

MINUTES OF THE MANHATTAN BOROUGH BOARD
August 24, 2004

In Attendance:

Presiding: Barbara Baer, Deputy Borough President, Roxanne Dodds, Director of Community Affairs and Constituent Services and Anne Strahle, Deputy Director of Community Affairs and Constituent Services.

Council Members: Joshua Bocian (Brewer), Dirk McCall (Gerson), Hon. Robert Jackson, Karyn Santana (Lopez), Cindy Espinoza (Martinez), Jessica Lappin (Miller), Jenny Sedlis (Moskowitz), Ed Sullivan (Perkins) and Danielle DeCevso (Quinn).

Community Boards: David McWater (CB3), Walter Mankoff (CB4), David Diamond (CB5), Jordi Reyes-Montblanc (CB9), Daniel Perez (CB10), Lino Rios (CB11), and Martin Collins (CB12).

Guests: Larry McClean (CB9), Ross Moskowitz (Stroock and Stroock), Rick Bell (American Institute of Architects), Rolf Ohlhausen (ODA Architects), Sherida E. Paulsen (PKSB Architects), Holly Holruer (Museum of Arts and Design), Holly Greenfield (Resnicow Schroeder Associates), Toni Eubanks (Museum of Arts and Design), Barbara Tuber (Museum of Arts and Design), Hunter Palmer (Museum of Arts and Design), Kate Wood (Landmark West), Arlene Simon (Landmark West), Susan Chin (Department of Cultural Affairs), Sharon Fuchs (CAU) and Michael Henry Adams.

The meeting was called to order by Barbara Baer.

The agenda was adopted and the July 2004 minutes were approved.

Borough President's Report

Barbara Baer presented the Borough President's report.

Recently, the Borough President called for a summit of city leaders to review the recommendations of the 9/11 Commission Report. In May, she asked the Mayor to be more forthcoming in terms of the city's emergency preparedness. She has renewed that request and again called for a comprehensive update on the city's readiness efforts.

New Business

Roxanne Dodds stated that there was a Resolution before the Borough Board regarding the proposed sale of Block 1030, Lot 1 , 2 Columbus Circle. Ms. Dodds introduced Neal Smith, Vice President of Real Estate Development for New York City Economic Development. Mr. Smith was seeking approval from the Manhattan Borough Board on the sale of 2 Columbus Circle, Block 1030, Lot 1 to the Museum of Arts and Design.

Mr. Smith stated that the property consists of an approximately 4,600 square foot of parcel of land, improved with nine-story building, consisting of approximately 57, 000 square feet. The Museum plans to rehabilitate the existing building to create a new home. It will include a new gallery (tripling its space), exhibition space, an area for educational programs, administrative space, a ground floor museum store, new restaurant space and the rehabilitation of the existing auditorium. The purchase price for the property is \$17,050,000. The purchase price is expected to be paid as follows: \$2million in cash and \$15.5 million payable pursuant to a note having the following terms: \$4 million is to be paid in four equal annual installments of principal only commencing on the first anniversary of the closing and thereafter on the second, third and fourth anniversaries of the closing. The \$4 million will not bear interest.

The remaining principal will bear interest at 6% per annum commencing on the closing date until the fourth anniversary of the closing and at approximately 6.16% per annum thereafter. Interest will not be payable during the first four years of the note. Accrued but unpaid interest will bear interest at the rate of 6% per annum during the first four years of the note and at approximately 6.16% per annum thereafter. The \$11,050,000 of principal and the interest accrued during the first four years of the note will be amortized over a period of 11 years, and payable in annual installments on the fifth through fifteenth anniversary of the closing.

If the renovation of the building on the Property is completed and the Museum's new home on the Property is open to the public within 24 months from the start of construction, (which date may be extended if an event of force major occurs), the \$11.05 million principal portion of the note will be reduced to \$9.05 million as of the closing.

This project was the subject of a Uniform Land Review application last year and was approved by the City Planning Commission on July 2, 2003 and by the City Council in August, 2003.

Mr. Smith stated he would answer any questions from the Borough Board.

Ed Sullivan of Councilman Perkins office asked if there was a Landmarks Preservation Commission hearing on this building.

Mr. Smith stated that there was not a hearing on this matter.

Barbara Baer stated that the answer to the question is that this issue has been debated under two mayors and three Landmarks commission chairs all have refused to hold a hearing. The issue before us is not about land marking and the Borough Board is not a land marking body.

Mr. Sullivan also asked why there is a rush to pass this Resolution.

Ms. Baer explained that there is not a rush, but look at the history of this issue. The question before the Borough Board is whether the property should be sold for \$17 million. For a number of years, the question has been asked to have a hearing on land marking the building. This issue has been taken to the New York State Supreme Court and the court stated it was appropriate and that it would not to be ruled on and it should go forward.

Also, Ms. Baer stated that the Borough Board meets every month and next month we have a major application on the Westside and the financial dealings with Economic Development Corp. and the Museum have been completed. The point is that we can not hold a hearing on the land marking, but we will hear from people about land making and the issue going forward is whether or not we vote on this \$17 million project. The Borough President and the staff have met with all groups, all parties and gave a lot of consideration to this issue. We were push to wait a month. We gave this issue much time. We thought about it and consulted with people and in the end the issue was to shelf or go forward. By law, we must have a Borough Board hearing and all sides must be heard. There was a land use process, Community Board 5 supported the item, it went to us and we supported it and it went to the City Council.

Mr. Sullivan (Councilman Perkins) state that the word he is working off is expeditiously. Delaying would be negative?

Ms. Baer stated that the Museum can answer that question. She also stated that the Borough President did overview just to assure that we did consider all of this and we tried to be careful and considerate with everybody.

Councilmember Brewer asked a question about the funding? What happens if the funding does not come thorough according to the outline?

Mr. Smith stated it is just a financial mechanism for the Museum to pay the purchase price, it is a mortgage.

Ms. Brewer stated does it mean the Museum does not have to pay the \$17 million. Mr. Smith explained that the Museum does have to pay and it is just like a mortgage, a security interest in the property. There is a penalty if they do not pay, a late fees or take the property back.

Ms. Brewer asked that EDC let the Borough President's office know on a regular basis if the Museum does make payments according to the outlined schedule attached? Mr. Smith believes that it would not be a problem to inform the Borough President's office and the Borough Board.

Ms. Dodds thanked Mr. Smith for his presentation.

Barbara Baer proceeded to call the public speakers regarding this issue. She explained to everyone that they had three minutes to speak.

Holly Hohltraer, Director of the Museum of Arts and Design stated that the Museum has raised the money and is ready to begin construction in April 2005. We have out grown our current space and in the last six years, we have increased our visitors by 100%, we serve a large number of students and families and work closely with our community. We do not have the space to continue our growth and we are the only institution that represents the contemporary crafts decorative arts and design in the United States. We are also advocates for artist and we will have artist studios. Getty and Mellon foundations along with the Federal government will probably fund its Center for Arts and Design which will be an international project.

Councilwoman Brewer stated that she does support the Museum and it has a wonderful opportunity to show its craft and the education programs, but what is the rush. I am one of the individuals who support having the meeting in September. What is the need to have the meeting right now.

Ms. Hohltraer stated that she could not speak to the timing of the Borough Board. However, she believes there was another major issue on the table for September and we might have been moved to October. We are very committed to begin as soon as possible. We have been delayed for eight months and there is desire by the city to have the Circle completed in November. If we started construction today we will not be opened for another two and half years.

Kate Wood, Executive Director Landmark West read the attached statement.

Toni Eubanks, Member of the Board of Governors of the Museum of Arts and Design stated that the Museum has rational reasons to be part of Columbus Circle. It will benefit the community as well as New York and visitors. The Museum is planning to expand its educational programs, research center for students, scholars, artists, etc. Also, the Museum serves bilingual and disabled students. We urge the Borough Board to vote in favor of the selling of the building.

Fredric Bell, Executive Director of AIA New York Chapter read the attached statement.

Sherida E. Paulsen, a principal of Pasanella, Klein, Stolzman and Berg Architects, Chair of the Historic Buildings Committee of the American Institute of Architects and former Chair of Landmarks Preservation Commission read the attached statement.

Michael Henry Adams, a historian architect and who wrote a book titled Harlem Lost and Found. He stated that 2 Columbus Circle is similar to what happened to the Audubon Theater in Harlem. The former Manhattan Borough President negotiated to preserve the building. Mr. Henry also stated that still today this country has a problem with due process. The Landmarks Commission was established to hold hearings to say if this building should be protected or not. In Boston, it has a law that each time you are going to destroy a building that is over 50 years old automatically there is a hearing. Mr. Henry asked the Board not to approve the propose sale of the building. Two former chairs of the Landmarks Preservation Commission who refused to protect this building and even to consider to landmark. He stated that this is wrong and he urged the Borough Board to do the right thing.

Barbara Tober, Chair of the Museum of Arts and Design urged everyone to vote in favor of the building. The building sits like a gray lady, it needs attention and love. Many non-code regulations of the floors and walls. The building needs love and attention. The people involved with this building understand the need not to destroy, but enhance doing it the right way. We have obtained a famous architect to work with us on the building. Urge everyone to allow us to it.

Monica Blum President of Lincoln Square Business read the attached statement.

Roxanne Dodds thank the speaker, then read the Resolution and asked the Borough Board to also read their copy. Ms. Dodds asked if there was a motion to support the Resolution.

Councilwoman Brewer stated motion to support.

Councilman Jackson asked what the current legal status of the case is. Kate Wood stated that the case is in the Appellate Division of the New York State Supreme Court.

Ed Sullivan (Councilman Perkins) stated that the explanation that the vote has to be in August is inadequate and a small delay would be appropriate. Also, all code violations can be taken care of and there is not reason to redesign the building.

Councilman Jackson stated that he is curious that the representative of the Museum is a certified expert by the court. Who did she testify in court on behalf of?

Ms. Paulsen stated that she was asked by the court to testify.

Cindy Espinoza (Councilman Martinez) asked when was the first request to landmark the building. Ms. Paulsen stated it was in 1996.

Councilman Jackson stated that reading the documents it shows that Landmarks has reviewed it several times.

Councilwoman Brewer stated that on February 21, 2003, she and other elected officials wrote a letter to the Mayor asking to support any efforts to landmark this building. She received a reply on April 24, 2003, stating that the Landmarks Commission had reviewed this building over a period of time by Landmarks' professional staff and agreed not to recommend the property for designation. Councilwoman Brewer stated she has called Commissioner Tierney ten times requesting a hearing.

Councilman Jackson stated that after hearing from Mr. Michael Henry Adams and the advocates who are asking that the Borough Board delay the action; that Landmarks has failed to act and there is no indication that they are going to act.

Ed Sullivan (Councilman Perkins) stated he was concerned that Landmarks refused to have a hearing on this matter. He believes a vote by the Borough Board to go forward ratifies this notion. We are taking a step allowing agencies to make decisions without hearings –it is a very dangerous step.

Councilman Jackson was concerned why this meeting could not be held in September.

Ms. Baer stated that in September we will be hearing ten ULURP applications for the Westside (Hudson Yards). Also, we really did consider September and it was our opinion that the question was on the sale of the property and that there would be adequate representation on both sides of the issue to hold the meeting.

Jessica Lappin of Speaker Miller's office stated this issue did not just come up. This issue has been in the press for several years. This is an important part of the process and there has been community board, city council and city planning commission hearings.

Ms. Dodds read the question and took the vote:

Councilwoman Brewer – Yes- Stated that she joins her colleagues for a September vote and that she called the Borough President to have the meeting in September. Also, stated that the Westside is galloping to fast for development and that the building remains a cultural center. Councilwoman Brewer stated that she supported the Resolution.

- Councilman Gerson – Yes**
- Councilwoman Lopez - Yes**
- Councilman Martinez- Yes**
- Councilman Miller- Yes**
- Councilwoman Moskowitz- Yes**
- Councilman Perkins- No**

Ed Sullivan stated that the Councilman asked that if the questions he asked were not answered to vote no.

- Councilwoman Quinn- Yes**
- Councilman Reed- Absent**
- Community Board 5- Yes**
- Councilman Jackson - Yes**

He stated that he read the materials and listened to all the parties, the reasons and wishes there was a solution. In the City Council we vote with the Council person, and this is in Gale’s district.

The vote was nine (Yes) and one (No).

Barbara Baer thanked everyone for attending and stated it was a great meeting.

Roxanne Dodds also thanked everyone and moved the agenda to request the Community Board Reports.

Community Board Reports

Jordi Reyes-Montblanc of CB9 stated that the Board’s Economic Committee has been meeting about the piers. Also, they are having a forum on 197A. The Board was approached by City Planning Commission about a rezoning task force. Mr. Reyes-Montblanc appointed several members from the different committees. Concerning Columbia expansion the Board has reached an understanding with WEACT in order to benefit the community. On August 10, we had a meeting with Councilman Jackson, Larry McClean, District Manager and NYCHA concerning Grant and Manhattan Houses regarding housekeeping problems. It was a successful meeting. He and the District Manager stated that Barbara Johnson was very helpful and they appreciate her assistance with this matter.