

CAPITAL COMMITTEE
MEETING AGENDA

December 7, 2017

10:00 AM

125 Worth Street, Room 532
5th Floor Board Room

CALL TO ORDER

Mark Page

- ADOPTION OF MINUTES – November 8, 2017

Mark Page

- VICE PRESIDENT'S REPORT

Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Christopher Mastromano**
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with General Vision Services/Cohen Fashion Optical (the "Licensee") for its continued use and occupancy of 675 square feet of space to operate an optical store on the campus of Jacobi Medical Center (the "Facility") at an annual occupancy fee of \$46,951, or \$69.55 per square foot to be escalated by 3% per year for a five year total of \$249,267.

Vendex: Pending

INFORMATION ITEMS

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

November 8, 2017

MINUTES

Capital Committee

Meeting Date: November 8, 2017

Time: 11:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Mark Page, Committee Chair
Gordon Campbell, Vice Chair, Acting Chairman of the Board
Josephine Bolus, RN, NP, BC
Emily A. Youssouf
Stanley Brezenoff, Interim President, Chief Executive Officer

HHC Staff:

PV Anantharam – Senior Vice President, Finance
Jennifer Bender – Director, Communications and Marketing
Jeremy Berman – Deputy General Counsel, Office of Legal Affairs
Howard Birnbaum – Senior Systems Analyst, NYC Health + Hospitals / Queens
David Guzman – Associate Executive Director, NYC Health + Hospitals / Elmhurst
Colicia Hercules – Chief of Staff, Office of the Chairman
Louis Iglhaut – Assistant Vice President, Office of Facilities Development
Mahendranath Indar – Senior Director, Office of Facilities Development
Patricia Lockhart – Secretary to the Corporation, Office of the Chairman
Dean Moskos – Director, Office of Facilities Development
Vincent Mulvihill – Deputy Executive Director, NYC Health + Hospitals / Kings County
Sarah Samis – Chief of Staff, Office of the President
Brian Stacey – Associate Executive Director, NYC Health + Hospitals / Lincoln
Roslyn Weinstein – Vice President, President's Office
Dion Wilson – Director of Real Estate, Office of Legal Affairs
Patricia Yang – Senior Vice President, Correctional Health Services
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Roger Zhu – Senior Associate Director, NYC Health + Hospitals / Metropolitan

Outside Representatives:

Osmund Desouza – Jumper Networks

CALL TO ORDER

The meeting was called to order by Mark Page, Committee Chair, at 11:13 A.M.

On motion, the Committee voted to adopt the minutes of the October 11, 2017, Capital Committee meeting.

VICE PRESIDENT'S REPORT

Roslyn Weinstein, Vice President, explained that there would be three action items on the agenda; a lease agreement for a Women, Infants and Children (WIC) Clinic managed by Kings County; a lease agreement for space occupied by Correction Health Services; and, discussion of proposed revisions to Operating Procedure 100-06. She noted that a presentation on the Energy Program was planned for the meeting but it was determined that it would be delayed so additional financial information could be added.

Gordon Campbell, Acting Chairman of the Board, asked if the final presentation would include information on how the various options in energy programs were being distributed throughout the enterprise. Ms. Weinstein said yes, we are in ongoing discussion with Mr. Page to include all pertinent information about the energy plan for the system.

Mr. Page said that he had asked for explanation of the options available, and the economics of those various options. Mr. Campbell said that was information he was interested in seeing as well, especially as more energy related projects were brought before the Committee for discussion.

That concluded her report.

ACTION ITEMS

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to execute lease extension agreement with Third Generation Properties (the "Landlord"), for use and occupancy of 2,400 square feet of ground floor space at 2266 Nostrand Avenue, Borough of the Brooklyn, to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by Kings County Hospital Center (the "Facility") at a rent of \$86,678 per year, or \$36.11 per square foot for a total of \$115,571 over the sixteen month term.**

Vincent Mulvihill, Deputy Executive Director, NYC Health + Hospital / Kings County, read the resolution into the record on behalf of Sheldon McLeod, Deputy Executive Director, NYC Health + Hospital / Kings County.

Mr. Page asked why the term was for 16 months, and who operated the site. Mr. Mulvihill explained that the program was funded by the State, and managed by Kings County. He said that the area in which the site was located had been under redevelopment and it was unclear whether the landlord would be interested in allowing the WIC to relocate to his property on the other side of the street. The sixteen months was all that was available for the term. In the meantime they would be looking for alternate sites if needed.

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

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

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a ten year lease extension agreement with S Properties LLC (the "Landlord") for approximately 13,000 square feet of warehouse and office space at 49-04 19th Avenue/19-10 49th Street, Astoria, New York (the "Warehouse") to house Correctional Health Services (the "CHS") administrative functions at an initial rent of \$364,000 per year or \$28.00 per square foot to be escalated by 2.75% per year for years 1-5 and 3.0% for years 6-10 a total of \$4,141,546 over the ten year term.**

Patricia Yang, Senior Vice President, Correctional Health, read the resolution into the record.

Emily A. Youssouf asked if the space would be altered. Ms. Yang said that when Correctional Health first moved into the site, they made some alterations, but since then none were required. She explained that the site held warehouse space, PAGNY offices, general office space and the assistance center.

Ms. Youssouf asked if the space was currently occupied by Correctional Health Services. Ms. Yang said yes.

Mr. Campbell asked if the lease would be terminable if Riker's Island were to close. Ms. Yang said yes.

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

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

- **Authorizing a Third Revised Statement of Board Policy for the Review and Authorization of Procurement Matters (the "Policy") by the Board of Directors (the "Board") of New York City Health and Hospitals Corporation (the "System") in the form attached that shall be effective as of December 1, 2017 and that shall enable the President of the System to prepare and adopt a revision of Operating Procedure 100-06 to implement such Policy.**

Jeremy Berman, Deputy Counsel, read the resolution into the record.

Mr. Berman walked through a Power Point Presentation overviewing the proposed revisions. He explained that the operating procedure being discussed was primarily about procuring goods and services, but there was a portion that indicated that all real estate matters come before the Board of Directors for approval, with no requirements or limitations.

Mr. Berman explained that licenses are terminable, at will by either party, at relatively short term. Those are the most frequently used types of agreements for third parties. Real estate leases are not terminable except in breach of contract, so those are less commonly entered into. The majority of that type of agreement are for larger land use and/or longer term agreements. This revision was focused on licenses.

Mr. Berman noted that over the past five (5) years there had been 60 licenses presented, 45 of which were for renewal, so this proposal would greatly decrease the amount of real estate items presented for Capital Committee and Board of Directors discussion.

This proposed change to policy was to bring only licenses that were being presented for the first time to the Board, except for those which involved medical providers. Those would continue to be brought before the Board for approval of renewals as well as first time agreements. If this request was approved the Operating Procedure would be revised for Presidential sign-off.

Ms. Youssouf said she thought that the Board had to approve all real estate agreements and asked how this was possible. Mr. Berman said that the requirements in the enabling act and agreements with the City of New York, only apply to leases. This requested change would only be with regards to licenses.

Mr. Campbell noted that the Committee would receive reporting on those agreements in lieu of voting.

Ms. Youssouf asked why agreements with medical providers were being handled differently. Mr. Berman said they would be more sensitive types of agreements, and had other regulatory requirements. They can also be for large amounts of money, and there can be questions about duplicate services. Ms. Youssouf said she understood.

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

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

There being no further business, the meeting was adjourned at 11:32 A.M.

LICENSE AGREEMENT

GENERAL VISION SERVICES / COHEN FASHION OPTICAL

NYC HEALTH + HOSPITALS / JACOBI

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with General Vision Services/Cohen Fashion Optical (the "Licensee") for its continued use and occupancy of 675 square feet of space to operate an optical store on the campus of Jacobi Medical Center (the "Facility") at an annual occupancy fee of \$46,951, or \$69.55 per square foot to be escalated by 3% per year for a five year total of \$249,267.

WHEREAS, in June 2012, the Board of Directors authorized the System to enter into a five year license agreement with the Licensee to operate an optical store on the ground floor of Building No. 1 on the Facility's campus; and

WHEREAS, the services and products provided have proved to be beneficial to patients; and

WHEREAS, Jacobi Medical Center desires to have the Licensee continue operate its optical store on its campus and has adequate space to accommodate the Licensee's needs; and

WHEREAS, the Licensee shall provide optical services, including but not limited to filling new prescription eyeglasses, examining eyes, low vision screening, prescribing and fitting contact lenses, and selling contact lens supplies.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a five year revocable license agreement with General Vision Services/Cohen Fashion Optical (the "Licensee") for its continued use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center (the "Facility") at an annual occupancy fee of \$46,951, or \$69.55 per square foot to be escalated by 3% per year for a five year total of \$249,267.

EXECUTIVE SUMMARY

JACOBI MEDICAL

LICENSE AGREEMENT GENERAL VISION SERVICES/COHEN FASHION OPTICAL

The New York City Health and Hospitals Corporation (the "System") seeks authorization from Board of Directors to execute a revocable license agreement with General Vision Services/Cohen Fashion Optical ("GVS/Cohen") for its use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center ("Jacobi").

In June 2012, the Board of Directors authorized the System to enter into a five year license agreement with the Licensee to operate an optical store on the ground floor of Building No. 1 on the Facility's campus. In addition to the Jacobi store, GVS/Cohen currently operates optical stores at Bellevue Hospital Center, Harlem Hospital Center, Lincoln Medical & Mental Health Center, and Metropolitan Hospital Center. The services and products provided have proved to be beneficial to patients. Jacobi desires to continue to have the optical store on its campus and has adequate space to accommodate the store. GVS/Cohen will provide optical services, including but not limited to filling new prescription eyeglasses, examining eyes, low vision screening, prescribing and fitting contact lenses, and selling contact lens supplies.

GVS/Cohen will have the continued use and occupancy of a total of approximately 675 square feet of space on the ground floor of Building No. 1. The GVS/Cohen will pay an occupancy fee of \$46,951 per year, or \$69.55 per square foot. The occupancy fee for the new term represents a 3% increase over the current rate. The occupancy fee will be escalated by 3% per year over the term of the agreement for a five year total of \$249,267. The Facility shall provide hot and cold water, electricity, heating, air conditioning and routine security to the Licensed Space. The Licensee shall be responsible for its own housekeeping, repairs and maintenance.

GVS/Cohen will indemnify and hold harmless the Corporation and the City of New York from any and all claims arising by virtue of its use of the licensed space and will also provide appropriate insurance naming each of the parties as additional insureds.

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

Jacobi - GVS/Cohen Fashion Optical

<u>Year</u>	<u>Prior Team</u>	<u>New Term</u>
1	40,500	46,951
2	41,715	48,359
3	42,966	49,810
4	44,255	51,304
5	<u>45,583</u>	<u>52,843</u>
	215,020	249,267

3% escalation