded a HEAL 21 grant from NYS-DOH in the amount of \$3,858,653 for this project. These funds, together with a City Council FY 12 award of \$1.8 Million for new dental equipment, form the basis for proceeding with the design and construction of a 23-operatory dental Clinic to be located on the mezzanine floor of the Kountz Pavilion. Additional funds for the balance of this project will be provided by Harlem Hospital Center Expense funds and existing Capital funds remaining in Capital Project #13200703.

The new dental clinic will relocate to the mezzanine floor of the Kountz Pavilion encompassing approximately 8,900 square feet. Included will be 12 general dentistry, 6 oral surgery, and 5 pediatric/orthodontic operatories. Each of these operatories will be outfitted with state of the art intraoral digital xray equipment which will provide for better patient flow and higher efficiency of dental staff. Two digital panorex rooms are anticipated to shorten length of visits. The clinic will include a dental laboratory and a code-compliant equipment sterilization suite, allowing faster turn-around and reuse of dental instruments. In addition to registration/reception and waiting areas, departmental offices and services, conference/training and library space will be located on this floor. A new pump room for compressors, vacuum pumps, and amalgam separators will be located in the building basement. Oxygen and Nitrous oxide will be delivered to the operatories through a central system located in the MLK Pavilion.

The clinic currently accommodates approximately 22,500 visits annually and it is anticipated that this number will rise 10 - 15% year over year for each of the first 3 years following occupancy. This increase will be enabled by the efficiencies of the new digital equipment and a decrease in the length of visit times by an average of 25%.

NYS-DOH approved the initial Certificate of Need (CON) for the Dental Clinic Relocation in January, 2009. Due to a change in location in the current project, a revised CON application was submitted upon receipt of the HEAL 21 grant and approval was obtained in January, 2013. The current schedule anticipates construction completion in December, 2013 and occupancy in early 2014.

PROJECT FACT SHEET

Harlem Hospital Center Dental Clinic Relocation and Modernization Project

Overview: Harlem Hospital Center proposes to relocate its dental clinic from the 2nd floor of the Women's Pavilion (WP), to the mezzanine floor of the Kountz Pavilion at an all-inclusive cost of \$6.25M. The existing dental clinic currently occupies the 2nd floor of the WP, located on 137th Street between Lenox and Fifth Avenue. The WP was constructed circa 1930, as a Women's and Pediatric facility. Over the years, its age and interior configuration has made it increasingly less functional for clinical service.

In deciding whether to renovate within its existing WP location or to relocate the service elsewhere on campus, the WP's physical condition, interior configuration, and budgetary constraints were considered. The WP requires extensive renovation to comply with current building codes, and would require additional renovation to make its interior configuration appropriate for continued clinical use. Current budgetary resources are inadequate to address those issues. The WP will eventually be razed once sufficient funds are available. In the interim, the facility is taking interim steps to vacate the WP. The dental clinic represents the first of the current WP occupants to vacate.

In contrast, relocating dental clinic services to the mezzanine floor of the Kountz Pavilion on 136th Street near Fifth Avenue provides an ability to streamline services and reduce patient wait times by increasing efficiencies as a result of having each operatory fully outfitted with intraoral x-ray equipment, upgrades to existing digital x-ray technology, and faster turnaround of operatories due to availability of sterilization equipment. These improvements will decrease the length of time of each patient visit, therefore providing opportunity for scheduling more patient visits per session.

Remaining WP Occupants include; Network Data Center, Medical Records, Human Resources, Occupational Health Services, Behavioral Health Adult Outpatient Programs and Administrative Offices, CPEP Mobile Crisis, Chemical Dependency, Residency Training, Fire Life Safety, Physician Assistant School Program, Electric, Carpentry, Locksmith Shops.

Statistics: FY 2011 patient visits totaled 22,380, an increase of 14% over FY 2010. Currently, the clinics are functioning at full capacity. In the new Kountz Pavilion location, with the availability of digital intraoral X-Ray equipment in each of the 23 proposed operatories, and the addition of two new digital panoramic X-Ray rooms. It is expected that volume will increase between 10-15% year-over-year in each of the next three years; adding roughly 3,000 visits the first year, and additional 3,000 to 3,500 in each of the next two years. Projected annual patient visits after the 3rd year would be in the range of 30,000 - 35,000.

Currently, the average new patient appointment scheduling is 3 months. This will be reduced to 3 weeks or less with the additional capacity available as a result of greater efficiency and shorter visit times. It is anticipated that typical visit times will be decreased by 30 minutes.

Construction: The project architect of record is Perkins Eastman. It is anticipated that the services of a construction manager will be contracted to coordinate and supervise construction.

Projected Schedule:

- Relocation of programs on Kountz Mezzanine to take place within two weeks of Capital Committee and Board of Directors project approval.
- Purchase of Dental Equipment within two weeks of project approval.
- Demolition to commence April 1st with a duration of 30 days (IQCC contractor).
- Bid to be advertised no later than April 1st with bid opening in 30 days.
- Award of contracts May 30th, 2013 and start of construction in June 30th, 2013.
- HEAL 21 Funds to be expended no later than December, 2013.
- Completion of construction and installation of dental equipment December, 2013.
- Testing, Inspection, certification and regulatory approvals completed February, 2014
- Occupancy of new clinic in March, 2014.

Project Budget: \$6.25 Million

PROPOSED DENTAL CLINIC RELOCATION

KOUNTZ BUILDING—MEZZ LEVEL



NOT IN SCOPE

STATUS REPORT

**HENRY J. CARTER SPECIALTY HOSPITAL AND
NURSING FACILITY**

MAJOR MODERNIZATION

**HENRY J. CARTER SPECIALTY HOSPITAL AND NURSING FACILITY
GOLDWATER NORTH PROJECT
PROJECT FACT SHEET**

Location:	1879 Madison Avenue New York, New York 10035 (On the site of the former North General Hospital)
Description:	Construction of a new 164-bed Skilled-Nursing Facility (SNF); Renovation and conversion of existing building (formerly known as North General Hospital) into a 201-bed Long-Term Acute Care Hospital (LTACH). The LTACH beds have been reduced by 80 beds from 281 to 201 beds and the SNF from 276 to 164.
Budget:	
NYC G.O. (SNF)	\$ 119.0 M
NYC G.O. (LTACH)	\$ 144.7 M
HEAL NY Phase 19	\$ 12.3 M
HEAL NY Phase 7	<u>\$ 8.5 M</u>
 Total Funding	 \$ 284.5 M
Approved EDC Work Orders to date:	SNF \$118,336,989 (February 2012) LTACH \$128,440,779 (February 2012)
Managing Agent:	New York City Economic Development Corporation (EDC)
Architect:	Array Healthcare Facilities Solutions with Geddis Architects
Construction Manager:	Gilbane Building Company/ McKissack & McKissack, a joint venture
CON Status:	SNF- Approved - January 2012 Long-Term Care- Approved – December 2011
Schedule:	LTACH Completion Expected – 11/1/2013 SNF Completion Expected – 11/1/2013
AA/EEO:	EDC will satisfy Affirmative Action (AA) and Equal Employment Opportunity (EEO) requirements on behalf of the Corporation. HHC and EDC will provide opportunities for M/WBE firms to comply with NYS Executive Law Article 15-A and NYC Executive Order 50 requirements.

**HENRY J. CARTER SPECIALTY HOSPITAL AND NURSING FACILITY
GOLDWATER NORTH PROJECT
PROJECT STATUS REPORT – March 2013**

The following are key project activities the Corporation has completed to date:

- Design:** Array Healthcare Solutions, in association with Barbara Geddis Architects, were awarded the design contract. The design is complete.
- Construction:** Project bidding is substantially complete for both LTACH and SNF with approximately 99% of trade work awarded to date on EDC held contracts. SNF excavation, foundation, superstructure, and precast façade installation are complete. The interior MEP riser and horizontal distributions are underway as are the vertical transportation systems and drywall installation has begun on the upper floors. The exterior envelope was weather tight in December and the permanent windows installed in February.
Interior demolition on the LTACH is complete. LTACH MEP infrastructure, interior wall layout, roofing, and façade restoration is substantially complete. Drywall installation is ongoing and painting and bathroom tile installation is underway on the upper floors.
- Construction Management (CM):** Gilbane Building Company/ McKissack & McKissack. This project integrates the CM into the design process, which helps facilitate resolution of construction related issues during the design process, maximizing the effectiveness of the construction management process prior to and during construction.
- Other Considerations:** HHC has taken possession of the existing building and the site.

PROJECT STATUS REPORTS

Central/North Brooklyn Health Network
Generations+/Northern Manhattan Health Network
Queens Health Network

Facility: WOODHULL MEDICAL AND MENTAL HEALTH CENTER

Project Number	PROJECT TITLE	Project Budget (\$000s)	Paid to Date (\$ 000s)	% Paid to Date	Construction Start	Projected Completion	Forecast/ Actual Completion	Delay (if any)	Comments
48201150	Replace Nurse Call System	774	176	23.00%	Dec-11	Sep-12	Apr-13	(7)	Termination and testing of cabling is completed on all floors. The installation of the interface panels in all closets was completed. Testing of strobe lights, installation of switches in IT closets and certification of the system is pending. Head-end equipment to be delivered by 3/15/13. Project is 90 % complete.

Facility: HARLEM HOSPITAL CENTER

Project Number	PROJECT TITLE	Project Budget (\$000s)	Paid to Date (\$ 000s)	% Paid to Date	Construction Start	Projected Completion	Forecast/ Actual Completion	Delay (if any)	Comments
13200702/03	Kountz Pavilion Renovation	13,545	8,429	62.00%	Mar-08	Apr-12	Feb-13 May-13	(10) (13)	The Kountz Pavilion has 2 active projects. Elevator Upgrade: Last of 4 elevators are substantially complete. Roof, Window Replacement and Façade Restoration: All except roofing work is complete. Roof work delayed due to weather conditions and changed roofing system due to the amount of equipment on the roof (no additional delay since last report). Estimated completion is May, 2013.

Facility: LINCOLN MEDICAL AND MENTAL HEALTH CENTER

Project Number	PROJECT TITLE	Project Budget (\$000s)	Paid to Date (\$ 000s)	% Paid to Date	Construction Start	Projected Completion	Forecast/ Actual Completion	Delay (if any)	Comments
25200301	Emergency Room Renovation	28,275	18,234	64.00%	Apr-07	Jun-10	Dec-13	(42)	No additional delay, project on schedule for completion by Dec. 2013

Facility: ELMHURST HOSPITAL CENTER

Project Number	PROJECT TITLE	Project Budget (\$000s)	Paid to Date (\$ 000s)	% Paid to Date	Construction Start	Projected Completion	Forecast/ Actual Completion	Delay (if any)	Comments
33200801	Women's Health Center	13,352	4,333	32.00%	Sep-11	Dec-12	Sep-13	(9)	Wall stud frames being erected. Electrical conduits being installed.

Facility: QUEENS HOSPITAL CENTER

Project Number	PROJECT TITLE	Project Budget (\$000s)	Paid to Date (\$ 000s)	% Paid to Date	Construction Start	Projected Completion	Forecast/ Actual Completion	Delay (if any)	Comments
34200970	Modernization Phase III	21,995	17,483	80.00%	Apr-09	Dec-11	Apr-13	(16)	Construction of the Exam Room and egress to the ED is continuing. DOH inspection scheduled in April.
34201106	Blood Bank Relocation	1,050	419	40.00%	Apr-12	Nov-12	Dec-12	(1)	Project completed and fully operational December 17, 2012. Project will be removed after this reporting cycle.