

February 2, 2014

Investor Don Peebles to bid for LICH

The real estate developer says he'll either partner with Brooklyn Hospital or the Institute for Family Health to redevelop the beleaguered Cobble Hill medical center. Plan would include medical facility and affordable housing.



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The real estate investor Don Peebles is relaunching a bid to acquire Long Island College Hospital, the medical complex in Cobble Hill, Brooklyn, that owner SUNY Downstate Medical Center is trying to sell.

Mr. Peebles said he was one of the original respondents to the state's efforts last year to solicit bids to redevelop the hospital site, but is retooling his offer. Earlier this week, **the state hospital system said it would hold a final-and-best round for offers on LICH**, which has been looked at as a lucrative residential conversion project but that has also drawn fierce community and political outcry that it be preserved as a medical outpost. All modified proposals are due by 1 p.m. on Feb. 3.

Mr. Peebles said he will either partner with Brooklyn Hospital or the Institute for Family Health, a medical services provider that has locations in the city, or potentially both.

"We're still finalizing our plan," Mr. Peebles said.

Several bidders emerged last year—including Mr. Peebles—for LICH. A \$225 million offer from the real estate investment group Fortis, appeared close to winning the bid, but SUNY's board of trustees, chaired by former state comptroller Carl McCall, called off the firm's selection after heated community opposition.

But with LICH around \$500 million in debt and losing between \$13 and \$15 million a month, pressure has intensified to unload the complex from the state's balance sheet.

Mr. Peebles touted his plan, stating that he is offering to preserve more medical facilities than other bidders and reserve 35% of any residential space he builds for affordable housing. No other bidders he said have offered to build affordable housing at the site.

"We're going to be delivering more than just an emergency room here," Mr. Peebles said. "What this neighborhood needs is comprehensive health care and that's what we're going to offer in an efficient way."

Fortis is also resubmitting its bid, in a joint venture with NYU. Other real estate developers have been rumored to be interested in the complex, which has been valued as high as \$280 million. The Related Cos. is rumored to be considering a bid for the site.