

CAPITAL COMMITTEE

November 7, 2013

MEETING AGENDA

11:00 a.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES October 10, 2013 Emily A. Youssouf
- SENIOR ASSISTANT VICE PRESIDENT'S REPORT Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Arnold Saperstein, MD**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease with 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus Health Plan, Inc. ("MetroPlus") for a term of ten years at a base rent of \$34.50 which shall increase at 3% per year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation a cost of approximately \$1.35M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.
- **Resolution** **Lynda Curtis**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with New York College of Podiatric Medicine ("NYCPM") for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center's (the "Facility") at no cost to the Corporation in exchange for certain security to be provided by the Facility.
- **Resolution** **George Proctor**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.
- **Work Order – Economic Development Corporation** **Michael Buchholz**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by two million, eight hundred ninety five thousand, four hundred twelve dollars (\$2,895,412) to one hundred thirty-two million, seven hundred twenty thousand, six hundred sixty eight dollars (\$132,720,668) to provide project management services that will manage the

architectural, engineering design services, pre-construction, construction, construction management services necessary for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital.

- **Work Order – Economic Development Corporation** **Michael Buchholz**
Authorizing the President of the New York City Health and Hospitals Corporation (the “Corporation”) to increase New York City Economic Development Corporation’s (NYCEDC) work order threshold by three million, four hundred thirty three thousand, four hundred and seventy two dollars (\$3,433,472) to one hundred twenty-seven million, seven hundred seventy four thousand, eight hundred eighty four dollars (\$127,774,884) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).

INFORMATION ITEMS

- **Major Modernization Status Report – Gouverneur Healthcare Services** **Lynda Curtis**
- **Major Modernization Status Report – Henry J. Carter** **Robert Hughes**
- **Project Status Reports**
 - Central/North Brooklyn Health Network
 - KCHC Upgrade (10) Elevators “ABC” Buildings **Daniel Gadioma**
 - KCHC Upgrade (4) Elevators “T” Buildings **Daniel Gadioma**
 - Generations+/Northern Manhattan Health Network
 - Harlem Kountz Pavilion Renovation **Louis Iglhaut**
 - Lincoln Emergency Room Renovation **Louis Iglhaut**
 - Queens Health Network*
 - Elmhurst Women’s Health Center **Dean Mihaltses**

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

OCTOBER 10, 2013

MINUTES

Capital Committee

Meeting Date: October 10, 2013

Time: 11:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair
Josephine Bolus, RN
Alan D. Aviles, President
Michael A. Stocker, MD, Chairman of the Board

HHC Staff:

Jawwad Ahmad – Director, Office of Facilities Development
Jeremy Berman – Deputy General Counsel, Office of Legal Affairs
Michael Buchholz – Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility
Tammy Carlisle – Associate Executive Director, Corporate Planning
Deborah Cates – Chief of Staff, Office of the Chairman
Manding Darboe – Assistant Director, Office of Facilities Development
Rebecca Fischer – Associate Executive Director, Bellevue Hospital Center
Jonathan Goldstein – Senior Consultant, Corporate Planning
Anthony Gounaris – Senior Project Manager, Office of Facilities Development
Lauren Haynes – Intern, Office of the President
Lisa Lee – Deputy Inspector General, Office of the Inspector General
Jo-Ann Liburd – Senior Director, Patient Safety, Accreditation and Regulatory Services
Patricia Lockhart – Secretary to the Corporation, Office of the Chairman
Peter Lynch – Senior Director, Office of Facilities Development
Antonio Martin – Executive Vice President
Angelo Mascia – Executive Director, Sea View Hospital Rehabilitation Center and Home
Dean Moskos – Director, Office of Facilities Development
Marsha Powell – Director, Office of Facilities Development
Roslyn Weinstein – Senior Assistant Vice President, President's Office
Dion Wilson – Assistant Director, Office of Facilities Development
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Frank Zanghi – Internal Audits

Other Attendees:

Nicholas Lanci – Johnson Controls
Christopher Pedersen – Johnson Controls
Kristyn Raffaele – New York City Office of Management and Budget
Joseph Tornello – Meals-on-Wheels of Staten Island

CALL TO ORDER

The meeting was called to order by Emily A. Youssef, Chairman of the Capital Committee, at 11:10 A.M.

ASSISTANT VICE PRESIDENT'S REPORT

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, provided an overview of the meeting agenda. She noted that the rather short agenda would include two resolutions for requirements contracts; one for Local Law (LL) 11 and Architectural and Engineering (AE)/Mechanical Electrical Plumbing (MEP) services, and another for Special Inspections and Materials testing. She advised that a third resolution for Meals-on-Wheels would be presented, addressing their desire to expand space occupied on the Sea View campus. Ms. Weinstein stated that information items would include the annual heating readiness report, and project status reports for the South Manhattan and South Brooklyn/Staten Island Health Networks.

That concluded her report.

ACTION ITEMS

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with three (3) Special Inspections & Material Testing firms; MT Group, HAKS and Universal Testing + Inspection to provide professional services on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed \$3,000,000 for services provided by these consultants.**

Marsha Powell read the resolution into the record.

Ms. Youssef asked for explanation of the types of services that would be provided, and the need for those services. Ms. Powell said that the contracts would be utilized mainly for Special Inspections, requirements for which the Department of Buildings (DOB) had made recent changes. Previously called "controlled inspections", Ms. Powell explained that third party firms, who have been approved by the Department of Buildings, are now required to inspect various project components; concrete installation, fire-stopping installation, flood-plain elevation certification, among others. She added that the firms can also provide materials testing if needed. Ms. Youssef asked if these were all new requirements. Ms. Powell stated that the requirements had been around for long time but the way they were to be performed had changed. Previously contractors were permitted to hire whomever they like to perform the tasks but now the DOB has a list of approved and more specialized firms that are to be hired by the project owner as an independent, third party.

Mrs. Bolus noted that there are approximately 50 types of inspections that could be needed and asked if there were 50 different firms being hired or if individual companies provided multiple services. Ms. Powell advised that each firm could perform multiple types of inspections and testing.

Mrs. Bolus asked whether all the firms were DOB approved. Ms. Powell said yes.

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

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

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with seven AE firms; ARRAY Arch., PC, Ewing Cole Architects, PC, Francis Cauffman, LLP, Hellmuth, Obata, Kassabaum, P.C. (HOK), MJCL Architects, LLP, Perkins Eastman Architects, PC, Stonehill & Taylor Architects, PC, to provide profession AE/MEP design services; seven MEP firms, Greenman-Pedersen Inc, Jacob Feinberg Katz & Michaeli Consulting Group (JFK & M), Kallen & Lemelson Consulting Engineers, LLP, LIZARDOS Engineering Associates, PC, Parsons Brinckerhoff, Inc., R.G. Vanderweil Engineers, LLP and WSP USA, Corporation to provide professional MEP design services; and four Local Law Inspection & AE firms, Superstructures Engineering + Architecture, PLLC, Desman Associates, Roman and Oundjian Eng. + Insp. Services, PC and Thornton Tomasetti to provide professional Local Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed \$15,000,000 for services provided by these consultants.**

Marsha Powell read the resolution into the record.

Mrs. Bolus noted that this was the seventh cycle of requirements contracts and asked if there had been any issues throughout the previous cycles. Ms. Powell said that the Office of Facilities Development had not been collecting that data. Peter Lynch, Senior Director, Office of Facilities Development, explained that each facility was responsible for their own filing and the consultants would help with filings and with design for repairs. Much of the funding for repairs is through expense dollars because they are smaller pieces of work. These services will help facilities stay in touch with requirements.

Mrs. Bolus asked again whether over the past seven (7) cycles anything had been deemed unsafe. Mr. Lynch said that there had been recent discussion at the monthly Facilities Managers meeting hosted by the Office of Facilities Development (OFD), and it was requested that all facilities supply a list of any LL 11 violations and/or shortfalls. Mrs. Bolus asked if this type of exercise had been completed before. Mr. Lynch said he was unsure when the last time was but OFD was making an effort to catch up. Mrs. Bolus asked if this would help. Mr. Lynch said yes.

Ms. Youssouf asked if the Committee could be advised annually of Local Law 11 issues, and whether the Office of Facilities Development could keep track of those. Mr. Lynch said absolutely.

Mrs. Bolus asked for an explanation of a statement in the executive summary mentioning filing dates being based on block and lot numbers. Ms. Powell explained that each building in the City has a block and lot number, and the DOB would now be using those numbers to determine when submissions would be accepted. She noted that the DOB had recently instituted this as a way of spreading out filings so

that they did not all come in at once. Mrs. Bolus asked that that information be included in reports provided to the Committee.

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.

- **Revising the resolution adopted September 27, 2012 that authorized the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a sublease agreement with Meals On Wheels of Staten Island, Inc. ("Meals On Wheels"), for the development and operation of a facility housing kitchen, office, and storage functions on the campus of Sea View Hospital Rehabilitation Center and Home (the "Facility") such that the area rented be increased from 65,340 square feet (approximately 1.5 acres) to 75,855 square feet (approximately 1.74 acres) including land for a 22,400-square-foot facility as had previously been authorized.**

Angelo Mascia, Executive Director, Sea View Hospital Rehabilitation Center and Home, read the resolution into the record. Mr. Mascia was joined by Joseph Tornello, Meals-on-Wheels of Staten Island.

Ms. Youssouf asked if the need to increase space was due to an increase in demand. Mr. Tornello explained that re-configuration of original plans resulted in the need to add a quarter acre for vehicle accommodation.

Ms. Youssouf asked who was paying for the construction. Mr. Tornello said that Corporate Donors, elected officials, and a Capital campaign, would all be utilized.

Ms. Youssouf said she had great respect for the Meals-on-Wheels program and that sentiment was echoed by the other Committee members.

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

- **Heating Readiness Report**

Peter Lynch, Senior Director, Office of Facilities Development provided overview of the annual Heating Readiness Report, prepared in collaboration with Johnson Controls. Mr. Lynch noted that, with the exception of Cumberland Diagnostic and Treatment Center, and the Draper Hall building at Metropolitan, all facilities were rated to be in a good state of preparedness for the upcoming heating season. He stated that the Draper Hall building at Metropolitan, which was rated to be in a poor state of preparedness, was vacant, secured, and out of service. Mr. Lynch then explained that the Cumberland facility, rated as conditional, still functioned with their original boilers, dating back to 1962, and issues with a deaerator tank

were being monitored closely by Johnson Controls. He advised that OFD had initiated a study with the New York Power Authority (NYPA) to do a complete boiler replacement in the building.

Mrs. Bolus asked if the facility had a back-up plan if heat went out. Mr. Lynch explained that the conditional rating was based specifically on an aerator tank, which could be bypassed if needed and the boilers would keep functioning, so losing heat should not be a concern.

Ms. Youssouf asked if the planned NYPA project would include financing arrangements similar to NYPA energy projects that were in process. Mr. Lynch said that the hope was that they will reach the same level of funding as the other projects but that determination will be a result of the energy study. When that is completed NYPA would come back with a package and an estimated number. Ms. Youssouf asked when that would be complete. Mr. Lynch said he believed it would be five to six months but he would confirm and report back.

- **Project Status Reports**

Peter Lynch, Senior Director, Office of Facilities Development provided brief delay reports for two facilities with project in delay.

Bellevue Hospital Center – Expansion of Inpatient Psychiatric Unit

Mr. Lynch said that the facility had advised that they were in process of completing punch-list items and the project was to be completed by the end of the month. Ms. Weinstein noted that the facility was under inspections and that is why representation was not present.

Coney Island Hospital Center – Boiler Replacement, Room Conversion, Cardiology Unit

Mr. Lynch explained that all three projects in delay had experienced original delays as a result of Hurricane Sandy. He noted that the Boiler Replacement project and the Conversion of 6-bedded rooms to 4-bedded rooms were due to be completed by December and October, respectively. With regard to the new Non-Invasive Cardiology Unit, Mr. Lynch advised that the facility was determining whether or not to proceed with that project.

That concluded the delay reports.

Mrs. Bolus thanked the Office of Facilities Development for providing such thorough information in the executive summaries that were presented, noting that she found them to be very informative. Ms. Weinstein stated that Ms. Youssouf had in fact requested some additional information be added so it was a collaborative effort.

There being no further business, the meeting was adjourned at 11:27 A.M.

LEASE AGREEMENT

**EASTCHESTER OPERATING, LLC
1776 EASTCHESTER ROAD**

METROPLUS HEALTH PLAN

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease with 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus Health Plan, Inc. ("MetroPlus") for a term of ten years with a five year option at a base rent of \$34.50 which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation a cost of approximately \$2.1M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

WHEREAS, MetroPlus, a subsidiary corporation of the Corporation, maintains a Business Resumption Plan which coordinates the response and recovery of its mission critical business processes and IT infrastructure should a disaster render any of the space occupied by MetroPlus unusable; and

WHEREAS, MetroPlus currently has a contract with Sunguard for disaster recovery services including a back-up data center and seating for staff; and

WHEREAS, in the aftermath of Hurricane Sandy, Metroplus used Sunguard facilities to seat up to 280 of its staff, and its experience with this arrangement led it to conclude that the allotted number of seats was inadequate and additional seats needed to be secured in advance of a disaster and dedicated exclusively to MetroPlus use; and

WHEREAS, MetroPlus considered several approaches to improving its Business Resumption Plan capability including use of existing Corporation facilities, contracting with Sunguard for additional seats to be reserved in advance, and leasing space for dedicated disaster recovery use; and

WHEREAS, leasing space for dedicated disaster recovery use, which may also function as training and conference space was deemed the most cost effective means of meeting the requirements of the Disaster Recovery Plan; and

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and he hereby is authorized to execute a lease with 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus Health Plan, Inc. for a term of ten years with a five year option at a base rent of \$34.50/sq. ft. which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation a cost of approximately \$2.1M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

EXECUTIVE SUMMARY

LEASE AGREEMENT 1776 EASTCHESTER ROAD OPERATING LLC METROPLUS

OVERVIEW: The President seeks authorization from the Board of Directors to execute a lease with 1776 Eastchester Operating LLC (the "Landlord") for space at 1776 Eastchester Road, Borough of the Bronx, to house the disaster recovery facilities of MetroPlus Health Plan, Inc. ("MetroPlus").

**NEED/
PROGRAM:** MetroPlus, a subsidiary corporation of the New York City Health and Hospitals Corporation, maintains a Business Resumption Plan which coordinates the response and recovery of its mission critical business processes and IT infrastructure should a disaster render any of the space occupied by MetroPlus unusable. MetroPlus currently has a contract with Sunguard for disaster recovery services including a back-up data center and seating for staff. In the aftermath of Hurricane Sandy, Metroplus used Sunguard facilities to seat up to 280 of its staff, and its experience with this arrangement led it to conclude that the allotted number of seats was inadequate and additional seats needed to be secured in advance of a disaster and dedicated exclusively for MetroPlus use. MetroPlus considered several approaches to improving its Business Resumption Plan capability including using existing Corporation facilities, contracting with Sunguard for additional seats to be reserved in advance, and leasing space for dedicated disaster recovery use. Leasing space for dedicated disaster recovery use, which may also function training and conference space was deemed to be the most cost effective means of meeting the requirements of the Disaster Recovery Plan.

The space that will serve as MetroPlus' disaster recovery site is located in the Bronx, on the 42-acre Hutchinson Metro Center campus. The campus is located off the Hutchinson River Parkway in the Pelham Bay section of the Bronx and is accessible via mass transit and major highways.

TERMS: The Corporation will have use and occupancy of approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road (the "Demised Premises"). The term of the lease will be ten years. The base rent shall be \$34.50 per square foot, or approximately \$600,783 per year. The rent will be escalated by 6% every other year. The rent will commence upon substantial completion of the Landlord's base building and tenant installation work

The Landlord will supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord will be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

Page Two – Executive Summary
Lease Agreement – 1776 Eastchester Road

The electricity provided to the Demised Premises will be supplied directly by the public utility. The Tenant will be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority. The Landlord, at its own expense, will install the power lines and meter. Gas consumption will also be separately metered.

The base rent will be inclusive of water and sewer charges. The Corporation will pay its proportionate share of real estate tax increases above the base year 2014/2015. The Corporation shall also pay its proportionate share of operating expense increases above the 2014 base year.

The Landlord will deliver the Demised Premises complete with building standard materials and finishes in accordance with the Landlord's building standard work letter which includes the installation of partitions, closets, doors, ceilings, electrical lighting, electrical outlets, electrical switches, flooring, interior finishes, heating and air conditioning, windows and sprinklers. The expense associated with the acquisition and installation of furniture and IT equipment, supplemental HVAC and an emergency generator will be the responsibility of the Tenant and is estimated to cost approximately \$2.1M.

SUMMARY OF ECONOMIC TERMS

SITE:	1776 Eastchester Road Borough of the Bronx
LANDLORD:	1776 Eastchester Operating LLC
TERM:	Ten years with a five year tenant's option
RENT:	\$34.50 per square foot escalated at 6% every other year
MAINTENANCE:	The Landlord will be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.
UTILITIES:	The Landlord will supply hot and cold water. The Landlord will install and HVAC system but the Tenant will operate the system. The Tenant will also install a supplemental HVAC system to meet additional needs when the space is full. The electricity provided will be directly metered by the public utility. HHC will benefit from a discounted electrical rate made available through the New York State Power Authority. Gas consumption will also be separately metered. The base rent will be inclusive of water and sewer charges.
REAL ESTATE TAXES:	The Tenant will pay its proportionate share of real estate tax increases above the base year 2014/2015.
OPERATING EXPENSES:	The Tenant will pay its proportionate share of operating expense increases above the 2014 base year.
CONSTRUCTION:	The Landlord will deliver the premises complete with building standard materials and finishes in accordance with the Landlord's building standard work letter which includes the installation of partitions, closets, doors, ceilings, electrical lighting, electrical outlets, electrical switches, flooring, interior finishes, heating and air conditioning, windows and sprinklers. The expense associated with the acquisition and installation of furniture, IT equipment supplemental HVAC and an emergency generator will be the responsibility of the Tenant and is estimated to cost approximately \$2.1M.
ADDITIONAL POSSIBLE USES:	MetroPlus may additionally use the rented space as a conference and meeting facility.

SAVITT PARTNERS

November 1, 2013

Dion Wilson
Jeremy Berman
Office of Facilities Development Real Estate
NYC Health and Hospitals Corporation
346 Broadway, 12 West
New York, NY 10013

Re: Appraisal for a proposed MetroPlus Health Plan office at the proposed Metro Center Atrium (MCA) to be located at 1776 Eastchester Road, Bronx, NY.

Dear Dion and Jeremy,

Pursuant to your request, on Friday, October 25 2013, I visited the referenced area to view the building and tenant's use therein and to canvass and establish the fair market value (FMV) rent for the proposed unit, based on the information that you provided to me and knowledge of the area's rental value. The evaluation is subject to the following assumptions:

- The proposed building will be a multi-tenanted medical, medical related and office facility attached to a hotel.
- The square footage of the unit is approximately 15,000 gross (net rentable) RSF
- General medical and office space in the surrounding community leases at a rent of approximately \$35 per square foot on average.
- The proposed unit will be built and financed by the designated owner/developer.
- The MetroPlus Health Plan is slated to occupy a portion of the 2nd floor

MCA is located off of Eastchester Road near the Hutchinson River Parkway and is readily accessible by car and by public bus routes running along Eastchester Road. These bus routes terminate at the Bruckner Bus Depot and the #6 subway line. There is ample parking at the site and surface parking is limited.

The size of the space should be adequate for general office purposes as well as for large group meetings. I am not privy to the density use but the program directors have determined that the units' size and layout will satisfy those needs. The unit will take advantage of the efficiencies of the building's electric, common areas, cleaning services, IT infrastructure and telephone services brought into the building for tenant distribution. A traditional office space generally suffers a loss factor of 33% or greater on a multi-tenanted floor. The Landlord here is charging a 29% loss but has agreed to reduce that to 22% for the tenant, MetroPlus Health Plan.

Office space in a medical, medical related and office facility like the proposed MCA building typically is in or competes with retail and commercial space in residential buildings. Rents range from approximately \$20/RSF - \$35/RSF. The low end spectrum of the market should typically be in the older, un-renovated or minimally renovated offices or residential buildings. They would typically have been converted into small spaces found on the ground floor of residential buildings and would not provide full building services. Such offices would generally be found on both avenue and side street locations. However, the size of the unit being evaluated for this report is typically not found in these buildings due to size limitations and use. The high end spectrum of the market would be in the larger and recently renovated buildings providing more services or in new construction where developers are seeking larger block uses. These spaces are more limited in this location.

The Landlord has proposed a base rent of \$34.50/sf. To that base rent, you would typically add in approximately \$3.50/sf for utility services and \$2.25/sf for cleaning services. The Landlord will provide a gross lease and will build the space to tenant's specifications. In addition, the landlord will maintain building systems on the tenant's behalf. Cleaning as described above will be provided by landlord and no additional cost. Electric will be provided by a landlord installed submeter and tenant will pay by its consumption. Electric for air conditioning will be off of tenant's meter.

Tenant is eligible to participate in the NYPA electric service program for electricity cost abatement. To participate, Tenant must segregate its service to the premises with power consumption read by a separate and dedicated meter. It will require a separate electric service line from the electric source in either the building feed or the street and then to a separate meter from the public utility. This will not be provided by landlord but the tenant can add this service at its own cost and expense during the term of the lease if it so chooses and will be eligible thereafter to participate in the NYPA program.

Landlord has indicated that it is eligible and will participate in the ICAP program. Landlord also indicates that the property's assessed value will remain flat for 16 years. Accordingly, it would be important that the base tax year in the lease is the same as the tax year in which the tenant begins to pay rent. It would also be important that the base year in the lease indicates the fully assessed value and not a discount or phase-in rate. Assuming that under this program taxes will not increase until year 17 and based on the fully assessed value of the property, Tenant should have no tax payment or obligation under the initial lease term and the 5 year renewal option being proposed.

The landlord has agreed to a 6% escalation every other year. This benefits the tenant in that escalations of base rents are calculated on a compounding basis, which results in a savings of approximately \$100,000.00 over the initial lease term. There is a 5 year option to renew, so this savings could be even greater. In addition to base rent, the tenant will be responsible for their proportional share of building operating expenses. This amount is determined by the square footage occupied by the tenant and is a typical building cost.

The tenant will be given the opportunity to install a backup generator at its own cost and expense in a common area to be determined by the landlord. This will serve as a disaster recovery location should the need for one arise. Backup generator installation is often not an option due to space constraints in most buildings and is therefore a strong feature option for a tenant.

The site features ample on-site parking for employees, staff and visitors. The tenant will receive 30 spaces free of charge (2 spaces for every 1,000sf occupied). This is a cost savings that can either be passed along to employees or clients. In addition, tenants can typically negotiate a discount off of paid visitor (transient) parking and should attempt to do so.

Based on the structure of the lease proposal, an understanding of the market, area comparables, and the landlord's favorable view of the tenant and their use, a proposed rent of \$34.50/sf is appropriate, if not slightly below market conditions for this space and location.

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

Very truly yours,



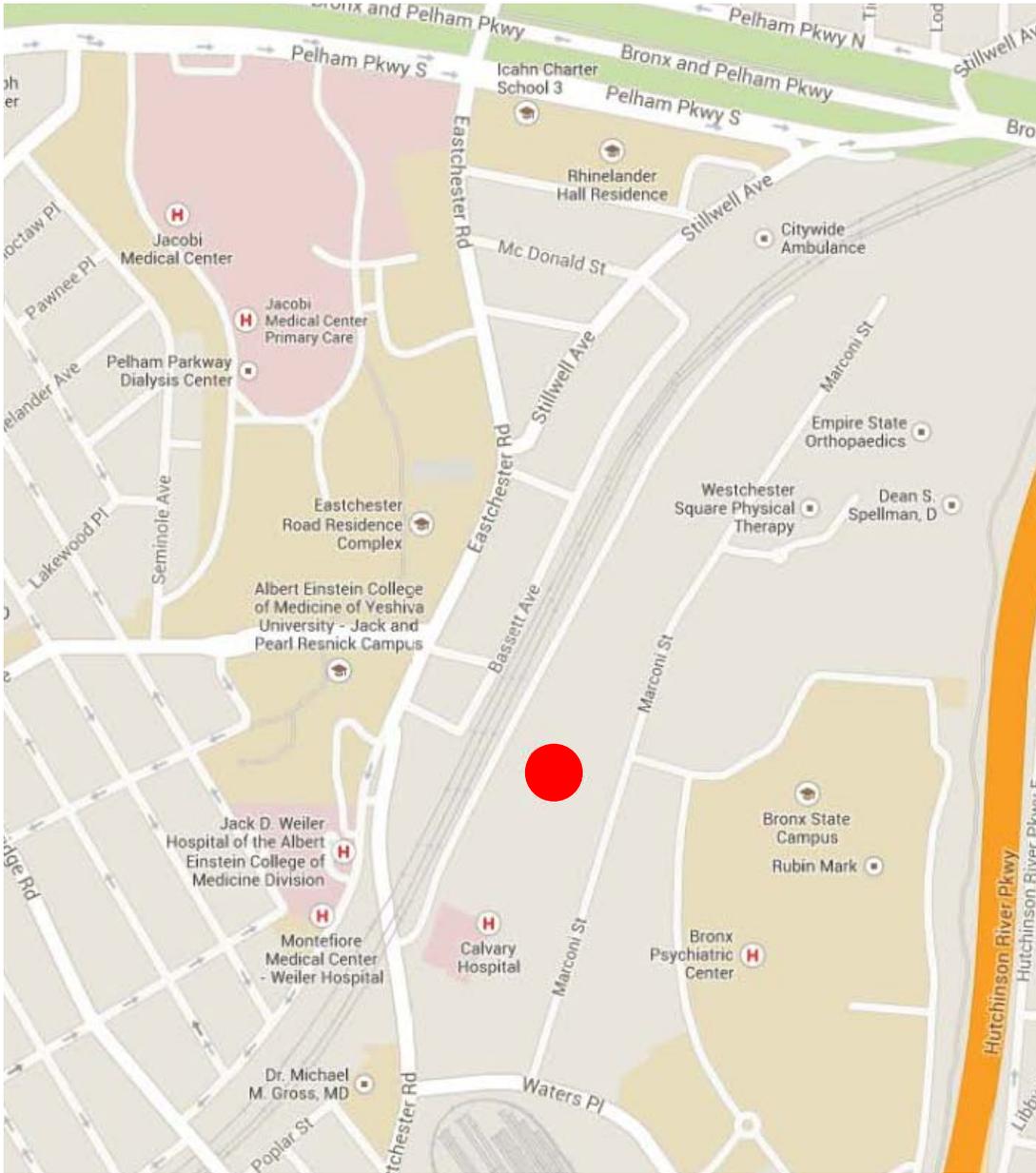
Michael Dubin
Partner
Savitt Partners LLC

COMPARABLES

Address	SF	Rent/\$SF	Escalations (%)	Lease Term (yrs)	Notes
Hutchinson Metro Center	17,000	\$39.00	3.0%	15	\$25/sf workletter
Hutchinson Metro Center	3,000	\$32.50	3.0%	10	Building standard build out w/ tenant contribution of approx \$100k for
Hutchinson Metro Center	3,000	\$32.50	3.0%	10	Building standard build out
Hutchinson Metro Center	16,100	\$34.00	3.0%	10	
Hutchinson Metro Center	4,646	\$34.00	3.0%	10	
Hutchinson Metro Center	4,898	\$34.50	3.0%	10	
3250-3270 Westchester Av	10,000 now; +7,000 in 1y.	\$35.00	3.0%	10	Landlord will build. 77,000sf complex w/ onsite parking. Located at the end of the #6 subway line/ Bruckner Bus Depot location.
524 East 180 th Street	4,000-8,000	\$25.00- \$30.00			
4256 Bronx Boulevard	1,500-9,000	\$30.00			
2510 Westchester Av	1,500-10,000	\$28.00- \$30.00			

Lease Agreement

1776 Eastchester Operating, LLC
1776 Eastchester Road



LICENSE AGREEMENT

NEW YORK COLLEGE OF PODIATRIC MEDICINE

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

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with New York College of Podiatric Medicine ("NYCPM") for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center (the "Facility") between 3PM and 6AM daily at no cost to the Corporation in exchange for certain security to be provided by the Facility.

WHEREAS, the Facility will be opening on or about November 17, 2013; and

WHEREAS, the Facility shall require adequate parking to accommodate staff and visitors; and

WHEREAS, the Facility licenses from City of New York's Department of Citywide Administrative Services ("DCAS") two lots underneath the viaduct supporting the MetroNorth tracks, one between 120th and 121st Streets and another between 121st and 122nd Streets, each of which affords forty parking places; and

WHEREAS, forty parking spaces are available to the Facility at Metropolitan Hospital Center; and

WHEREAS, the two lots and the Metropolitan Hospital parking does not provide enough parking to accommodate the Facility's staff and visitors during several hours each day when Facility work shifts overlap; and

WHEREAS, the Corporation has the opportunity to license from DCAS a third lot underneath the viaduct supporting the MetroNorth tracks between 119th and 120th Streets that can hold forty cars but such lot will not be available for several months; and

WHEREAS, NYCPM controls another DCAS lot under the MetroNorth tracks between 122nd and 123rd Streets that also holds about forty parking spaces and NYCPM is willing to allow the Facility's employees to use the forty parking spaces in exchange for certain security services and enhancements.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute a revocable license agreement with New York College of Podiatric Medicine for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center (the "Facility") between 3PM and 6AM daily at no cost to the Corporation in exchange for certain security to be provided by the Facility.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

NEW YORK COLLEGE OF PODIATRIC MEDICINE

The President of the New York City Health and Hospitals Corporation seeks authorization by the Board of Directors of the Corporation to execute a revocable license agreement with New York College of Podiatric Medicine ("NYCPM") for the use of forty parking spaces on a parcel of land located between 122nd and 123rd Streets under the viaduct supporting the MetroNorth tracks and close to Henry J Cater Specialty Hospital and Nursing Center's (the "Facility").

The Corporation will use two parcels of land already licensed to Corporation by the New York City Department of Citywide Administrative Services ("DCAS"): one between 120th and 121st Streets and another between 121st and 122nd Streets, each of which affords forty parking places. The Corporation intends to license a third parcel from DCAS underneath the MetroNorth tracks between 119th and 120th Streets in early 2014 that will provide another forty spaces. Until such third lot becomes available, the Corporation will both utilize parking on the campus of Metropolitan Hospital Center on East 99th Street and also proposes to license from NYCPM the use of forty parking spaces between 3pm and 6am daily, located between 122nd and 123rd Streets under the MetroNorth tracks (the "Licensed Space"). This additional license will bolster the Facility's parking resources during 3:00 PM and 6:00 PM when parking demand is the greatest due to the timing of shift changes at the Facility. In lieu of an occupancy fee, NYCPM will benefit from presence of the parking lot concessionaire who will service the Facility's parking needs. Currently, during the evening NYCPM staff often must wait for a NYCPM staff member to come from within the NYCPM building to open the lot so a car can be retrieved. Instead, the proposal is for the Facility's parking concessionaire will be at the lot and able to give NYCPM staff ready access to their cars. Additionally, HJC's Hospital Police Personnel will add the NYCPM Licensed Space to their daily security rounds. These two security enhancements are accepted as fair and adequate compensation for the partial use of the NYCPM lot to be provided.

The license shall not exceed five years without further authorization from the Board of Directors of the Corporation and shall be revocable by either party upon thirty days' notice.

PROJECT APPROVAL

LINEAR ACCELERATOR

KINGS COUNTY HOSPITAL

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.

WHEREAS, the Facility is a leading health care provider for radiation oncology services in the Central Brooklyn community; and

WHEREAS, the existing Linear Accelerator cannot accommodate the increasing patient volume for this service at the Facility; and

WHEREAS, the New York State Department of Health (NYSDOH) approved a Certificate of Need (CON) application on November 11, 2012, for the Facility to purchase a second Linear Accelerator and to complete the construction required for installation; and

WHEREAS, the Advisory Board Company recommends the purchase of a second Linear Accelerator to address the increasing need for this service within the Central Brooklyn community; and

WHEREAS, the Office of Management and Budget (OMB) has approved a capital expenditure authorization in the amount of \$5,551,879 in Mayoral and City Council funds to be used for the purchase of a second linear accelerator and related construction; and

WHEREAS, the proposed Linear Accelerator equipment will provide the capability to treat additional out-patients per year and accommodate current excess work load; and

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

WHEREAS, the overall management of the construction and installation contracts will be under the direction of the Facility's Executive Director and Sr. Assistant Vice President – Facilities Development.

NOW THEREFORE, be it

RESOLVED, Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.

EXECUTIVE SUMMARY
PROCURE AND INSTALL LINEAR ACCELERATOR AND RENOVATE SUITE
KINGS COUNTY HOSPITAL CENTER

OVERVIEW: Kings County Hospital Center's Radiation Oncology Department (ROD) currently provides radiation therapy services to the Central Brooklyn patient population and also receives referrals from Coney Island Hospital and Woodhull Medical and Mental Health Center. As one of the major radiation therapy providers of Central Brooklyn community and with a recently opened Cancer Care Center at the Facility, it is imperative that the Facility continue to provide precise and conformal radiation treatment modalities in a safe and expedited manner. The proposed new LINAC will be equip to meet these needs, adding new capabilities to the array of services provided at the Facility.

NEED: The Facility's ROD currently utilizes an 8-year old LINAC to provide 3D conformal radiotherapy and intensity modulated radiation therapy (IMRT) to eligible patients. In FY 2013, ROD treated 387 new patients, resulting in 9,121 treatment visits, not including consultations. The existing LINAC is operating near capacity by treating about 50 patients per day, at an average twelve (12) hour workday schedule. This overworked LINAC is experiencing some downtimes due to wear-and-tear issues and required scheduled and unscheduled maintenance, amounting to significant hours per year. According to the American Hospital Association's Estimated Useful Lives of Depreciable Hospital Assets, 2013 Edition, the estimated useful life of a LINAC is 7 years, though may continue to be utilized for as long as 10 to 15 years provided the LINAC functions properly with routine maintenance, and appropriate use and handling. Due the increasing demand by eligible patients to receive radiation therapy, the hindered functionality and utilization of the existing LINAC creates clinical and operational challenges due to backlogs and delays of patient care. Current capacity utilization is estimated to be approximately 120%, meaning patients must enter a wait queue or receive fewer fractions.

With the expected growth in utilization and volumes for IMRT treatment over the next several years, the addition of another LINAC will position the Facility to increase its market share. The new LINAC will equip ROD with the capability of treating more than 200 additional out-patients per year in addition to accommodate our current excess work load.

SCOPE: The scope of work includes the following:

- Renovating a space in the Radiation Oncology Department located in the "S" Building;
- Procure and install One (1) Varian, Trilogy Stereotactic System.

COST: \$5,551,879

FINANCING: New York City General Obligations Bonds (City Council - \$2,644,758; Mayoral - \$2,907,121)

SCHEDULE: Facility expects to complete by September 2014.



The City of New York
Office of Management and Budget
255 Greenwich Street □ New York, New York 10007

SEP 12 2013

Record Number: 103056
Certificate Number: 58180
Capital Project: 819 29201240

HEALTH AND HOSPITALS CORPORATION

Mr. Alan D. Aviles, Esq., President, New York City Health and Hospitals Corporation
Hon. John C. Liu, Comptroller, City of New York
Hon. Christine C. Quinn, President, City Council
Mr. Alfonso Pistone, Assistant Vice President, Office of Facilities Development, NYCHHC

Section 219 of the New York City Charter and directives of the Mayor authorized thereunder require that prior to the initiation of design or advancement of any Capital Project, a scope defining services to be incorporated in contracts for the services of architects, engineers, landscape architects, etc., or for departmental employees and amounts for structures, works, furnishings and equipment, program of requirements and scope or range of operations shall be submitted for approval of the Director of Management and Budget or his duly authorized representative. Initially, preliminary scope approval and subsequently final scope approval incorporating preliminary plans and cost limitations shall be submitted for approval of the Director of Management and Budget or his duly authorized representative. In addition, the final design incorporating final contract documents must also be submitted for approval of the Director of Management and Budget or his duly authorized representative. Your request for approval pursuant to the above is approved as follows:

DESCRIPTION OF APPROVAL HEREBY GRANTED

**Central Brooklyn Family Health Network
Purchase Linear Accelerator for Radiology Oncology and Renovate Suite at Kings County Hospital Center
Project ID: 819 29201240
HO-0398 & HO-D003**

The Health and Hospitals Corporation is requesting a capital expenditure authorization in the amount of \$5,551,879 to purchase and install a second Linear Accelerator for Radiation Oncology and renovate the suite at Kings County Hospital Center.

This project will be financed using proceeds from the City's General Obligation Bonds in the amount of \$2,907,121 from Unit of Appropriation 335, Budget Line HO-0398, and a new Budget Code K509, and in the amount of \$2,644,758 from Unit of Appropriations D03, Budget Line HO-D003, and a new Budget Code DP96

Approved,

Sharita Alam,
Assistant Director

FY13 29201240 CP 58180

The Advisory Board Company

2445 M Street, NW Washington, DC 20037 Telephone: (202) 266-5600 FAX: (202) 266-5700

Mr. Dean Moskos
Director, Capital Budget
Office of Facilities Development
New York City Health and Hospitals Corporation
346 Broadway, 12 West
New York, NY 10013

October 10, 2013

Dear Mr. Moskos,

Please find below Technology Insights' assessment of and recommendation for the proposed purchase of the following capital equipment for Kings County Hospital Center.

One (1) Varian Trilogy Stereotactic System \$2,574,851.00

Kings County Hospital Center is requesting \$2,574,851 in capital funding to acquire the proposed linear accelerator (LINAC) from the vendor Varian. The proposed capital project has been included in the organization's capital plan, and the funding source for the proposed equipment acquisition is city capital funds through the City Council Budget line.

The proposed capital equipment investment includes both capital- and non-capital-eligible identified costs. Those costs identified as being non-capital-eligible, such as vendor-sponsored training and disposable items, must be funded through the Kings County Hospital Center's operating budget.

Project	Capital-Eligible Costs	Non-Capital-Eligible Costs
One (1) Varian, Trilogy Stereotactic System	\$2,537,401.00	\$37,450.00

I. Technology Insights' Recommendation

Based upon the strain on the current technology due to high volumes, along with the need for additional capacity to accommodate projected growth and potential for generating revenue by offering stereotactic radiosurgery for an underserved population, Technology Insights *recommends* the purchase of the following capital equipment for Kings County Hospital Center:

One (1) Varian, Trilogy Stereotactic System Priority Level
High

Kings County Hospital Center currently utilizes a LINAC to provide 3D conformal radiotherapy (3D CRT) and intensity modulated radiotherapy (IMRT). The LINAC is currently operating near capacity by treating about 55 patients per day, with a 10.5 to 11 hour workday schedule on average. The burdened machine is experiencing downtimes during 8 to 10 percent of working days due to various reasons and requiring scheduled and un-scheduled maintenance, amounting to 100 hours per year; given the significant clinical, capacity, and operational challenges associated with the existing single LINAC it is necessary in the immediate term to reduce burden on the Kings County Hospital Center's workhorse LINAC.

As one of the major radiation therapy providers for Central Brooklyn community and with a recently opened Integrated Cancer Treatment Center, it is necessary for Kings County Hospital Center to provide precise and conformal radiation treatment modalities in a safe and expedited manner. The proposed LINAC is equipped to meet

these needs of the center, adding new capabilities to the array of services provided at Kings County Hospital Center such as image-guided radiotherapy, volumetric arc therapy, and stereotactic radiosurgery. Furthermore, the proposed investment may bolster the radiation oncology business by generating revenue from the existing pool of eligible patients within Kings County Hospital Center's catchment area, especially in the case of patients who were previously ineligible for invasive surgical procedure or deemed to gain marginal benefits from conventional radiotherapy. Accordingly, Technology Insights recommends the proposed investment in the second LINAC for Kings County Hospital Center.

II. Relation to Capital Plan

Kings County Hospital Center is requesting \$2,574,851 in capital funding to acquire the proposed linear accelerator (LINAC) from the vendor Varian. The proposed capital project has been included in the organization's capital plan, and the funding source for the proposed equipment acquisition is city capital funds through the City Council Budget line.

The proposed capital equipment investment includes both capital- and non-capital-eligible identified costs. Those costs identified as being non-capital-eligible, such as vendor-sponsored training and disposable items, must be funded through the Kings County Hospital Center's operating budget.

Project	Capital-Eligible Costs	Non-Capital-Eligible Costs
One (1) Varian, Trilogy Stereotactic System	\$2,537,401.00	\$37,450.00

III. Assessing the Investment(s)

One (1) Varian, Trilogy Stereotactic System – Kings County Hospital Center is requesting the purchase of the proposed technology to serve as the second LINAC at the Radiation Oncology Clinic, complementing the existing overburdened LINAC.

Kings County Hospital Center utilizes the existing LINAC, a seven-year old Elekta Synergy, to deliver 3D conformal radiotherapy (3D CRT) and intensity modulated radiation therapy (IMRT) to eligible patients. Kings County Hospital Center treated an average of 55 patients per day in 2012 on the existing LINAC within the Radiation Oncology Clinic. According to Kings County Hospital Center administrators, the burdened LINAC is experiencing periods of downtime of four to seven hours and sometimes up to 24 hours during eight to ten percent of working days. With about 55 patients a day expected to receive radiation therapy, the hindered functionality and utilization of the LINAC creates clinical and operational challenges due to backlogs and delays in patients care. Current capacity utilization is estimated to be approximately 120%, meaning patients must enter a wait queue or receive fewer fractions.

IMRT is increasingly considered to be a standard of care modality at progressive community hospitals. With expected growth in utilization and volumes for IMRT treatment over the next several years, the addition of another platform with IMRT capability would position Kings County Hospital Center to increase its market capture. Further, RapidArc, Varian's branded technology for volumetric-modulated arc therapy (VMAT), refers to the delivery of radiation in a continuous arc around the patient as opposed to across a finite number of gantry angles characteristic of traditional IMRT treatments. Dose rate, MLC shape, and gantry speed are modulated continuously throughout the treatment delivery arc. On the efficiency front, VMAT enables delivery of a dose in five minutes or less in most cases. In addition to increasing throughput and revenue potential, this shortened treatment time may also hold clinical benefits by reducing the amount of time patients are on the treatment table and are subject to movement that can disrupt treatment. On the clinical front with VMAT, the total dose is spread over an infinite number of delivery angles, which may help limit dose deposition to any one area of healthy tissue.

Additionally, stereotactic radiosurgery is increasingly considered to be a standard of care offering for progressive institutions. Stereotactic radiosurgery differs from conventional radiation therapy in that it involves incrementally more accurate delivery of the planned dose to the tumor in one to five treatment sessions, as opposed to across 30 to 40 fractions, which can afford higher tumor response and local control. Stereotactic radiosurgery allows for 3D

coordinate-based delivery of high intensity ionizing radiation to destroy malignant and benign intracranial tumors, and can also be used to treat a number of additional extracranial tumor sites. As a non-invasive approach, it eliminates the risk associated with surgical interventions while essentially achieving a surgical outcome. Numerous clinical studies indicate the opportunity to achieve superior tumor response and local control through placement of a high dose of radiation to the tumor with a minimal dose to surrounding tissues. This treatment modality is not currently offered within the array of radiation oncology services at Kings County Hospital Center. The new LINAC, along with immobilization equipment and treatment planning software (to be purchased separately) would add the capability to offer stereotactic radiosurgery and may provide improved clinical outcomes for a subset of the NYCHHC population which does not currently have access to stereotactic radiosurgery. Kings County Hospital Center would be able to market a more comprehensive radiation oncology service offering at the recently opened Cancer Center with the added capability. Additionally, providing stereotactic radiosurgery would likely generate revenue streams from patients previously deemed ineligible for surgery or 3D CRT. About 40 patients per year, or about 10% of current volumes, would benefit from VMAT, SRS, and SBRT capabilities.

Stereotactic radiosurgery's hypofractionation advantage (i.e., achieving the same or better results in much fewer fractions) is becoming increasingly important as health care shifts from volume to value. Fewer fractions means less physician and staff time as well as better convenience to patients since they need to attend fewer appointments. Furthermore, as cancer incidence is expected to increase with the aging of the U.S. population, capacity for cancer programs could be stretched. Hypofractionation greatly increases the operating capacity of radiation oncology centers, which will help KCHC better meet expected demand.

In sum, in light of the clinical, operational and financial benefits afforded by the proposed LINAC investment, Technology Insights recommends investment in the LINAC for Kings County Hospital Center.

Equipment Life Cycle Estimates

Kings County Hospital Center is currently requesting the purchase of one (1) Varian, Trilogy Stereotactic System to add capacity to the existing radiation therapy program and introduce additional treatment modalities at the Cancer Center through a marketable platform. Presently, Kings County Hospital Center utilizes an 8-year old LINAC that is operating near capacity and is experiencing some consequential wear-and-tear issues. Per the American Hospital Association's Estimated Useful Lives of Depreciable Hospital Assets, 2013 Edition, the estimated useful life of a LINAC is 7 years, though may continue to be utilized for as long as 10 to 15 years provided the LINAC functions properly with routine service, maintenance, and appropriate use and handling. The existing LINAC is aging, and the current degree of utilization of this system suggests the need to add additional LINAC capacity.

Vendor Selection Justification

External beam radiotherapy, including treatment modalities such as 3D CRT, IMRT, and VMAT, can be delivered via use of a linear accelerator. In addition, intra- and extracranial radiosurgery can be delivered via use of a linear accelerator or a dedicated radiosurgery platform, as well. The multifunctional LINAC provides the flexibility of performing conventionally fractionated RT (3D CRT/IMRT/IGRT) or hypo-fractionated RT (SRS/SBRT) in one system.

Clinical and administrative stakeholders at Kings County Hospital Center compared LINAC investment options between two vendors: Elekta and Varian, along with considering add-on stereotactic radiosurgery equipment to the existing or new LINAC. Ultimately, Varian emerged as the preferred vendor based on the stakeholders' assessment of clinical capabilities and anecdotes from other major users of Varian LINACs. Stakeholders prioritized acquiring a platform that is capable of providing conventional and advanced RT services with patient safety and marketing cachet of the platform in mind. Stakeholders felt that from past experience Varian products are more reliable and cutting edge compared to Elekta's. There was also significant reluctance in acquiring an add-on stereotactic radiosurgery solution for the LINAC due to quality control concerns from a physics standpoint. The Trilogy platform is viewed by Kings County Hospital Center stakeholders as a critical piece in marketing the array of advanced services offered at the recently opened Cancer Center.

IV. Identifiable Areas for Cost-Savings or Revenue Generation

Assuming 100% Medicare payor mix and 200 patients per year at a 2% annual growth on the new LINAC, this investment currently achieves a seven-year net present value of \$1,306,330 for NYCHHC and KCHC. However, this pro forma model cannot fully predict the volatility reimbursement rates are likely to experience in the coming years. The figure above also accounts for build-out costs, staffing costs (including a radiation oncologist and radiation therapist), and direct costs associated with procedures.

Based upon the clinical efficacy of advanced radiation therapy treatment modalities such as IMRT, IGRT, VMAT, and stereotactic radiosurgery; operational efficiencies and increased throughput achieved through VMAT; and potential for generating revenue by offering these treatments for an underserved population, Technology Insights recommends investment in the new LINAC. Though a second LINAC requires significant upfront investment, operating the current LINAC with forecasted growth in volumes at about 12% over the next five years and 10.5 to 11 hour workdays will not be sustainable for long without further decline in functionality and efficiency of the machine.

Kings County Hospital Center stakeholders suggested that approximately 40 new patients in the first operational year are expected to be treated with stereotactic radiosurgery. Assuming that Medicare and Medicaid reimbursement rates for LINAC-based SRS and SBRT treatments do not fluctuate significantly in the next few years, Kings County Hospital Center can expect to generate significant revenue from these patients. However, Kings County Hospital Center will have to focus on growing the stereotactic radiosurgery program from the onset in order to justify the investment in the multi-functional LINAC.

While the proposed LINAC investment will offload some of the burden on the existing LINAC, expand the radiation oncology service offering, and afford the opportunity to generate revenue by drawing from a pool of eligible patients within the existing population, Kings County Hospital Center's ability to capitalize upon the technology and realize new revenue streams is highly dependent upon physician activity, referrals, market dynamics, and myriad other factors which can deflect the profitability of services afforded by the LINAC investment.

Best regards,



Matt Garabrant
Practice Manager, Technology Insights
The Advisory Board Company
202.266.6431
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Daniel Schreiber
Executive Advisor, Technology Insights
The Advisory Board Company
202.266.6216
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NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

November 15, 2012

Ms. Hope Mason
Deputy Executive Director
Kings County Hospital Center
451 Clarkson Avenue
Brooklyn, New York 11203

Re: 112372 - C
Kings County Hospital Center
(Kings County)
Install a second linear accelerator with
requisite construction
(\$6,376,068)

Dear Ms. Mason:

Project ID 29201240

The Department of Health approves the above application in accordance with the administrative review provisions set forth in 10 NYCRR section 710.1(c)(3).

Approval of this application is subject to the enclosed contingency first being satisfied. Before beginning any aspect of this project, you must:

- Submit three (3) copies of documentation that address the contingency within sixty (60) days of receipt of this letter, to the

Bureau of Project Management
Division of Health Facility Planning
NYS Department of Health
Corning Tower, Room 1842
Empire State Plaza
Albany, New York 12237
(518) 402-0911

Failure to meet the 60-day deadline could result in the project being abandoned as set forth in 10 NYCRR section 710.10 (c)(1).

- Receive written approval from the Division of Health Facility Planning (DHFP) indicating satisfaction of the contingency.

In addition to the contingency, the Department approves this application with the enclosed condition(s).

You are responsible for ensuring that this project complies with all applicable statutes, codes, rules and regulations. Should violations be found when reviewing documents, or at the time of on-site inspections or surveys, you will be required to correct them. Additional costs incurred to address any violations will not be eligible for reimbursement without the prior approval of the Department. Also, in accordance with 10 NYCRR section 710.5, any change in the scope of this project requires prior approval from the Department and may require a new or amended application.

If you have additional questions or need further assistance, please contact the Bureau of Project Management at (518) 402-0911, New York State Department of Health, Division of Health Facility Planning, Corning Tower, Room 1842, Empire State Plaza, Albany, New York 12237.

Sincerely,



Karen Westervelt
Interim Deputy Commissioner
Office of Health Systems Management

Enclosure

WORK ORDER

ECONOMIC DEVELOPMENT CORPORATION

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

**NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE**

**NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL**

Date: November 7, 2013

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Construction of New Goldwater North Skilled Nursing Facility (SNF)

Scope: Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of a New Skilled Nursing Facility in the Parking Lot of the former North General Hospital building.

Need: Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHCs cost containment initiatives identified through the Road Ahead study which reduces the number of certified Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus.

Estimate of Cost:

	<i>Previously Approved 6/2013</i>	<i>Proposed Authorization Increase</i>	<i>New Authorization Level</i>	<i>Budget</i>
<i>Planning & Design Services</i>	\$11,352,061	\$587,007	\$11,939,068	\$11,939,068
<i>Construction</i>	\$80,451,756	\$5,750,701	\$86,202,457	\$86,202,457
<i>Construction Management</i>	\$30,527,585	\$1,109,256	\$31,546,841	\$31,546,841
<i>Other Costs</i>	\$1,537,415	\$400,361	\$1,937,776	\$1,937,776
<i>EDC Fee</i>	\$2,344,526	(\$1,250,000)	\$1,094,526	\$1,094,526
<i>Contingency</i>	\$3,611,913	(\$3,611,913)	\$0	\$0
<i>Fixed Equipment</i>	\$0	\$0	\$0	\$930,589
<i>Moveable Equipment</i>	\$0	\$0	\$0	\$3,852,059
<i>Telecom Equipment</i>	\$0	\$0	\$0	\$3,013,155
Total Project Cost	\$129,825,256	\$2,895,412	\$132,720,668	\$140,516,471

<i>Additional Closing Costs to No. Gen'l</i>	0	0	0	120,000
<i>Planning & Design Services</i>	0	0	0	69,967
<i>VE Services (City G.O. Bonds)</i>	0	0	0	257,808
<i>VE Services (HEAL 19)</i>	0	0	0	113,818
<i>CON Additional Processing Fee</i>	0	0	0	860,467
<i>Goldwater Decommissioning</i>	2,625,500	(1,009,941)	1,615,559	1,615,559
Total Project Cost w/CON Fee	\$132,450,756	\$1,885,471	\$134,336,227	\$143,554,090

Funding:

<i>HEAL NY Phase 19 *</i>	8,575,220	100,075	8,675,295	8,675,295
<i>NYC General Obligation Bonds</i>	123,875,536	1,785,396	125,660,932	134,878,795
Total	\$132,450,756	\$1,885,471	\$134,336,227	\$143,554,090

End Date: November 2013

CON: Full Review

Filed: Original filed October 7, 2010

Approval: Original Approved December 2, 2011
Amendment Approved February 2012

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH SKILLED NURSING FACILITY BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by one million, eight hundred eight five thousand, four hundred seventy one dollars (\$1,885,471) to one hundred thirty four million, three hundred thirty six thousand, two hundred twenty seven dollars (\$134,336,227) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital .
- NEED:** Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHC's costs containment initiatives identified through the Road Ahead study which reduces the number of Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus. It is more advantageous to construct a new building rather than renovate and upgrade a significantly older and occupied campus at Goldwater (constructed circa 1939) to meet new code requirements. The bed count on the facility has been reduced from 276 beds to 164 beds.
- SCOPE:** NYCEDC will serve as managing agent, and will cause to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of the New Skilled Nursing Facility to be built in the parking lot of the former North General Hospital.
- PRIOR AUTHORIZATION (Revised 6/7/13):** Previous work order for \$129,825,256, excluding the Goldwater Decommissioning cost allocation of \$2,625,500, was approved by the Capital Committee in June 2013 (attached). The previously authorized funds, as of 8/31/13, have been expended in the amounts identified below for the following goods or services: \$9,669,323 has been paid out to Array Architects for all design documents and a portion of construction administration. \$24,513,631 has been paid out to Gilbane/McKissack for preconstruction services, and construction management services. \$72,382,942 has been paid out to Gilbane/McKissack which accounts for approximately 82% of the trade cost values. \$696,744 has been paid out to EDC for its management costs.
- TERMS:** The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** Current projected cost of \$134,336,227 via Work Order to NYCEDC, exclusive of land acquisition costs, planning and design services, Value Engineering, CON additional processing fees to the New York State Department of Health, and inclusive of the cost allocation for the Goldwater Decommissioning.
- FINANCING:** \$8,675,295 in HEAL NY Phase 19 grant proceeds; \$125,660,932 in New York City General Obligation Bonds.
- SCHEDULE:** Completion: November 2013.

**NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE**

**NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL**

Date: June 13, 2013

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility:	North General Hospital, also known as "Goldwater North"
Title:	Construction of New Goldwater North Skilled Nursing Facility (SNF)
Scope:	Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of a New Skilled Nursing Facility in the Parking Lot of the former North General Hospital building.
Need:	Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHCs cost containment initiatives identified through the Road Ahead study which reduces the number of certified Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus.

Estimate of Cost:

	<i>Previously Approved 2/2012</i>	<i>Proposed Authorization Increase</i>	<i>New Authorization Level</i>	<i>Budget</i>
<i>Planning & Design Services</i>	9,305,327	2,046,734	11,352,061	11,352,061
<i>Construction</i>	74,090,195	6,361,561	80,451,756	80,451,756
<i>Construction Management</i>	19,804,946	10,722,639	30,527,585	30,527,585
<i>Other Costs</i>	4,800,390	(3,262,975)	1,537,415	1,537,415
<i>EDC Fee</i>	2,344,526		2,344,526	2,344,526
<i>Contingency</i>	7,991,605	(4,379,692)	3,611,913	3,611,913
<i>Fixed Equipment</i>	0		0	930,589
<i>Moveable Equipment</i>	0		0	3,852,059
<i>Telecom Equipment</i>	0		0	2,569,489
Total Project Cost	\$118,336,989	\$11,488,267	\$129,825,256	\$137,177,393
<i>Additional Closing Costs to No. Gen'l</i>	0	0	0	120,000
<i>Planning & Design Services</i>	0	0	0	69,967
<i>VE Services (HEAL 19)</i>	0	0	0	213,893
<i>CON Additional Processing Fee</i>	0	0	0	860,467
<i>Goldwater Decommissioning</i>	0	2,625,500	2,625,500	2,625,500
Total Project Cost w/CON Fee	\$118,336,989	\$14,113,767	\$132,450,756	\$141,067,220
Funding:				
<i>HEAL NY Phase 19 *</i>	8,575,220	0	8,575,220	9,839,547
<i>NYC General Obligation Bonds</i>	109,761,769	14,113,767	123,875,536	131,227,673

Total \$118,336,989 \$14,113,767 \$132,450,756 \$141,067,220

End Date: November 2013

CON: Full Review

CON: Full Review

Filed: Original filed October 7, 2010

Filed: Original filed October 7, 2010

Approval: Original Approved December 2, 2011

Amended approval anticipated February 2012

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**EXECUTIVE SUMMARY
MAJOR MODERNIZATION PROJECT
GOLDWATER NORTH SKILLED NURSING FACILITY
BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION**

OVERVIEW:

The President seeks authorization to increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by fourteen million, one hundred thirteen thousand, seven hundred sixty-seven dollars (\$14,113,767) to one hundred thirty-two million, four hundred fifty thousand, seven hundred fifty-six dollars (\$132,450,756) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital.

NEED:

Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHC's costs containment initiatives identified through the Road Ahead study which reduces the number of Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus. It is more advantageous to construct a new building rather than renovate and upgrade a significantly older and occupied campus at Goldwater (constructed circa 1939) to meet new code requirements. The bed count on the facility has been reduced from 276 beds to 164 beds.

SCOPE:

NYCEDC will serve as managing agent, and will cause to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of the New Skilled Nursing Facility to be built in the parking lot of the former North General Hospital.

**PRIOR
AUTHORIZATION
(Revised 6/7/13):**

Previous work order for \$118,336,989 was approved by the Capital Committee in February 2012 (attached). The previously authorized funds, as of 04/30/13, have been expended in the amounts identified below for the following goods or services: \$9,090,687 has been paid out to Array Architects for all design documents and a portion of construction administration. \$16,323,396 has been paid out to Gilbane/McKissack for preconstruction services, and construction management services. \$50,918,740 has been paid out to Gilbane/McKissack which accounts for approximately 75% of the trade cost values. \$696,744 has been paid out to EDC for its management costs.

TERMS: The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.

COST: Current projected cost of \$132,450,756 via Work Order to NYCEDC, exclusive of land acquisition costs, planning and design services, Value Engineering and CON additional processing fees to the New York State Department of Health. Total budget is \$141,067,220.

FINANCING: \$9,839,547 in HEAL NY Phase 19 grant proceeds; \$141,067,220 in New York City General Obligation Bonds.

SCHEDULE: Completion: November 2013. S

Previously Approved 6.20.13

WORK ORDER

ECONOMIC DEVELOPMENT CORPORATION

**HENRY J. CARTER SPECIALTY HOSPITAL AND
NURSING FACILITY – LONG TERM ACUTE CARE
HOSPITAL**

**NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE**

**NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL**

Date: November 7, 2013

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Renovation and Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC will cause to provide all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services.

Estimate of Cost:

	<i>Previously Approved 6/2013</i>	<i>Proposed Authorization Increase</i>	<i>New Authorization Level</i>	<i>Budget</i>
<i>Planning & Design Services</i>	9,517,356	1,112,995	10,630,351	10,630,351
<i>Construction</i>	79,229,332	5,800,067	85,029,399	85,029,399
<i>Construction Management</i>	29,255,722	756,831	30,012,553	30,012,553
<i>Other Costs</i>	155,257	297,325	452,582	452,582
<i>EDC Fee</i>	2,900,000	(1,250,000)	1,650,000	1,650,000
<i>Contingency</i>	3,283,745	(3,283,745)	0	0
<i>Fixed Equipment</i>	0	0	0	2,316,890
<i>Moveable Equipment</i>	0	0	0	13,278,857
<i>Telecom Equipment</i>	0	0	0	3,013,155
<i>Total Project Cost</i>	\$124,341,412	\$3,433,472	\$127,774,884	\$146,383,786

<i>Land Acquisition</i>	0	0	0	2,510,453
<i>Planning & Design Services</i>	0	0	0	712,515
<i>VE Services (City G.O. Bonds)</i>	0	0	0	231,715
<i>VE Services (HEAL 7)</i>	0	0	0	160,503
<i>CON Additional Processing Fee</i>	0	0	0	810,608
<i>Goldwater Decommissioning</i>	0	1,615,558	1,615,558	1,615,558
<i>Total Project Cost w/CON Fee</i>	\$124,341,412	\$5,049,030	\$129,390,442	\$152,425,138

Funding:

<i>HEAL NY Phase 7 *</i>	6,846,374	0	6,846,374	8,530,000
<i>HEAL NY Phase 19 **</i>	0	0	0	2,510,453
<i>NYC General Obligation Bonds</i>	117,495,038	5,049,030	122,544,068	141,384,685
<i>Total</i>	\$124,341,412	\$5,049,030	\$129,390,442	\$152,425,138

End Date: November 2013

CON: Full Review

Filed: October 2011

Approval: January 2012

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ACUTE CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to increase New York City Economic Development Corporation's (NYCEDC) work order threshold by five million, forty nine thousand, thirty dollars (\$5,049,030) to one hundred twenty nine thousand, three hundred ninety thousand, four hundred forty two dollars (\$129,390,442) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).
- NEED:** Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services. The new building will be LEED certified.
- SCOPE:** NYCEDC is serving as managing agent and is contracted to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).
- PRIOR AUTHORIZATION:** Previous work order for \$124,341,412 was approved by the Capital Committee in June 2013 (attached). The previously authorized funds, as of 8/31/13, have been expended in the amounts identified below for the following goods or services: \$8,655,495 has been paid out to Array Architects for all design documents and a portion of construction administration. \$30,674,749 (of which \$2,590,601 was for existing building maintenance and transition planning management) has been paid out to Gilbane/McKissack for preconstruction services including planning, and construction management oversight. \$66,646,647 has been paid out to Gilbane/McKissack for trade work accounting for approximately 80% of the construction value. \$472,160 has been paid out to EDC for its management costs.
- TERMS:** The work order is to be executed pursuant to an existing Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** Current projected cost of \$129,390,442 via Work Order to NYCEDC, exclusive of land acquisitions costs, planning and design services, Value Engineering and CON additional processing fees to the New York State Department of Health, and inclusive of the cost allocation for the Goldwater Decommissioning.
- FINANCING:** \$6,846,374 in HEAL NY Phase 7 grant proceeds; and \$122,544,068 in New York City General Obligation Bonds.
- SCHEDULE:** Completion: November 2013.

**NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE**

**NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL**

Date: June 13, 2013

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Renovation and Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC will cause to provide all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services.

Estimate of Cost:

	<i>Previously Approved 2/2012</i>	<i>Proposed Authorization Decrease</i>	<i>New Authorization Level</i>	<i>Budget</i>
<i>Planning & Design Services</i>	7,484,818	2,032,538	9,517,356	9,517,356
<i>Construction</i>	93,261,516	(14,032,184)	79,229,332	79,229,332
<i>Construction Management</i>	19,265,726	9,989,996	29,255,722	29,255,722
<i>Other Costs</i>	871,562	(716,305)	155,257	155,257
<i>EDC Fee</i>	2,900,000		2,900,000	2,900,000
<i>Contingency</i>	4,657,157	(1,373,412)	3,283,745	3,283,745
<i>Fixed Equipment</i>	0		0	2,316,890
<i>Moveable Equipment</i>	0		0	11,509,364
<i>Telecom Equipment</i>	0		0	3,456,820
<i>Total Project Cost</i>	\$128,440,779	(\$4,099,367)	\$124,341,412	\$141,624,486
<i>Land Acquisition</i>	0	0	0	2,510,453
<i>Planning & Design Services</i>	0	0	0	712,515
<i>VE Services (City G.O. Bonds)</i>	0	0	0	231,715
<i>VE Services (HEAL 7)</i>	0	0	0	160,503
<i>CON Additional Processing Fee</i>	0	0	0	810,608
<i>Total Project Cost w/CON Fee</i>	\$128,440,779	(\$4,099,367)	\$124,341,412	\$153,468,878
Funding:				
<i>HEAL NY Phase 7 *</i>	6,846,374	0	6,846,374	8,530,000
<i>HEAL NY Phase 19 **</i>	0	0	0	2,510,453
<i>NYC General Obligation Bonds</i>	121,594,405	(\$4,099,367)	117,495,038	136,693,453
<i>Total</i>	\$128,440,779	(\$4,099,367)	\$124,341,412	\$146,050,280

End Date: November 2013

CON: Full Review

Filed: October 2011

Approval: December 2011

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EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ACUTE CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

OVERVIEW:

The President seeks authorization to decrease New York City Economic Development Corporation's (NYCEDC) work order threshold by four million, ninety-nine thousand, three hundred and sixty-seven dollars (-\$4,099,367) to one hundred twenty-four million, three hundred forty-one thousand, four hundred and twelve dollars (\$124,341,412) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).

NEED:

Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services. The new building will be LEED certified.

SCOPE:

NYCEDC is serving as managing agent and is contracted to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).

PRIOR

AUTHORIZATION:

Previous work order for \$128,440,779 was approved by the Capital Committee in February 2012 (attached). The previously authorized funds, as of 4/30/13, have been expended in the amounts identified below for the following goods or services: \$7,805,786 has been paid out to Array Architects for all design documents and a portion of construction administration. \$20,161,435 (of which \$2,458,336 was for existing building maintenance and transition planning management) has been paid out to Gilbane/McKissack for preconstruction services including planning, and construction management oversight. \$45,077,499 has been paid out to Gilbane/McKissack for trade work accounting for approximately 75% of the construction value. \$472,160 has been paid out to EDC for its management costs.

TERMS: The work order is to be executed pursuant to an existing Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.

COST: Current projected costs of \$124,341,412 via Work Order to EDC, exclusive of land acquisitions costs, planning and design services, Value Engineering and CON additional processing fees to the New York State Department of Health. Total project budget is \$146,050,280. Decommissioning costs of the Goldwater facility in the amount of \$5,251,000, funded with City General Obligation bonds, are excluded.

FINANCING: \$6,846,374 in HEAL NY Phase 7 grant proceeds; \$2,510,453 in HEAL 19 grant proceeds; and \$136,693,453 in New York City General Obligation Bonds.

SCHEDULE: Completion: November 2013.

PREVIOUSLY APPROVED 6.2013

STATUS REPORT

GOUVERNEUR HEALTHCARE SERVICES

MAJOR MODERNIZATION

**GOUVERNEUR HEALTHCARE SERVICES
MAJOR MODERNIZATION PROJECT
PROJECT FACT SHEET**

Location: 227 Madison Street
New York, New York 10002

Description: Provide the planning, pre-construction, architectural and engineering design, construction, construction management, and project management services necessary to expand the complement of nursing facility beds, renovate and fit out the existing nursing facility, including major mechanical infrastructure upgrades, and construct and fit out a new expanded ambulatory care center.

Budget: Total Major Modernization \$251.7 million

Approved DASNY Work Orders to Date: \$247.4 million

Approved DASNY Funding to Date: \$235.4 million

Managing Agent: DASNY

Architect: Perkins Eastman Architects, PC (Previously RMJM/Hillier Architects)

Construction Manager: Hunter Roberts Construction Group

CON Status: Approved October 2008

Schedule: Completion Expected - February 2014

MWBE/EEO: DASNY will ensure compliance with MWBE and EEO requirements as they relate to New York State Executive Law, Article 15-A.

**GOUVERNEUR HEALTHCARE SERVICES
MAJOR MODERNIZATION PROJECT**

PROJECT STATUS REPORT – November 2013

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

Design: RMJM (formerly Hillier Architects) completed design of the building extension and renovation of the existing building and all construction packages have been awarded. Perkins Eastman Architects, PC has assumed responsibility as architect for remaining construction and closeout.

Construction: The building addition and renovation of the 2nd, 3rd, 4th (clinic space), 5th (half clinical and half residential space), 6th (residential), 7th (residential) and 13th (residential) floors are complete and occupied. The 12th floor was renovated prior to the project and remains as administrative space. Floor 8 received TCO and awaiting DOH inspections. Floors 9, 10, 11 and 1 are presently under renovation.

Construction Management: Hunter-Roberts is the construction manager (CM). The CM is managing construction work and closeout as required.

Finance: New York City General Obligation Bonds, Grant funds and donations.

Original Budget: The original project budget was \$101.0 million, excluding the costs of financing, DOH fees, and contractor claims.

Adjusted Budget: The adjusted DASNY managed project budget is \$247.4 million, excluding CON fees and the costs of financing and contractor claims. Since January 2005, the project's capital commitment plan forecast, excluding IT, Kitchen Renovation, Soil Decontamination, Medical Gas, and Auditorium Work, has been amended as follows:

January 2005:	\$101,000,000
January 2008:	\$154,494,000
September 2009:	\$178,000,000
April 2010:	\$166,930,000
September 2011:	\$186,452,000
January 2011:	\$198,452,000
September 2011:	\$198,594,000
January 2012:	\$203,845,000
September 2012:	\$205,639,000
January 2013:	\$238,639,000

Page Two – Project Status Report

Additional list of funding sources added to the project is as follows:

\$1,500,000 – Lower Manhattan Development Corporation (LMDC)
550,000 – Homeland Security grant funds
100,000 – Gouverneur Auxiliary
4,399,596 – HHC Bond, Series 2010, proceeds
2,680,000 – City G.O. (Soil Decontamination)
600,000 – City G.O. (Kitchen Renovation)
500,000 – City G.O./City Council (Renovate Auditorium)

\$10,329,596 – Total other City G.O. and Non-City G.O. funding sources

\$248,968,596 – Total available budget. OMB will provide any contingency that may be required to complete the project not to exceed \$5 million.

Total Project Forecast:

The DASNY project budget forecast is \$247.4 million, which excludes CON fees, some planning fees, Value Engineering Services, and all costs related to IT Network Infrastructure managed by HHC, financing costs and contractor claims; and includes DASNY-managed IT Network Infrastructure work and the renovation of the Auditorium.

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	SNF	\$118,336,989 (February 2012)
Work Orders to date:	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 – November 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:** Construction on both the LTACH and SNF buildings is substantially complete and they both obtained Temporary Certificates of Occupancy in October. Final punchlist and building systems commissioning is underway. All major furniture and medical equipment deliveries are complete.
- 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

Network: CENTRAL / NORTH BROOKLYN HEALTH NETWORK

Facility: KINGS COUNTY 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
29201101	Upgrade Ten (10) Elevators "ABC" Buildings	5,148	2,539	0.50%	Mar-12	May-13	Apr-14	(11)	Construction in progress. Project divided into three phases. Phase 1: Freight elevators completed. Phase 2: Upgrade one passenger elevator in each building plus the hydraulic elevator in Central receiving. Work in progress. Completion November 2013. Phase 3: Upgrade remaining passenger elevators in each building. Completion scheduled March 2014.
29201102	Upgrade Four (4) Elevators "T" Building	1,998	1,160	0.58%	Mar-12	Dec-12	Dec-13	(12)	Construction work on two elevators completed. Work is progressing on the remaining elevators.

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
48201204	Renovate two (2) School Based Health Clinics	500	90	0.18%	Aug-13	Dec-13	Dec-13		Construction is in progress.
48200803	Obstetric Unit Expansion	3,251	205	0.07%	Jun-13	Feb-14	Jul-14	(5)	Construction work is expected to begin November 2013. Project was delayed since, the facility had to relocate occupants in the existing space to other areas throughout the building. This relocation exercise was completed the end of October 2013.
48201301	Expansion of Dental & Ophthalmology Practices	2,125	552	0.26%	Dec-12	Dec-13	Dec-13		Construction completed on the Dental Administrative offices and Training Center. Construction in progress on the new pediatric dental practice. The existing ophthalmology practice is currently being renovated.

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	11,040	81.00%	Mar-08	Apr-12	Oct-13	(18)	Final roofing installation is taking place.
13201240	Construct and Outfit Dental Clinic - Kountz Pavilion	5,659	2,795	49.00%	May-13	Dec-13	Dec-13		Patterson tie-ins to be completed in January, 2014.

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	24,177	86.00%	Apr-07	Jun-10	Dec-13	(42)	Project scheduled for completion by Dec. 2013
25201101	Expansion of Psychiatric Inpatient Unit	5,500	2,001	36.00%	Jan-13	Sep-13	Nov-13	(2)	Due to Union issue and filed condition, project is scheduled for completion by November 3, 2013.
25201302	Sub-Specialty 2D2 Clinic Expansion	1,416	112	8.00%	Jun-13	Oct-13	Nov-13	(1)	DOB Partial StopWork - No plumbing permit, permit issue has been resolved. Project is scheduled for completion by the end of November, 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
33201248	Purchase Cardiac Cath Lab	1,800	1,693	94.00%			Jul-13		Completed in July, 2013. Project will be removed from reporting after this cycle.
33201244	Replace Nurse Call System	700	567	81.00%	Jan-13	Jun-13	Nov-13	(5)	Completed in August, 2013. Project will be removed from reporting after this cycle.
33200801	Women's Health Center	13,352	7,532	56.00%	Sep-11	Dec-12	Jan-14	(13)	Rough plumbing is completed. DOB inspection will be requested. Insulation of ductwork continues.
33201313	Comprehensive Energy Efficiency Upgrade	23,130							Kick-off meeting held on 10/30/13. Design complete. All bids awarded.
33201202	Structural Remediation of Parking Garage	1,333	314	24.00%					Abatement for paint complete. Bracing in progres.

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
34201201	"T" Building Relocation	8,400	450	5.00%					In design.