

Welcome

12DG – Niall Murphy and Megan Ceryanec Niall, originally from Dublin, is an associate partner in the NYC office of McKinsey & Company. Megan is a commercial development manager with Sugru, Inc.

9D – Anne Harleman Anne has been a subtenant in our building for several years and elected to stay at 201 when the owners decided to sell. She is a vice president at Alliance-Bernstein Investments.

11G – India Cohen India is a fashion designer who has won many design competitions and is currently working for the Camuto Group.

Recyclables

Please review and follow the instructions for disposing of recyclables posted on each floor near the trash chute. NYC Sanitation employs “detectives” who slice open garbage bags just before pickup time to see if recyclables have been mixed in with non-recyclables. (Next time you hate your job, think about that one for a minute.) An out-of-place plastic milk carton, soda can or wine bottle can result in an uncontestable \$250 fine for our building. It may be an only-in-NYC kind of thing, but the city really does pay attention to what we send down the chute. Please be a good neighbor and properly recycle – and **DO NOT MIX METAL, PLASTIC OR PAPER IN WITH YOUR DOWN-THE-CHUTE TRASH.**

Spring

Punxsutawney Phil has proclaimed that we are to have an early spring, which passes for great news in our opinion. We missed what Staten Island Chuck had to say about the early spring but Pux is still the gold standard. (Mayor Bill DeBlasio, who normally presides over the Staten Island Chuck ceremonies and dropped Chuck six years ago, confirmed that he has no plans to ever return to the SI Groundhog Day Ceremony. “I tried it, it didn’t end well, I won’t be back,” Might be his mantra for a presidential run as well.) In addition to more outdoor activity, an early end to a mild winter will also mean a nice savings on heating costs for our building. March, of course, can always disappoint, but we hope spring’s eternal.

Tax Certiorari

The City of New York has finally, after almost eight years, agreed to a small part of our tax protest on their estimated value of our building. This will result in an approximate \$98,000 reduction in our taxes over the next 7.5 years.

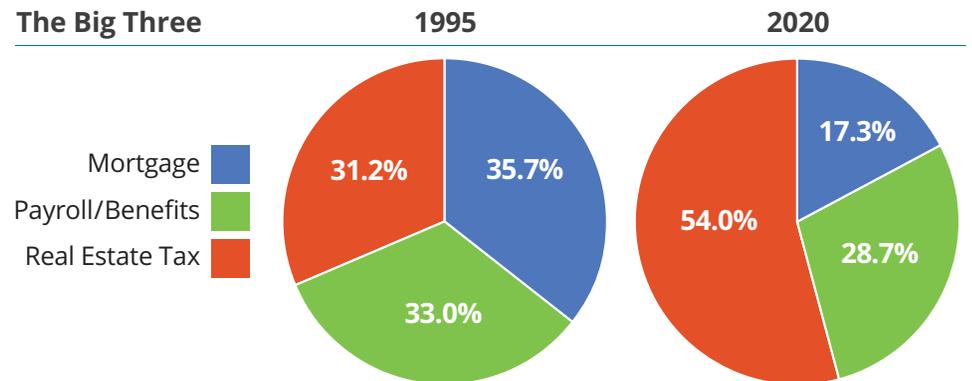
Nothing puts us in a worse mood than having to tolerate the usurious way that our real estate taxes are increased. Without the \$100,000 increase in taxes on our building for 2020, we could have had a zero-maintenance increase year. RE Taxes become a larger amount and a larger portion of our overall budget every year. Recently we decided to compare costs from 1995 and today, looking at our “Big Three” expenses:

- mortgage
- payroll/benefits
- real estate taxes

The findings are astonishing. Real estate taxes now represent about 54% of our budget, up from just 31% in 1995:

	1995	2020
Mortgage	\$317,700	\$415,960
Payroll/Benefits	\$293,900	\$689,900
Real Estate Taxes	\$277,500	\$1,300,000

The Big Three



We will continue to fight the good fight for a fair assessment of our building with the city.

Our Retail Space

Most everyone at 201 knows that the sweetheart lease on our retail space ends at the end of this year. It’s important to understand that when the deal was made both NYC’s economic future and the prospects for retail space were big unknowns. Few could have anticipated that this deal would affect us so negatively. It has been a long 40 years. Unfortunately, the lease is not expiring at a particularly propitious time in the retail industry. While there were years when we got calls to lease our space for any price, those days are gone at least for now. There have been some encouraging articles recently about a stabilization in rates for retail space and there are still companies in the market for high quality and high traffic locations like the one we have. We are optimistic that we will have a great tenant – it is only a question of time. And once leased, even at today’s depressed prices we have the potential for significantly more rental income than we currently receive.

We do not yet know whether Williams-Sonoma Home plans to stay as a tenant. We hope that will be an option. The fact that two high-end furniture retailers recently moved into spaces near us on 7th Avenue is encouraging. It is bringing lots of well-heeled furniture shoppers to Chelsea. But just in case WSH decides to leave, we have a retail real estate broker who is marketing the space as this newsletter goes to print.