

32 GRAMERCY PARK SOUTH HIGHLIGHTS

February 2011

BOARD NEWS

- City real estate taxes are expected to rise sharply this summer—up 7.5% for co-op owners and 9.6% for condo owners, according to a recent report in the *Wall Street Journal* (see attached article). In Manhattan, this means an average tax increase of \$594 to \$9,351 for co-ops and \$970 to \$11,348 for condos

The good news? The anticipated July tax increases have already been accounted for in our co-op's 2011 budget. Moreover, the Board will be appealing the assessed value of 32GPS in a continuing effort to reduce the real estate tax burden on our building and shareholders.

- VDA, a well-regarded firm of consultants in vertical transportation, recently conducted an assessment of the state of our elevators, which date to the mid-1950s. While VDA assures us that they are safe to operate, it's clear that both elevators need to be modernized. So, in addition to the planned upgrade to the interiors of the elevator cabs, we will also be replacing the machines and controls on both elevators—a task that will likely take 10 to 12 weeks per elevator, starting this summer. Every effort will be made to minimize the impact on our residents. We'll have more details for you as we get them.
- The installation of the side garden fencing is currently underway. The inclement weather has slightly delayed our progress.
- The architect has presented three preliminary design schemes for the roof garden, which look very promising.
- If you're interested in upgrading, the following apartments are currently on the market: 3J, 7AB, 8D, 10H, 12E, 13F and 18CE.

FYI

- **Our hero!** On January 24, there was a fire in our neighboring building, 31 Gramercy Park South. As a result, about 100 children and their teachers at Brotherhood Synagogue had to be evacuated quickly. It was freezing outside and many were forced to flee without their jackets. Our resident manager, Danny Daly, seized the initiative and offered to shelter them in our basement and laundry room. It was quick thinking that provided hospitality to our neighbors with minimal impact on our own residents. Thanks, Danny!
- **Good Dogs, Bad Owners?** A small number of dogs in our building seem to be generating an excessive number of complaints from their owners' neighbors. As a result, all the dog owners in the building—including those whose animals have never been problems—recently received a letter from the Managing Agent asserting that: "The failure of some dog owners to [obey the rules] may place everyone's continued enjoyment of future pets in jeopardy." If your dog is not well-behaved, and you don't know what to do about it, please talk to another dog owner who may know a trainer or have some experience that could help.

IN THE NEIGHBORHOOD

WHEN	WHAT	WHERE
Feb 6-10	Kid's Night on Broadway [free admission to participating theaters for kids age 6-18 when accompanied by a full-paying adult]	Visit http://kidsnightonbroadway.com/kids.php and use discount code KNOB2011
Sun, Feb 7 10:00am-5:00pm	Lunar New Year Family Festival	Museum of Chinese in America 215 Centre Street
Feb 14-18 10:00am	Black History Month Youth Film Series	Schomburg Center 515 Malcolm X Boulevard
Daily Come at dusk or later	Mad. Sq. Art Jim Campbell's <i>Scattered Light</i>	Oval Lawn Madison Square Park
Feb 22-25 10:00am-5:00pm	Gramercy Park Art Exhibition	Gregg and Marquis Galleries National Arts Club
Every Sat at 2:00pm	Free Union Square Walking Tour	At the statue of Abraham Lincoln (16 th St transverse, Union Square)
Every Sun at 2:30pm	Free Children's Storytime	Barnes & Noble 33 East 17th Street
Every Sun at 11:00am	Free Flatiron Walking Tour	SW corner of Madison Square Park

Q&A CORNER

Q. *Why can't I have a washer-dryer in my apartment?*

- A. As you may know, home laundry facilities—a suburban staple—are still relatively rare in Manhattan, where apartments with washers and dryers make up only about 20% of total sales and rental listings. There are a number of reasons why our building doesn't allow them.

Our contract with Coinmach, the company that runs our laundry room, provides that we not permit washers and dryers in individual apartments, making it more likely that the building will meet projected income targets. Otherwise, Coinmach would have the right to adjust their rent upwards.

In-home washers and dryers come with the risk of kitchen and bathroom backups if residents use high-suds—or simply too much—detergent. (And, unfortunately, if the waste pipe is clogged with other substances, the debris that can appear in bathtubs and kitchen sinks may be something more odious than soap suds.) Moreover, washing machines are always connected to the water supply so, if something goes wrong, they can cause a terrible flood.

Dryers may present the biggest problem. Those that run on 110 volts take forever and are real energy hogs. Gas dryers are better, but must be vented. (Electrical dryers should also be vented, through independent vent risers. Otherwise, they will discharge hot moist air directly into the apartment ... a potentially unbearable problem in the hot summer months.)



<http://online.wsj.com/article/SB10001424052748703959104576082450659330260.html>

Big Property-Tax Increases on Horizon

7.5% Rise for Co-Op Owners, 9.6% for Condos; City Denies Charges That Assessments Were Raised to Boost Tax Collection

NEW YORK | JANUARY 15, 2011

By JOSH BARBANEL

Co-op and condo owners will pay sharply higher property taxes next year, under a preliminary assessment roll released Friday by the Bloomberg administration. The city attributed the rises, due to take effect in July, to higher market values placed on apartment buildings by tax assessors.

Taxes collections are expected to rise by 7.5% for co-op owners, and 9.6% for condo owners across the city, according to a summary report released by the Department of Finance.

Owners of single-family homes would pay 2.8% more.

Taxes on rental buildings, often passed along to tenants, will also increase significantly, the report said—by 9% for rent-regulated apartments and by 8.1% for unregulated apartments.

This translates into an average tax increase of \$384 for co-ops, \$490 for condos, and \$107 for single-family home owners. In Manhattan, the tax bill will go up an average of \$594 to \$9,351 for co-ops and by \$970 to \$11,348 for condos.

Stuart M. Saft, a real-estate lawyer and chairman of the Council of New York Cooperatives and Condominiums, said he "absolutely" attributed the significant increases to city budget pressures, and said city finance officials were looking for ways to maximize city revenues.

"We knew it was going to happen," he said. "We just didn't know what form it would be in."

But Finance Commissioner David M. Frankel categorically denied that assessments were raised to increase tax collection, saying the department "performs a ministerial function valuing properties in accordance with state law and the best practices."

The new assessments are not final. Taxpayers can ask the Department of Finance to make corrections, and can appeal their new assessments to the city Tax Commission. The deadline for appeals is March 15 for owners of one- to three-family homes, and March 1 for others.

Owen Stone, a spokesman for the department, attributed about 30% of the increase in assessments on apartment buildings to improved earnings by the owners of rental buildings, and the rest due to technical factors, including a new, more accurate assessment methodology, as well as lower interest rates on bonds, which are used in the calculation of market values.

Some of the increase in average tax assessments is due to new construction, renovation and expiring tax exemptions on individual properties.

Under state law, valuations of co-ops and condos are calculated as if they were similar rental buildings, though they are entitled to co-op and condo abatements, usually 17.5%.

Tax collections on office buildings were due to rise by 7.25%, according to the report. In total, city revenue was expected to rise by \$900 million under the new assessments, Mr. Stone said.

Michael Slattery, senior vice president at the Real Estate Board of New York, said the steep increases were cause for concern and that he would be consulting with property owners.

"Some of the numbers look high, surprisingly so," he said. "I can't believe the market went up that much."

The city also changed its assessment methodology for one- to three-family homes "to more accurately reflect sales prices," resulting in some significant increases in market values of the most expensive homes in Manhattan.

Market values of one-family homes in Manhattan went up by 16.3%, but because the assessment increases can only be phased in over many years, the assessed value for these homes rose far less, 7%. This translates into an average increase of \$1,645 to an average tax bill of \$33,132.

In Queens, the city's estimate of the market value of co-ops went up by 32.4%, with average tax bills to go up by 12.5%, or an average increase of \$292.