

Recent Smoking Survey

Our recent online survey by the Board on the issue of whether to make 201 a non-smoking building went operationally well. It was our first electronic survey of the thoughts of our fellow cooperators. It is a tool we can continue to employ occasionally to gauge the thoughts of our shareholders on critical issues affecting our home.

To no one's surprise, a large majority (88%) of the shares that responded to the survey voted to make 201 a non-smoking building, with 12% of shares voting to have the building remain a smoking optional building. That translates to approximately six apartments voting to stay smoking optional and 58 apartments voting to make the building non-smoking, with 62 out of a total of 99 apartments casting votes.

The results also provide some important perspectives on our use of surveys. While the results indicate strong support for going smoke-free, it would still likely be a waste of resources to attempt to change the Proprietary Lease to make 201 a nonsmoking building. Why? Because even though a small majority of shareholders/shares overall (54%) cast a vote, our Proprietary Lease requires that 75% of the shares of the building participate in any vote to amend the Proprietary Lease AND that 75% of those voting must vote in favor of the proposed change. Given that we were barely able to get a majority of shareholders to participate in what is a very simple email vote, the Board does not for the moment foresee a path to making this change in our Proprietary Lease. We will keep you apprised if that analysis changes. Even without the change, it's still a great idea to quit smoking.

Important Labor Leader to be Honored

Save the Date: Thursday, October 25th – 2:30 PM

Several years ago, 201 News featured a biography of former resident David Dubinsky, who lived in the penthouse before the building converted to a co-op. David was an important leader in the labor movement in NYC.

The grandchildren of Mr. Dubinsky approached us (through the current owner of the PH) about a program in New York City called the "Cultural Medallion Program" that is run by the Historic Landmarks Preservation Center. This program places small markers on the exterior of buildings where important people in the historical life of New York City resided. It is an effort in tangible storytelling designed to help make history come alive. The buildings are more than just buildings – they are places where history lived. A select number of buildings in NYC feature these markers. The grandchildren of Mr. Dubinsky were anxious to have their grandfather recognized for his work and leadership in the labor movement, most of which occurred during his long tenancy in 201. As one of the top labor leaders in the United States, he was often called to testify before the United States Congress. He began each of these testimonies with "I, David Dubinsky, residing at 201 West 16th Street in the City of New York, do solemnly swear..."

The cost of each marker is \$3,000 plus fees for installation. Many of 201's current residents made generous contributions to help see this honor happen. The balance of the funding was made by the International Ladies' Garment Workers Union (ILGWU), the organization that Dubinsky headed for many years. His obituary in *The New York Times* is an insightful read into Dubinsky's leadership and the early union movement in this country. It is worth a few minutes to read: www.nytimes.com/1982/09/18/obituaries/david-dubinsky-90-dies-led-garment-union.html

Please join with neighbors and friends as well as members of David's family for the sidewalk dedication of this plaque on our 16th Street façade – Thursday, October 25 at 2:30 PM. There will be a few brief remarks by family members and local political leaders. Great chance to say hello to neighbors, friends, union officials, and politicians and learn a bit more about David and the labor movement in NYC.

Intercom Update

As you know, our ancient, wonky, troublesome, but handy intercom system has died. Permanently kaput. In anticipation of this eventuality, the board began reviewing replacement options a couple of years ago. Unfortunately, there are few, if any, workable options out there. We need a wireless solution, probably cellular telephone based. Rewiring our building or re-use of the existing ancient wiring are not viable options.

As an interim intercom solution, about six months ago we began experimenting with using the telephone to notify residents of guest arrival. This experiment was first tried on board members and a few other game volunteers. During the trial, we worked out a few kinks and gradually expanded the number of participants, continually working through questions and issues. During this phase, the intercom died. At that point we added all other residents to the call-up plan.

There have been some small and manageable questions and issues, but for the most part the transition has been workable and will continue. If you have questions or comments, please direct them to our super Cristian at 212-255-2544 or super@201west16.org. This telephone system remains a stop-gap measure. We hope technology will advance to bring us a workable, affordable, efficient system that is right for 201.

Why Co-ops Almost Never Become Condos

Occasionally residents ask about converting 201 to a condominium ownership structure versus our current NYC cooperative. Some people note that condo apartments are valued at 15-20% more than similar co-ops, on average. Among many reasons why we might want to continue to be a cooperative, one is financial. The IRS makes it impossible to accomplish the conversion without paying taxes on the “phantom gain” in value.

Some background. By the late ‘80s there were more than 7,000 co-ops in NYC and only about 50 condos. When the Tax Reform Act of 1986 was debated and enacted, our congressional delegation at the time did not focus very well on the conversion issue, in large part because of the small number of condos. Today there are well over a thousand condos in NYC while new co-ops are rare.

The process to do the conversion is difficult, but certainly possible through an experienced legal team, accountants and a dedicated board of directors. The revised tax law permitted the tax-free conversion of the co-op corporation into condominium association—but no one apparently focused on the fact that it is the shareholder who would face the tax on the phantom gain. The shareholder would continue owning the same apartment with the same address and location, but under a different entity. So why the tax? The tax code treats the exchange of shares for a deed as a sale of the co-op apartment and the purchase of the condo...therein lies the expensive rub...especially for longtime owners.

An effort to fix this section of the tax code (section 216(e)) would be a true win-win for everyone. It would be revenue neutral for the government because the sale of the apartment would be 15-20% higher than it would as a co-op. Unfortunately, there is little support to fix this problem given the many other issues that need to be addressed in the 2017 revision to the tax laws.

Some co-op owners also highlight the greater control over what happens to and in the apartments in their buildings versus in condos. But most of the control issues are designed to allow developers to sell condo apartments quickly. Beyond that, condo associations can institute any level of control over apartment sales and other issues that they prefer.

They Lived Here?

This article is the forth in an occasional series highlighting the famous and maybe the infamous among past residents at 201 West 16th Street.

This occasional series takes us to one of 201’s past women residents who is still very much alive. Patricia Lancaster, who lived in apartment 2G at 201 in the 80s and early 90s, was the first woman to serve as Commissioner of Buildings in the City of New York.



Patricia was appointed as Commissioner of Buildings by Mayor Michael Bloomberg in 2002. She served until 2008, which is a long time in the Buildings Commissioner job. Mayor Bloomberg heaped regular praise on her work “whipping a notoriously corrupt agency into shape, while at the same time rewriting the massive NYC building codes.”

Whenever something falls at a construction site, it is generally blamed on the Buildings Department, even if the event was a contractor’s fault. This issue eventually helped derail Patricia’s career atop the New York City Department of Buildings. Her friend, assembly woman Deborah Glick, described Patricia’s efforts to modernize the Buildings Department and get the agency computerized as “trying to change a tire on a car going 60 miles per hour.” Prior to working in NYC governance, Patricia worked in private architectural practice and wrote a well-received book, *Construction in Cities; Social, Environmental, Political and Economic Concerns*.

Patricia had a cat while she was living at 201. The feline’s name is lost in the fog of history, but it is still remembered as one of the few cats that took care of “business” while being walked on a leash about Chelsea.

She was born in Calgary, Alberta, attended Linfield College in Oregon, and was awarded a master in architecture from the University of Washington in Seattle.