

Welcome

6D – Jane Watson Jane is a program manager with Amazon concentrating on their brick-and mortar-retail initiatives.

8G – Michelle Romano Michelle is an interior designer with CookFox Architects.

4G – Johanna Wahlroos Johanna is a sales manager with our neighbor Google and wanted the shortest commute to work possible.

8BC – Greg and Lillian Pelton Greg is an assistant managing director at WarburgPincus. Lillian is a financial analyst who also likes a short commute – you guessed it, Google.

15BC – Ryan and Kathryn Shilling Ryan is a senior director of global agency for Verizon Media. Kathryn is an executive assistant at Publicis.

Façade

Almost no newsletter is complete without discussion of façade work on our building. Our latest façade project will take place during the spring, summer and fall of 2022. We have, following the August Board meeting, awarded the engineering work to Luke LiCalzi Engineering, the same firm that completed our last extensive façade project very successfully. We will have a planning meeting with them after Labor Day to block out the scope and timeline for this project.

Barneys Is Now a Very Scary Retail Story

Across the avenue from 201, the owners of the Barneys New York space, now vacant two years, have resorted to a Halloween pop-up store to try to return a few retail lease dollars to their accounts. The store, called “Spirit Halloween”, might be seen as an attempt to raise the dead, but given that Chelsea is Halloween central it could be a scary success. Those of us who have lived through multiple incantations (intentionally sic.) in the space (beginning in 1923 and morphing through Barneys 1 & 2 with a Loehmann’s in between) know that this will not be the first spooky shopping opportunity at this locale. \$800 t-shirts were a great way to scare people. Get there before the witching hours of October 31.

Can It Happen Here?

Nothing has stirred us like the sudden destruction of homes and lives with the collapse of the apartment building in Surfside, Florida. Raises the question – can it happen here? While anything is possible, this is a tragic and extreme example of the importance of investment in maintenance. And of the benefits of a well-planned and constructed structure such as ours in New York.

Even in the Roaring Twenties when our building was built, it was more common for engineers, architects, tradesmen and developers to pay careful attention to quality and safety. For many, it was considered part of their legacy. The New York City Department of Buildings has also been an often annoying but vigilant overseer. In Florida, residential buildings must be carefully inspected every 30 years. In New York City, that inspection is required every five years and any work to address deficiencies must be completed during the following two years. 201 has spent multiple millions in compliance with these engineering reports. But the result is that our building is healthy structurally as well as fiscally and socially.

COVID Roller Coaster Ride Continues

At its August meeting, the 201 Board of Directors re-reviewed our protocols regarding deliveries, guests, unaccompanied overnight guests, use of the roof deck, and masking. Regrettably, NYC has returned to dangerous transmissibility levels of COVID-19 – mostly because of the Delta variant. Even the vaccinated can get sick or can spread the virus.

For this reason, we are once again requiring all persons in the building to wear masks in all public areas of the building. We have exempted the roof deck, but you must wear a mask in your travels to and from the deck. In addition, the doormen will notify you of any deliveries. You must now receive a delivery in the lobby, just as we did earlier during the pandemic. The board will continue to review these requirements at each meeting and will revise guidance when it is clear the risk is lower. If you need an exemption to the delivery procedure due to age or health, we will work with you on an appropriate plan. Please speak to Christine Ang or our super Cristian Covaci.

Mortgage Refinancing

The underlying mortgage on our building matures on December 31 of this year. We have waited as long as we dare to refinance the building, hoping for advantageous interest rates and the rather arcane application of a “yield maintenance formula,” which is commercial mortgage jargon for an outrageous prepayment penalty. In the last 90 days of the mortgage, we can pay it off without any penalty whatsoever. In our case, refinancing and paying it off 100 days before maturity would cost \$400,000, an unacceptable sum. Luck ran in our favor on this issue. We believe we will soon get a commitment for a commercial mortgage with an interest rate at below 3% with quite limited prepayment penalties. This combined with having a new market rate retail tenant (and hopefully more to follow soon) leave us in a strong cash position. More on this in the next few weeks as we wait for the mortgage commitment letter.

Air Conditioner Reminder

While seemingly a simple thing, changing an air-conditioning unit in your apartment is filled with risks and MUST be managed by our building superintendent, Cristian Covaci. During one recent summer, a resident chose to replace a unit independently. The air conditioner fell to the sidewalk outside our building. (Many NY buildings have similar stories.) The dangers to pedestrians and the liability risks for individuals and even potentially our co-op are almost incalculable. You MUST request permission to replace any external AC unit by filling out and submitting the apartment alteration form available from Cristian. ABSOLUTELY NO SELF-INSTALLS OR ADJUSTMENTS TO EXTERNAL AC UNITS ARE ALLOWED. They must be installed by a licensed, insured contractor so that you and the cooperative are protected from the considerable risks involved.

While we are on the subject, be wary of using ANY tools or washing implements outside our windows. If you are washing windows or scraping paint or anything that involves implements in your hands outside a window, first consider asking our super to help you out, but at the very least consider tying any device, even a rag or sponge, to your wrist.

Our Own Retail Update

By the time you read these pages, the investment required of 201 to prepare our retail space for the arrival of The Shade Store will have been completed. The electric, plumbing, air-conditioning, and physical space have been successfully separated. We also added an ADA-compliant bathroom. The Shade Store should begin their portion of the retail build out in mid- to late September and be open to meet all of Chelsea’s shade needs by Christmas.

Longtime readers of these pages know that this is the first direct tenant we have had in our retail space in over 40 years. Though many retail tenants have come and gone, they were subtenants of the master lessee and we had zero control. It is likely that these subtenants were paying market rates while we received less than market rent on the space for most of those 40 years. Having our own tenants and control of our retail space will, over time, produce substantially more income for the cooperative than we have earned from the space for decades.

What about the other retail space we have available? Before the return of COVID in late July / early August we were receiving calls about the space weekly. Most of the calls were “kicking the tires” kind of interest. We did get a few bottom feeder offers, but they did not respond to our very generous counter-offers. Our commercial retail broker believes that patience is in order, and that interest should return when the Delta variant is put under control.