



Good Morning, my name is Bill Walsh and I am Senior Vice President of the North Bronx Health Network and Executive Director of Jacobi Medical Center which is part of the New York City Health and Hospitals Corporation (HHC).

Thank you for the opportunity to provide you with a brief overview of the proposed lease for student housing and some related commercial development between HHC (Jacobi) and our longtime academic affiliate and partner, Yeshiva University's Albert Einstein College of Medicine (AECOM). I am joined here this morning by a representative from AECOM, Dr. Sheldon Socol.

As part of our efforts to modernize Jacobi, we have built new facilities on the north end of the campus, thereby consolidating all patient services on one side of our large campus. This was designed to improve operational efficiencies. It also gave us the opportunity to convert our vacant older buildings and surplus parcels of land into other uses that will generate an ongoing revenue stream for the hospital, which is increasingly important in this current time of dwindling resources. For Jacobi, the revenue stream from this proposed lease will help to offset the substantial debt service for our modernization program.

In 2005, HHC held a public hearing on a proposed lease and the City Council approved a long term lease for an 8-acre parcel of land on Jacobi's campus for student housing. Subsequent to this approval, it was necessary to scale that lease arrangement down by 3 acres to accommodate additional needs that Jacobi had. It is the reduced version of the lease that we are here seeking your approval today.

The initial term is for 30 years, with 3 renewal periods for a total of 99 years. The rent will remain flat for the first 12 years in consideration of AECOM's considerable initial project expenses. I would also like to note that there is an old power plant and old laundry building located on the parcel which AECOM will be taking down at their cost. The base rent will initially be \$1.355 million per year. The rent will escalate 12% every 5 years, starting in year 2020. The parcel will be re-appraised every 20 years starting in year 2038, and be adjusted by up to 13.5% at each reset. The rent may also increase if the development exceeds 440,000 square feet

I have met with Council Member James Vacca to brief him on the proposed lease and he is supportive of the project. I would be happy to answer any questions that you have.