

201 NEWS

SUMMER
2017

THE NEWSLETTER OF 201 WEST 16TH STREET

Façade

Our largest façade project since the project of 1999/2000 is well underway. This project is concentrated on our complex façade challenges on the south and east sides of 201, replacing lintels, terracotta ornamentation, bricks, mortar and waterproofing. At 88 years old, the terracotta ornamentation of our façade has been showing its age. To facilitate the replacement while maintaining the great design of our façade, many existing pieces are being carefully removed, painstakingly reassembled and glued, and delivered to a specialist fabricator who is casting molds of each piece. The new pieces are cast from specialized portland cement (not clay that was used in the original ornamentation). A special dye is used to mimic the glazed finish of the existing terracotta. It takes about a month from removal of the existing piece to delivery of the new matching stones. (See photo on page 2.) Any terracotta that is not in danger of failure will be given a sealer designed to reduce moisture, which accelerates the deterioration of the stone.

In the early stages, the work is being concentrated at the top of building. We hope to have this stage completed by late summer. Work will then move gradually down the facades with a completion date target of Thanksgiving.

Welcome

9B Tedd Himler Tedd is a principal with Comcast Ventures in Manhattan.

Real Estate Taxes

The single largest reason why we have not been able to hold maintenance charges steady or reduce them in our building is the exorbitant real estate taxes imposed by NYC. When your editor moved into the building in 1990, taxes were about \$255,000 a year. They are now over \$1.1 million - a 335% increase. A few comparisons of other costs might be of interest. Over the same period, annual staffing costs at 201 rose from \$220,000 to \$392,000 (+78%) and mortgage costs rose from \$305,000 to \$407,000 (+33%). Heating fuel costs actually declined from \$69,000 per year to \$60,000 – but we are in a period of very low oil prices. This number has fluctuated a good bit. And our efforts to identify additional revenue sources have been very successful – rising from \$3,000 to \$95,000 per year! What this means is that without the increase in taxes our cumulative maintenance increase over the entire 27 year period would probably have been below 10%.

We are not unique in this situation – and like most co-ops we file objections to our taxation every year. The result is never a reasonable adjustment. The city offers very small adjustments, if any. A few factors to consider when election time comes around. While the city claims to keep the tax rate at the same level, they significantly increase assessments for co-ops that essentially result in a back-door tax hikes. In addition, co-ops and condos are taxed proportionately at a rate much higher than 1-3 family homes of comparable value. Co-ops and condos are taxed at 45% of assessed value while 1-3 family homes are taxed at only 6% of assessed value.* This means that the owner of a single-family home in Brooklyn assessed at \$1.0MM pays taxes of about \$12,000 per year, while a co-op owner assessed at the same value pays \$58,000.

There is no rationale for this system, but it continues. If you can spare the time, contact the mayor's office (212-NEW-YORK or <http://www.nyc.gov/html/static/pages/officeofthemayor/contact.shtml>); our city councilor's office (Corey Johnson | (212) 564-7757 | district3@council.nyc.gov); our state representative's office (Dick Gottfried | 212-807-7900 | GottfriedR@nyassembly.gov); and our state senator's office (Brad Holyman | (212) 633-8052 | hoylman@nysenate.gov) to tell them you feel that the current residential real estate tax system is unfair.

*1-3 Family Rate: 19.99% tax rate on 6% of assessed value; Multi Family Rate: 12.90% tax rate on 45% of assessed value



A newly cast replacement for one of the crumbling terracotta pieces from 201's façade.

Annual Shareholders Meeting

This year we said goodbye to Rob Innes, who has been a diligent board member for over five years. Rob and his husband Michael have moved to Brooklyn. Last month, we welcomed Julie Crockett to the board. Julie was a member of the board many years ago before her duties with PricewaterhouseCoopers took her to Moscow. Julie is a graduate of Dartmouth College and the University of Michigan Law School.

The Annual Meeting was once again informational as a quorum was not achieved. Marvin Schwartz representing the certified public accounts for the cooperative presented a detailed look at our finances. After he answered a few questions, he commended the cooperative for its continuing financial diligence and declared the overall finances to be in very positive shape.

Board president Charlie Sullivan reviewed several issues the cooperative has addressed during the past year. Following that, treasurer Ed Lewis reviewed the façade program (see related story on this issue). Charlie also noted that the board is in the early stages of exploring options for the long-term lease on our retail space, which is set to expire at the end of 2020. In making plans, we are aware that there appears to be a decline in price escalation for retail space (thanks to Amazon, Fresh Direct, etc.) but our goal is to take all steps to capitalize on the repositioning of our retail space to market rates.

By far, the subject raising the most comments overall and the most negative comments related to smoking in our building. Charlie Sullivan noted that the board is working to win approval for a new Proprietary Lease for our building, which has not been updated for 20+ years. In this effort, we can review the option of making our co-op a non-smoking building. Many other co-ops in the city have pursued this option. The effort will require a 75% affirmative vote of ALL the shares in the cooperative, which presents some challenges for a building as diverse as ours. In the interim, the co-op will continue to take steps to enforce all building rules regarding smoking and especially related to smoke that reaches public spaces and other apartments. We also ask all smokers to move away from the front door of the building when smoking outside, and remind all shareholders that there is no smoking in any of the public spaces in our building.

Since there was no quorum achieved at the shareholders meeting, the following board members remain in place. They are:

Charles Sullivan	President
Fred Rossetter	Member
Barbara Brazong	Member
Jeff Billark	Secretary
Julie Crockett	Member
Ed Lewis	Treasurer
Clara Diaz	Sponsor's Representative