

CALL TO ORDER

Mark Page

- ADOPTION OF MINUTES – May 9, 2017

Mark Page

- VICE PRESIDENT'S REPORT

Roslyn Weinstein

ACTION ITEMS

- **Resolution** **Martha Sullivan, MD**
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

Vendex: Pending.

- **Resolution** **Cyril Toussaint / Robert Hughes**
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant (the "Project") at NYC Health + Hospitals/Coler (the "Facility").

- **Resolution** **Cyril Toussaint / Milton Nunez**
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York Power Authority ("NYPA") for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower (the "Project") at NYC Health + Hospitals/Lincoln (the "Facility").

- **Resolution** **Cyril Toussaint / Kaushal Challa**
Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to upgrade the boiler plant (the "Project") at NYC Health + Hospitals/Gotham Health, Cumberland (the "Facility").

- **Resolution** **William Hicks**
Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five-year lease agreement with Shui’s Realty Inc. (the “Landlord”) for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program (the “WIC Program”) managed by NYC Health + Hospitals/Bellevue (the “Facility”) at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,894.82.

- **Resolution** **Alina Moran**
Authorizing the New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a five year revocable license agreement with the New York City Human Resources Administration (“HRA”) permitting HRA’s use and occupancy of approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan (“the Facility”) through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program (“NYCID Program”) with the occupancy fee waived.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

May 9, 2017

MINUTES

Capital Committee

Meeting Date: May 9, 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 Youssouf
Stanley Brezenoff, Interim President, Chief Executive Officer

HHC Staff:

Machelle Allen – Chief Medical Officer, Senior Vice President, Healthcare Improvement
Donald Ashkenase – Assistant Vice President, Medical and Professional Affairs
Jennifer Bender – Director, Communications and Marketing
Jeremy Berman – Deputy General Counsel, Office of Legal Affairs
Ebony Carrington – Chief Operating Officer, Harlem Hospital Center
Daniel Gadioma – Associate Director, Kings County Hospital Center
Jonathan Goldstein – Assistant Director, Corporate Planning
Colicia Hercules – Chief of Staff, Office of the Chairman
Patricia Lockhart – Secretary to the Corporation, Office of the Chairman
Sheldon McLeod – Deputy Executive Director, Kings County Hospital Center
Dean Moskos – Director, Office of Facilities Development
Martha Sullivan – Chief Executive Officer, Gouverneur Healthcare Services
Cyril Toussaint – Director, Office of Facilities Development
L. Rickie Tulloch – Senior Director, Office of Facilities Development
Jonathan Weiner – Inspector General, Office of the Inspector General
Roslyn Weinstein – Vice President, President's Office
Dion Wilson – Director of Real Estate, Office of Legal Affairs
Frank Zanghi – Manager, Internal Audits

Outside Representatives:

Shaylee Wheeler – New York City Office of Management and Budget
Melinda Elias – New York City Independent Budget Office

CALL TO ORDER

The meeting was called to order by Mark Page, Committee Chair, at 11:02 A.M.

On motion, the Committee voted to adopt the minutes of the March 16, 2017, Capital Committee meeting.

VICE PRESIDENT'S REPORT

Mr. Page asked that the Vice President's Report be provided at the end of the meeting, if necessary, in the interest of saving time.

ACTION ITEMS

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to approve a Capital Project for an amount not to exceed \$5,783,618 for planning, pre-construction, design, construction and construction management services necessary for the Upgrade of Fire Alarm Systems in the "ABC" and "T" Buildings (the "Project") at NYC Health + Hospitals / Kings County (the "Facility").**

Sheldon McLeod, Deputy Executive Director, New York City Health + Hospitals / Kings County, read the resolution into the record on behalf of Ernest Baptiste, Executive Director, New York City Health + Hospitals / Kings County. Mr. McLeod was joined by Daniel Gadioma, Associate Director, New York City Health + Hospitals / Kings County.

Mr. McLeod explained that this resolution had been presented at the April meeting, and there were questions and concerns about the 1968 code, to which the project is said to meet. He explained that although the code was considered the 1968 code, it was in fact a more current code, including a number of amendments, some from as recently as the early 2000s. Mr. Page said he also understood that to be the case, and was aware that the code had changed very much over the years, while still being known as the 1968 code.

Roslyn Weinstein, Vice President, Operations, explained that the project was required to be designed to the 2005 amendment to the 1968 code, and that this project followed all FDNY guidelines for what needed to be prepared and designed to make the A, B, C, and T Buildings meet fire safety requirements.

Emily Youssouf asked what the difference was between the older, amended code, and the most recent code, how the project would differ and the estimated cost differential.

Ms. Weinstein advised that the 2014 code asked for pressurized stairwells and two-hour rated conduits for cabling (communication). Creating pressurized stairwells in these old buildings would cost upwards of \$30 million, as it would require major infrastructure work. The FDNY confirmed that they have had no issue communicating within the stairwells.

Mr. Page noted that although the buildings all classify as "high-rise" they are on the very low end of that classification.

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 "NYC Health + Hospitals") to execute a lease agreement with RXR 32 Old Slip Owner LLC for a ten year term for approximately 20,567 square feet of space on the 5th floor at 32 Old Slip Borough of Manhattan, to house the NYC Health + Hospitals' Office of the Inspector General ("H+H OIG") at a base rent of \$52 per square foot for the first five years of the term, \$35 per square foot or \$712,988 for the first year of the term after factoring four months of free rent, \$39 per square foot or \$802,112 per year for each of the second and third years of the term after factoring three months of free rent for each year and a base rent of \$57 per square foot or \$1,172,319 per year for years six through ten for a total base rent of \$10,317,775 over the ten year term.**

Jonathan Weiner, Inspector General, Office of the Inspector General, read the resolution into the record.

Mr. Weiner explained that a reengineering of the office took place in October of 2015, and the staff of 23 became a staff of 61 and the present space is not adequate. He noted that while staff had increased 165%, a 24% increase of space was being requested, from 16,500 square-feet to 20,567 square-feet.

Ms. Youssouf asked what would happen to their existing space and if there were a lease being broken. Ms. Weinstein said there were ample space needs and it would be occupied very quickly.

Ms. Youssouf asked how the rents compare in the new space and the old space. Jeremy Berman, Deputy Council, stated that space at 160 Water Street was below market rate and the new space at Old Slip was at market rate. Mr. Berman noted that the benchmark for market rate was the previously approved space at Maiden Lane that would have housed the group, but fell through. This lease for space at Old Slip is less expensive than the space at Maiden Lane.

Ms. Youssouf asked what happened to the Maiden Lane space. Mr. Weiner said that the plan for all New York City Offices of the Inspector General to be housed together was changed and the group needed to find their own space.

Mr. Berman explained that over the first three years of the term Health and Hospitals would be receiving nearly a year of free rent.

Ms. Youssouf asked why the lease included real estate tax. Mr. Berman said that we pay our proportionate share. Ms. Youssouf asked why. Mr. Berman explained that it was a use and ownership requirement. A special arrangement was made at 55 Water Street because the structure of the building considers the space leased to Health + Hospitals as a condominium.

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 NYC Health + Hospitals (the “Health Care System”) to execute a revocable five year license agreement with the New York City Department of Health and Mental Hygiene (the “Licensee”) for use and occupancy of approximately 2,480 square feet of space on the 6th floor of the Kountz Pavilion for the operation of the New York City Nurse-Family Partnership program at Harlem Hospital Center (the “Facility”) for an annual occupancy fee of \$124,000.**

Ebone Carrington, Chief Executive / Chief Operating Officer, Harlem Hospital Center, read the resolution into the record.

Mrs. Carrington explained that Department of Health and Mental Hygiene (DOHMH) managed program served an estimated 1,700 clients in all five boroughs. The program was partially grant funded and had been operating at Harlem since 2003 at Harlem. Harlem was now looking for DOH to take the program over, as it was a wonderful program for the community but was operating at a loss for Health + Hospitals.

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 New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to designate the auditorium at NYC Health + Hospitals/Gouverneur (“Gouverneur”) as the Dr. Emily D. Barringer Community Hall in honor of Dr. Emily Dunning Barringer.**

Martha Sullivan, Chief Executive Officer, New York City Health + Hospitals / Gouverneur, read the resolution into the record.

Mrs. Sullivan said she had learned about Dr. Barringer years ago while her work was being recognized and felt it appropriate that the room be named after her. She noted that the auditorium was a heavily utilized space, not only by Health + Hospitals, as conference space, but also by the Community.

Mrs. Sullivan provided highlights of Dr. Barringer's many accomplishments.

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.

Mr. Page asked Ms. Weinstein if there was information she would like to discuss, being that her report was postponed from the beginning of the meeting. Ms. Weinstein said no, all her talking points were included.

There being no further business, the meeting was adjourned at 11:22 P.M.

LICENSE AGREEMENT

EYES & OPTICS

NYC HEALTH + HOSPITALS / GOUVERNEUR

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

WHEREAS, the Facility operates an Ophthalmology and Eye Clinic, performing an array of vision screenings, diagnostic tests and ophthalmic procedures for its patient population; and

WHEREAS, in July 2012 the Board of Directors of the Corporation authorized NYC Health + Hospitals to enter into a five year revocable license agreement with the Licensee; and

WHEREAS, the Licensee's optical dispensary augments available ophthalmology and eye clinic resources for the Facility's patient population by providing an on-site ophthalmic dispensary; and

WHEREAS, the Licensee has been operating an optical dispensary at the Facility since 2008 and the service has been a beneficial addition to the Facility's programs and the Facility desires to continue to provide space for the Licensee's operation.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") be and hereby is authorized to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

EXECUTIVE SUMMARY

LICENSE AGREEMENT
EYES AND OPTICS
GOUVERNEUR HEALTHCARE SERVICES

The New York City Health and Hospitals Corporation ("NYC H+H") seeks authorization from the Board of Directors to execute a five year revocable license agreement with Eyes and Optics for its continued use and occupancy of space to operate an optical dispensary at Gouverneur Healthcare Services ("Gouverneur").

Gouverneur operates an Ophthalmology and Eye Clinic, performing an array of vision screenings, diagnostic tests and ophthalmic procedures for its patient population. The Eyes and Optics optical dispensary augments available ophthalmology and eye clinic resources for Gouverneur's patient population by providing an on-site dispensary where patients are able to fill prescriptions for eye glasses, protective goggles, contact lenses and other related products. Eyes and Optics offers a range of moderate-to-low cost options for children and adults and its product lines are available for customers at all income levels.

Eyes and Optics will have the continued use and occupancy of approximately 100 square feet of space on the third floor of Gouverneur. The Licensee will pay an occupancy fee of \$52.16 per square foot, or approximately \$5,216 per year. The fee will be escalated by 3% per year. Over the five year term the occupancy fee will total \$27,692. The occupancy fee represents the fair market value of the space. The cost of electricity shall be included in the occupancy fee.

Eyes and Optics will indemnify and hold harmless the Corporation and the City of New York from any 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 term of this agreement shall not exceed five (5) years without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on ninety (90) days notice.

Eyes and Optics

	New Term		Prior Term	
	<u>Annual</u>	<u>PSF</u>	<u>Annual</u>	<u>PSF</u>
1	5,216	52.16	4,500	45.00
2	5,372	53.72	4,635	46.35
3	5,534	55.34	4,774	47.74
4	5,700	57.00	4,917	49.17
5	<u>5,871</u>	58.71	<u>5,065</u>	50.65
	27,692		23,891	

Size = 100sf
Escalation 3%

SAVITT PARTNERS

June 12, 2017

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

Re: Fair Market Value/appraisal of Eyes & Optics within Gouverneur Healthcare Services
Facility located at 227 Madison Street, New York, NY 10002
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

On May 22, 2012, I provided an initial Fair Market Value (FMV) report on the premises. On June 12, 2017, I reviewed and updated the report for the purpose of further evaluating the FMV of the spaces within the current real estate market. Our evaluation and conclusions are set forth below.

Pursuant to your request, the initial FMV report for the referenced location was reevaluated in order to assess the current FMV of the designated retail space. This assessment is inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. As the owner is designated as a not for profit (501C3) real estate taxes may not be applicable, however this expense will also be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The Eyes and Optics space is appropriately zoned for the use (retail) within the space.
- The premises are located within the medical facility on the ground floor.
- This evaluation is for the purpose of establishing the FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are two variables that must be considered in this evaluation which are in fact weighted greater than other variables. These unique factors are location and use.

The location of the space provides the tenant with an immediate and “captured” client base according to the facility operator. Eye wear prescriptions generated by the non-affiliated ophthalmology and optometry physicians within the medical facility generate 90% of the client base for this tenant. The community medical center also benefits by providing this amenity to the patients; the convenience of access to a retailer that can fill the prescription immediately. The proposed retail operation compliments the physician practices with an optical modality. The

balance of the Eyes and Optics patient base comes from the existing customer referral and not walk-in street traffic.

It would be inappropriate and unjustifiable to evaluate the value of the referenced space as retail. Despite the obvious benefit of the readily available retail client base the space does not have the one most important value to be considered retail, street presence. Therefore the space must be assessed as commercial property with a retail build out and operation. Our assessment of the value of the tenant improvement for an optical, retail operation within the hospital at this specific location would be that it is dramatically less than the cost for a typical store front optical store. The space is open (minimal walls or partitions) with extensive space for display cases, both free standing and mounted on the unit's walls.

Another important factor is the value of the space for medical use. It is our experience that space within built medical facilities is valued at a premium simply due to the fact that it is a finite resource which is in demand. Allocation of medical space for ancillary use is a primary cause for concern for medical facility administrators. This is the case even when the organization can garner a higher rent for the space. This assessment takes into consideration the value of this space for medical facility operations.

It is apparent that proximity within the medical facility complex is attractive to this tenant and benefits the facility's patients as well. The provision of tenant services that are uncommon for retail facilities, i.e., 24-7 access, even if not utilized and the provision of full time services such as HVAC, repairs and maintenance, security, etc. must also be factored in this evaluation. However, when assessing the value the fact that the client base is limited to foot traffic within the medical facility impacts the success of the tenant. The tenant has no opportunity to promote their presence and the average pedestrian walking by the building would not be aware of this retail operation.

The referenced medical space is located on the ground floor away from the main entrance of the medical center. When assessing the FMV for this space we took into consideration the referenced factors and used comparables for medical space, hospital space and retail space within the immediate market where available to establish benchmarks for market rents. The proposal offers the licensee a full service building with amenities typically provided only by hospitals and full service medical office buildings and not retail properties. Typical retail operations are triple net, with the tenant absorbing all of the related operational expenses. However, this opportunity provides the tenant with comprehensive services which will be reflected in our evaluation.

Market conditions for each use were established for comparison. Medical space, specifically physician, private offices garners rents at \$45 - \$65 per RSF in the vicinity of the Eyes and Optics location. Retail rents are \$125-\$175 per RSF. Asking rents in this market remained have increased from the initial report of May 2012, as has commercial real estate generally throughout New York City. Although these areas have medical offices, the lack of product, i.e., rental opportunities has maintained a stable rental market.

CONCLUSION

The ability to access the space and the provision of services without interruption is an amenity that benefits this retail tenant. This retail tenant, however, remains viable only as long as an eye care practice remains present at the premises. The minimal expense for tenant improvements was a variable that was evaluated as well.

Not all of the locations that were inspected for this report were handicapped accessible. To reiterate 24-7 security is a valuable and an attractive amenity provided by the landlord. All of the lavatories throughout the facility are ADA compliant. The corridors are also wheelchair accessible.

For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security, refuse removal, utilities, repairs and maintenance, service contracts, etc. are provided by the landlord

In conclusion this analysis finds that the FMV for this space is essentially a hybrid due to the location of the space, proposed use and lack of opportunity to promote a true retail operation. However, it also provides the retailer with an immediate client base.

It is our professional opinion that the value of the referenced space is **\$50 - \$55** per RSF. It would not be appropriate to provide a tenant with a construction concession of rent abatement given the size of the unit.

It would be appropriate for the tenant to negotiate an escalation provision to the base rent/fee of 2.75% to 3% commencing in the second year of the license agreement. These would be commercially fair and reasonable terms based on the data and information assessed in this report.

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

PROJECT AGREEMENT

NEW YORK POWER AUTHORITY (NYPA)

&

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
(DCAS)

NEW BOILER PLANT

NYC HEALTH + HOSPITALS / COLER

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant (the "Project") at NYC Health + Hospitals/Coler (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the "City"), through DCAS entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

WHEREAS, the City has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements to increase energy efficiency at City-owned facilities; and

WHEREAS, following damage caused by Hurricane Sandy, the closure of Goldwater Hospital and to comply with environmental regulations, NYC Health + Hospitals discontinued using the 1930's era steam plant that had been providing steam heat to Goldwater and the Facility; and

WHEREAS, after the decommission of the steam plant, the Facility has been relying for several years on a temporary portable boiler to supply its heat and hot water; and

WHEREAS, a permanent, efficient means to supply heat and hot water to the Facility is needed;

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bids for the Project and has determined that it will cost \$21,352,790; and

WHEREAS, the Project is ACE program eligible and \$17,940,639 has been allocated for it; the Federal Emergency Management Agency has approved reimbursement of \$1,260,028 of Project costs; and the balance of the Project cost in the amount of \$2,152,123 will be obtained through the City from City General Obligations Bonds; and

WHEREAS, NYPA projects that the Project will produce total annual cost savings to the Facility of \$3,342,898; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York City Department of Citywide Administrative Services and the New York Power Authority for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant at NYC Health + Hospitals /Coler.

**EXECUTIVE SUMMARY
NYC HEALTH + HOSPITALS / COLER
NEW BOILER PLANT**

OVERVIEW: NYC Health + Hospitals seeks to install a new boiler plant at Coler. The Project will be divided into two phases. In the first phase, NYPA will change the temporary boilers from high pressure to low pressure steam and will modify the pipes to accommodate low-pressure steam. The second phase of the project consists of the installation of three new low-pressure dual fuel fire tube boilers. Phase 2 of this project has been estimated, and completely bid under NYPA.

NEED: Historically, a 1930's era steam plant provided heat and hot water for the Coler-Goldwater campuses. When Goldwater closed, the steam plant was much too large to provide service to Coler alone. Furthermore, applicable environmental regulations required the phasing out of the No. 6 oil used by the steam plant; the steam plant was very inefficient and urgently needed extensive repairs. Accordingly, the steam plant has been decommissioned. Additionally, Hurricane Sandy damaged the distribution pipes and mechanisms used to distribute steam. Without the steam plant to rely on, Coler has used a temporary portable boiler to obtain heat and hot water. Coler needs a permanent solution for its need for heat and hot water.

SCOPE: The scope of work for Phase 2 includes the following:

- ❖ Install three new 250 BHP low pressure dual fuel boilers;
- ❖ Install four new hot water condensing boilers to handle domestic water system;
- ❖ Set up three new 10,000 gallons storage tanks for #2 fuel oil.

TERMS: NYPA has competitively bid this project and has submitted a final total project cost to NYC Health + Hospitals of \$21,352,790. NYPA will be fully responsible for the project.

SAVINGS:

<u>Fuel:</u>	
Gas / Oil Savings (quantity):	68,474 MMBtus
Gas / Oil Savings (dollars):	\$2,610,898
CO2 Reductions:	3,642.5 (metric tons/yr.)
<u>Operational:</u>	
Annual Operational Cost Savings:	\$732,000
Total Annual Estimated Savings:	\$3,342,898
Simple Payback:	6.39 years

FINANCING: PlaNYC Capital - \$17,940,639; Federal (FEMA) Funds - \$1,260,028; and General Obligations Bonds- \$2,152,123.

SCHEDULE: Completion by March 2019.

NYPA ENCORE II: Initial Customer Installation Commitment TOTAL INSTALLED COST SUMMARY
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Date: July 6, 2017

Project No.: ES-GSN-0834

Project: NYC Health + Hospitals / Coler - Boiler Plant

(1) Material & Labor	\$ 14,103,346.00
a) Base Scope	\$ -
b) Alternates	\$ -
c) Allowances	\$ -
 (2) Environmental	
a) Abatement Material & Labor	\$ 65,000.00
b) Remediation, Disposal Allowance	\$ -
c) Design, Sampling, Testing, Air Monitoring	\$ 33,625.00
	\$ -
 (3) Professional Services	
a) Testing During Design (Megger, Air Survey, Electrical Survey)	\$ 41,129.00
b) Special Inspections, Permitting, Expediting, Commissioning	\$ 306,141.00
c) Other	\$ 58,871.00
 (4) Project Contingency 10%	\$ 1,457,448.00
	\$ -
 (5) Consultant Services	\$ -
a) Feasibility Study	
b) Engineering and Design	\$ 1,055,325.00
c) Construction Management	\$ 1,673,084.00
d) Reduced Scope Design Fees	\$ -
 (6) AUTHORITY Value Added Services	\$ 2,558,821.00
 (7) Total Installed Cost	 \$ 21,352,790.00

Note: All unused contingency monies (and any related program costs) will be removed from the total project cost at the time the project is completed. This will be shown in the Final CIC.

PROJECT AGREEMENT

NEW YORK POWER AUTHORITY (NYPA)

&

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
(DCAS)

NEW COOLING TOWER
NYC HEALTH + HOSPITALS / LINCOLN

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York Power Authority ("NYPA") for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower (the "Project") at NYC Health + Hospitals/Lincoln (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the "City"), through the City Department of Citywide Administrative Services ("DCAS") entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

WHEREAS, the Facility's existing cooling tower is original to the building and has exceeded its useful; and

WHEREAS, in August 2015, the City adopted Local Law 77 that required registration, inspection, cleaning, disinfection and testing of all cooling towers in the City; and

WHEREAS, a new cooling tower will mitigate the Facility's risk of Legionnaires Disease; and

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bid the Project and has determined that it will cost \$11,888,441; and

WHEREAS, the Project cost in the amount of \$11,888,441 will be funded through Citibank financing and the City's General Obligations Bonds; and

WHEREAS, the Project will produce a total annual energy savings to the Facility of 956,845 kilowatts hours; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President - Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York Power Authority for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower at NYC Health + Hospitals/ Lincoln.

**EXECUTIVE SUMMARY
NYC HEALTH + HOSPITALS/LINCOLN
NEW COOLING TOWER**

OVERVIEW: NYC Health + Hospitals seeks to install a new cooling tower at NYC Health + Hospitals/Lincoln. NYPA has fully designed and bid out the Project.

NEED: The existing cooling tower is original to the building and has far exceeded its useful life. In August 2015, the City adopted Local Law 77 that required registration, inspection, cleaning, disinfection and testing of all New York City cooling towers. Local Law 77 also requires building owners to certify annually that they have complied with the law. The NYC Department of Health and Mental Hygiene (DOHMH) also created new rules to implement Local Law 77. The new rules are Chapter 8 of Title 24 of the Rules of the City of New York. The rules require building owners to create routine and long-term maintenance procedures for their cooling towers and for owners to register their towers with the City.

SCOPE: The scope of work for this project includes but is not limited to the following:

- ❖ Demolition and removal of five Marley cooling towers and associated piping on top of the Facility;
- ❖ Supply and installation of three new cooling towers, with variable frequency drives, vibration sensors, interconnecting catwalks, and all associated piping;
- ❖ Demolition, removal and replacement of the rooftop condenser and water piping and provision of repairs to the rooftop condenser water pipe supports to accommodate the new piping;
- ❖ Provision and installation of a central control and monitoring station for all cooling tower functions and integration of the master panel to the existing central Facility management system;
- ❖ Provision of modifications and select replacement of existing steel dunnage to accommodate the new towers including preservation of all steel surfaces; and
- ❖ Demolition, removal and replacement of the roofing system on top of the Facility's service building;

TERMS: NYPA has competitively bid the project and has submitted a final total project cost to NYC Health + Hospitals of \$11,888,441. NYPA will be fully responsible for the project.

SAVINGS: Electrical:
Energy Consumption Savings (quantity): 956,845 kilowatts-hours (KWh)
Annual Electric Energy Savings (dollars): \$125,347

FINANCING: NYC General Obligations Bonds - \$11,522,941 and Citibank - \$365,500.

SCHEDULE: Completion by December 2018.

NYPA ENCORE-NYC HHC: INITIAL CUSTOMER INSTALLATION COMMITMENT (CIC) TOTAL INSTALLED COST SUMMARY

Date: April 24, 2017
Project No.: ES-GSN-00873
Project: NYC H + H Lincoln Cooling Tower project

(1) Material & Labor		
a) Base Scope	\$	8,551,000.00
b) Alternates		\$0
c) Allowances	\$	100,000.00
(2) Environmental		
a) Abatement Material & Labor		\$0
b) Remediation, Disposal Allowance	\$	-
c) Design, Sampling, Testing, Air Monitoring	\$	-
(3) Professional Services		
a) Testing During Design	\$	-
b) Special Inspections, Permitting, Expediting, Commissioning	\$	125,000.00
(4) Project Contingency (See note below) (10% of [(1) + (2a) + (2b) + (3)])		\$877,600.00
(5) Consultant Services		
a) Additional Constructability review		\$20,000
b) Engineering and Design (10% of [(1)+(2a)+(2b)+(3)+(4)])		
c) Construction Management (7% of [(1)+(2a)+(2b)+(3)+(4)])		\$675,752
(6) AUTHORITY Value Added Services (10% of [(1) + (2a) + (2b) + (3) + (4)])		\$965,360
(7) Subtotal Project Cost		\$11,314,712
(8) Estimated Interest During Construction		\$208,229
(9) Total Installed Cost		\$11,522,941

Note: All unused contingency monies (and any related program costs) will be removed from the total project cost at the time the project is completed. This will be shown in the Final CIC.

Design Cost	\$365,500
TOTAL Project Cost	\$11,888,441

PROJECT AGREEMENT

NEW YORK POWER AUTHORITY (NYPA)

&

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
(DCAS)

NEW BOILER PLANT

NYC HEALTH + HOSPITALS / GOTHAM HEALTH -
CUMBERLAND

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to upgrade the boiler plant (the "Project") at NYC Health + Hospitals/Gotham Health, Cumberland (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the "City"), through DCAS entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

WHEREAS, in September 2014, the City mandated an eighty percent (80%) reduction in greenhouse gas emissions in City-owned properties by 2050, managed by Division of Energy Management within Department of Citywide Administrative Services ("DCAS"); and

WHEREAS, the City has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements to increase energy efficiency at City-owned facilities; and

WHEREAS, the existing boilers are original to the building and have exceeded their useful life; and

WHEREAS, under an agreement with NYC Health + Hospitals, the New York City Department of Homeless Services ("DHS") operates a homeless shelter in the Facility's "A" Building; and

WHEREAS, under the agreement, NYC Health +Hospitals supplies heat and hot water to the "A" Building; and

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bids for the Project and has determined that it will cost \$8,848,954; and

WHEREAS, the Project is ACE program eligible and \$4,297,104 has been allocated for it and the balance of the Project cost in the amount of \$4,551,850 will be obtained through the City from City General Obligations Bonds; and

WHEREAS, NYPA projects that the Project will produce total annual cost savings to the Facility of \$338,403; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York City Department of Citywide Administrative Services and the New York Power Authority for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to upgrade the boiler plant at NYC Health + Hospitals / Gotham Health, Cumberland.

EXECUTIVE SUMMARY
NYC HEALTH + HOSPITALS / GOTHAM HEALTH, CUMBERLAND
BOILER PLANT UPGRADE

OVERVIEW: NYC Health + Hospitals seeks to upgrade the existing boiler plant at Gotham Health, Cumberland. The Project will replace the existing three (3) high pressure steam boilers and with two (2) high efficiency low emissions steam boilers. This project has been designed, estimated, and completely bid under NYPA.

NEED: The existing boiler plant consists of three (3) boilers that were installed in 1959, and have far exceeded their useful life. The boiler plant serves three (3) buildings (Buildings "A", "B", and "C") on the Facility's site. Under an agreement with NYC Health + Hospitals, the New York City Department of Homeless Services ("DHS") operates a homeless shelter in the Facility's "A" Building. The Facility is required to supply heat and hot water to the "A" Building.

SCOPE: The scope of work includes the following:

- ❖ Replace the existing three (3) high pressure steam boilers and ancillary equipment with two (2) new high efficiency low emissions steam boilers and ancillary equipment;
- ❖ Install new efficient modulating vertical domestic hot water boilers and new controls to increase the efficiency of the plant and reduce emissions of the new plant;
- ❖ Install new controls to the new boilers which will allow the new system to utilize natural gas as a primary fuel source and #2 fuel oil as a backup;
- ❖ Clean the existing 25,000 gallon double wall Underground Storage Tanks (USTs) and repurpose for #2 fuel oil, and
- ❖ Replace failed steam traps at the facility.

TERMS: NYPA has competitively bid this project and has submitted a final total project cost to NYC Health + Hospitals of \$8,848,954. NYPA will be fully responsible for the project.

SAVINGS:

<u>Fuel:</u>	
Gas / Oil Savings (quantity):	18,500 MMBtus
Gas / Oil Savings (dollars):	\$338,403
CO2 Reductions:	837.6 (metric tons/yr.)
Simple Payback:	26.1 years

FINANCING: PlaNYC Capital - \$4,297,104 and General Obligations Bonds- \$4,551,850.

SCHEDULE: Completion by June 2019.

NYPA ENCORE-NYC HHC: INITIAL CUSTOMER INSTALLATION COMMITMENT (CIC)

TOTAL INSTALLED COST SUMMARY

Date: April 24, 2017
Project No.: ES-GSN-0709
Project: NYC H + H Cumberland Diagnostic and Treatment Center

(1) Material & Labor		
a) Base Scope	\$	5,604,021.00
b) Alternates		\$0
c) Allowances	\$	100,000.00
(2) Environmental		
a) Abatement Material & Labor		\$0
b) Remediation, Disposal Allowance	\$	25,000.00
c) Design, Sampling, Testing, Air Monitoring	\$	45,000.00
(3) Professional Services		
a) Testing During Design	\$	90,221.84
b) Special Inspections, Permitting, Expediting, Commissioning	\$	225,822.00
(4) Project Contingency (See note below) (10% of [(1) + (2a) + (2b) + (3)])		\$604,506.48
(5) Consultant Services		
a) Feasibility Study		\$22,200
b) Engineering and Design (10% of [(1)+(2a)+(2b)+(3)+(4)])		\$664,957
c) Construction Management (7% of [(1)+(2a)+(2b)+(3)+(4)])		\$465,470
d) Performance Bond		\$7,913
(6) AUTHORITY Value Added Services (11% of [(1) + (2a) + (2b) + (3) + (4)])		\$731,453
(7) Subtotal Project Cost		\$8,586,564
(8) Estimated Interest During Construction		\$262,389
(9) Total Installed Cost		\$8,848,954

Note: All unused contingency monies (and any related program costs) will be removed from the total project cost at the time the project is completed. This will be shown in the Final CIC.

LEASE AGREEMENT

SHUI'S REALTY

WIC PROGRAM
212 CANAL STREET

NYC HEALTH + HOSPITALS / BELLEVUE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five-year lease agreement with Shui's Realty Inc. (the "Landlord") for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program (the "WIC Program") managed by NYC Health + Hospitals/Bellevue (the "Facility") at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,894.82.

WHEREAS, the Facility has operated a grant-funded WIC program at 221-227 Canal Street since 2010 and the lease for the space it occupies expires in December 2017; and

WHEREAS, pregnant, breastfeeding and postpartum women, infants and children less than five years of age determined to be at nutritional risk are eligible for WIC Program services which includes monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling; and

WHEREAS, 212 Canal Street is located in close proximity to the existing WIC Program site thereby ensuring the program's clients in the community will continue to receive its services; and

WHEREAS, the rent and other operating expenses for the WIC program are pass-through costs covered by the New York State Department of Health funding grant; and

WHEREAS, the proposed lease will be administered by the Facility Executive Director.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and is hereby authorized to execute a five year lease agreement with Shui's Realty Inc. for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program managed by NYC Health + Hospitals/ Bellevue at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,895.82.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/BELLEVUE BELLEVUE WIC PROGRAM 221-227 CANAL STREET

OVERVIEW: NYC H+H seeks authorization from its Board of Directors to execute a five-year lease agreement with Shui's Realty Inc. (the "Landlord") for approximately 1,530 square feet of space at 212 Canal Street to house a Women, Infants and Children Program (the "WIC Program") managed by NYC Health + Hospitals/Bellevue ("Bellevue").

**NEED/
PROGRAM:** Bellevue has operated a grant-funded WIC program at 221-227 Canal Street since 2010 and the lease for the space it occupies expires in December 2017. Pregnant, breastfeeding and postpartum women, infants and children less than five years of age determined to be at nutritional risk are eligible for WIC Program services which includes monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling. The 212 Canal Street site is located in close proximity to the existing WIC Program site thereby ensuring the program's clients in the community will continue to receive its services. The New York State Department of Health will continue to fully fund the WIC Program rent at its new location. The Eastside WIC Program, managed by Bellevue, currently operates sites at Metropolitan Hospital, Bellevue and in the Borough of Queens.

UTILIZATION: In 2016, the caseload was approximately 1,500 and is expected to increase to 1,800 during 2017

TERMS: NYC H+H will have the use and occupancy of approximately 1,530 square feet of space on the 6th floor of 212 Canal Street. The lease term will be five years. The base rent will commence at \$56.86 per square foot, or \$87,000 per year and will be escalated by 3% per year for a total base rent over the five-year term of \$461,895.82.

NYC H+H will be responsible for payment of its electrical use as measured by a separate meter. NYC H+H will be responsible for payment of its proportionate share of real estate tax increases above the 2017/2018 base year.

The Landlord will be responsible for interior and exterior structural maintenance and repairs to the premises, including the roof and main utility feeder lines. NYC H+H will be responsible for interior non-structural maintenance and repairs to the premises not caused by the Landlord's negligence. NYC H+H will be responsible for maintenance of the HVAC units.

At its own expense, the Landlord will construct an IT closet and a install a sheetrock wall through a portion of the space

FINANCING: Rent and other operating expenses for the WIC program are pass-through costs covered by the New York State Department of Health funding grant.

SUMMARY OF ECONOMIC TERMS

**NYC HEALTH + HOSPITALS/BELLEVUE
BELLEVUE WIC PROGRAM
221-227 CANAL STREET**

- SITE:** 212 Canal Street
Borough of Manhattan
- LANDLORD:** Shui's Realty Inc.
- TERM:** Five years
- RENT:** The base rent will be approximately \$56.86 per square foot, or approximately \$87,000 per year.
- ESCALATION:** The base rent will be escalated by 3% per year.
- UTILITIES:** NYC H+H will be responsible for payment for its electricity usage via separate meter.
- REAL ESTATE TAXES:** NYC H+H will be responsible for payment of its proportionate share of real estate tax increases above the 2012/2013 base year.
- MAINTENANCE:** The Landlord will be responsible for interior and exterior structural maintenance and repairs to the premises, including the roof and main utility feeder lines. NYC H+H will be responsible for interior non-structural maintenance and repairs to the premises not caused by the Landlord's negligence. NYC H+H will be responsible for maintenance of the HVAC units.
- LANDLORD'S WORK:** At its own expense, the Landlord will perform work in the premises including installation of an IT closet and the installation of a sheetrock wall through a portion of the space.
- FINANCING:** Rent and other operating expenses for the WIC program are pass-through costs covered by the New York State Department of Health funding grant.

212 Canal Street - Bellevue WIC

<u>Year</u>	<u>Annual Rent</u>	<u>PSF</u>	<u>Estimated R.E. Tax Increases</u>	<u>Utilities</u>	<u>Occupancy Costs</u>	<u>PSF</u>
1	87,000.00	56.86	0.00	4,590.00	91,590.00	59.86
2	89,610.00	58.57	200.00	4,590.00	94,400.00	61.70
3	92,298.30	60.33	204.00	4,590.00	97,092.30	63.46
4	95,067.25	62.14	208.00	4,590.00	99,865.25	65.27
5	<u>97,919.27</u>	64.00	<u>212.00</u>	<u>4,590.00</u>	<u>102,721.27</u>	67.14
Total	461,894.82		824.00	22,950.00	485,668.82	

note: real estate taxes currently included in base rent = \$10,024 or \$6.55/sf

Comparables

Address	Floor	Floor Area (sf)	Asking Rent
45 East Broadway	4th	1,800	\$53.00
35 East Broadway	3rd	1,250	\$55.00
145 Canal St.	2nd	1,100	\$54.50
198 Canal St.	4th	1,000	\$43.20
101 Lafayette St.	6th	1,200	\$64.00
67-73 Spring St.	3rd	1,050	\$60.00
167 Canal St.	4th	1,150	\$50.00

LICENSE AGREEMENT

NYC HUMAN RESOURCES ADMINISTRATION (HRA)

**NEW YORK CITY IDENTIFICATION CARD PROGRAM
(NYCID)**

NYC HEALTH + HOSPITALS / METROPOLITAN

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a five year revocable license agreement with the New York City Human Resources Administration ("HRA") permitting HRA's use and occupancy of approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan ("the Facility") through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program ("NYCID Program") with the occupancy fee waived.

WHEREAS, on July 10, 2014, Mayor Bill de Blasio signed Local Law No. 35 of 2014, establishing the NYCID Program; and

WHEREAS, Mayor de Blasio issued Executive Order No. 6 of 2014 designating HRA as the administering agency of the NYCID Program; and

WHEREAS, the NYCID Program provides an identification card to many New York City residents who have difficulty acquiring alternative forms of identification, thereby helping all residents receive benefits from City services; and

WHEREAS, Local Law No. 35 requires the administering agency of the NYCID Program to designate at least one access site in each of the five boroughs and HRA desires to ensure that the Program reaches as many New York City residents as possible; and

WHEREAS, HRA currently operates the NYCID program out of space located in NYC Health + Hospitals/Lincoln; and

WHEREAS, NYC Health + Hospitals desires to continue to participate in and support the IDNYC Program by allowing the NYCID Program to expand its operation to the Facility;

WHEREAS, the Senior Vice President for Hospitals and the Chief Executive Officer of Metropolitan shall be responsible for the administration of the proposed license agreement.

NOW THEREFOR, be it

RESOLVED, that the New York City Health and Hospitals Corporation is authorized to execute a five year revocable license agreement with the New York City Human Resources Administration ("HRA") permitting HRA's use and occupancy of approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program with the occupancy fee waived.

EXECUTIVE SUMMARY

LICENSE OF SPACE AT NYC HEALTH + HOSPITALS/METROPOLITAN TO NEW YORK CITY HUMAN RESOURCES ADMINISTRATION FOR OPERATION OF THE NYCID PROGRAM

- Overview:** In July 2014 Mayor de Blasio launched the NYCID Program to make Identification Cards available to New Yorkers who have difficulty obtaining Identification Cards. An NYCID office was established in every borough and, to meet the scheduled launch of the NYCID, the NYC H+H Board of Directors authorized the execution of a license agreement with the New York City Human Resources Administration ("HRA") to operate an NYCID program at Lincoln Medical and Mental Health Center ("Lincoln"). HRA now wishes to expand its successful NYCID Program by opening an office at NYC Health + Hospitals/Metropolitan ("Metropolitan").
- Need/
Program:** Mayor de Blasio determined that large numbers of New Yorkers could not obtain identification card and were therefor impeded from obtaining City benefits and participating fully in various other activities. The NYCID Program provides identification cards to such New Yorkers and has satisfied a substantial need. The HRA NYCID program has been highly successful and expanding its program to Metropolitan will further the program's objectives.
- Terms:** HRA will not be responsible for any occupancy fee. HRA will have use and occupancy of approximately 470 square feet of space on the first floor of the Main Building. HRA will be responsible for its own housekeeping. HRA will be responsible for the cost of any alterations it requires and for restoring the licensed space to its prior condition upon the end of the license agreement. HRA indemnifies and holds harmless NYC Health + Hospitals for any costs, claims or damages that are incurred, brought or suffered as a result of the operation of the NYCID Program at Lincoln. The term of the license will run through June 30, 2018 and will renew for four one-year periods thereafter upon the consent of the parties.