

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS,  
PUBLIC SITING AND MARITIME USES

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August 9, 2016  
Start: 11:37 a.m.  
Recess: 12:17 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: PETER A. KOO  
Chairperson

COUNCIL MEMBERS: Annabel Palma  
Deborah L. Rose  
Rosie Mendez  
Stephen T. Levin  
Inez D. Barron  
Ben Kallos

## A P P E A R A N C E S (CONTINUED)

Kenrick Ou, Senior Director  
Real Estate Services  
NYC School Construction Authority, SCA

Michael Mirisola, Director  
External Affairs  
NYC School Construction Authority, SCA

John Jurenko, Vice President  
Intergovernmental Relations and Planning  
New York City Health and Hospitals

Sydelle Marin Knepper  
Developer  
SKA Marin

Beth Greenburg, Architect  
Dattner Architects



1

2

[sound check, pause]

3

[background comments]

4

[gavel]

5

SERGEANT-AT-ARMS: Quiet, please.

6

CHAIRPERSON KOO: Good morning. It's

7

still morning. I'm Council Member Koo, Chair of the

8

Subcommittee on Landmarks, Public Siting and Maritime

9

Uses. We are joined by Council Members Mendez,

10

Barron, Vallone, Chin, Chair Greenfield and Council

11

Member Kallos. [background comments] And also

12

Council Member Rodriguez. We will be holding public

13

hearings on two items today, a school siting and a

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hospital lease. We will also be voting on these

15

items, and one of them are a designation that was

16

laid over from our last meeting. We will start with

17

the pre-with the pre-considered Land Use application

18

for the site selection for a 476-seat primary school.

19

The proposed site is located at 28 and 42 Trinity

20

Place within a planned mixed-use building in Council

21

Member Chin's district. Council Member Chin would

22

like to give a statement.

23

COUNCIL MEMBER CHIN: Good morning. I'm

24

Margaret Chin City Council Member for District 1,

25

which includes the historic Battery, the Financial

1  
2 District in Tribeca. Today, we are considering an  
3 application by the School Construction Authority to  
4 site an elementary school at the former Simms  
5 Building on the north side of Edgar Street between  
6 Trinity Place and Greenwich Street. I want to thank  
7 you colleagues, Council Member Peter Koo, Chair of  
8 the Subcommittee on Landmarks, Public Siting and  
9 Maritime Uses, and Council Member David Greenfield,  
10 Chair of the Land Use Committee. Today's hearing and  
11 vote to site the Trinity School is many years in the  
12 making. According to a study done by Manhattan's  
13 Community Board 1, the Financial District's  
14 residential population more than doubled in the last  
15 15 years. This population growth in Lower Manhattan  
16 has far out-paced the moderate increase in the number  
17 of elementary school seats available for our children  
18 causing a serious overcrowding issue in our schools.  
19 This year, my Lower Manhattan elected colleagues and  
20 I reconvened the School Overcrowding Task Force,  
21 which for nearly a decade has successfully advocated  
22 for new schools downtown, including the Spruce Street  
23 School, and the Pexler (sic) school. This vote will  
24 bring us another step closer to building another much  
25 needed elementary school and help alleviate the

1 overcrowding in Lower Manhattan classrooms. I'm  
2 happy to hear from the School Construction Authority  
3 at the last School Overcrowding Task Force meeting  
4 that the FCA planned to ask the City Department of  
5 Education for the conversion of pre-K class space  
6 into a multi-purpose room to supplement the full size  
7 gymnasium in a new school. The multi-purpose room  
8 and the gym, which parents have asked for in the task  
9 force meeting will give the students space for  
10 quality physical education and extracurricular  
11 activities. I look forward to hearing from the DOE  
12 about the plan for the school and continue, and will  
13 continue work with parents, educators and my  
14 colleagues on the School Overcrowding Task Force to  
15 fight for even more elementary and middle-school seat  
16 for Lower Manhattan. I look forward to hearing  
17 testimony about the new school at Trinity Place and I  
18 thank my City Council colleagues for attending this  
19 hearing and I urge them to approve the school siting  
20 request. Thank you.

22 CHAIRPERSON KOO: Thank you, Council  
23 Member Chin. I will now open the public hearing for  
24 this item. We have Michael Mirisola and Kenrick Ou

1 to testify. [pause] Hi. You may begin after you  
2 identify yourself. Yeah.

3  
4 KENRICK OU: Good morning Chairperson Koo  
5 and Subcommittee members or council members. My name  
6 is Kenrick Ou. I'm Senior Director for Real Estate  
7 Services for the New York City School Construction  
8 Authority. I'm joined to my right by my colleague  
9 Michael Mirisola who is the Director for External  
10 Affairs for the SCA. The New York City School  
11 Construction Authority has undertaken its site  
12 selection process for a new public school facility on  
13 the site consisting of Lots 11 and 13 on Block 19 in  
14 Lower Manhattan. The site is located, as Council  
15 Member Chin mentioned, on the north side of Edgar  
16 Street between Trinity Place and Greenwich Street  
17 within Manhattan Community District No. 1 and  
18 Community School District No. 2. The proposed site  
19 is located within a planned mixed-use development  
20 that will be constructed by a private developer.  
21 Under the proposed project, the SCA would acquire a  
22 total of approximately 85,000 gross square feet of  
23 space within the base of this mixed-use development  
24 to provide the new public primary school facility

1 containing approximately 476 seats for Community  
2 School District No. 2.

3  
4 I do want to certainly acknowledge  
5 Council Member Chin's efforts as well as the efforts  
6 of Community Board No. 1, the Lower Manhattan  
7 Overcrowding Taskforce and other stakeholders who had  
8 identified this as a potential location for a school  
9 and encouraged us as we have moved forward in  
10 discussions with that developer.

11 The Notice of Filing of Site Plan was  
12 published in the New York Post and the City record on  
13 March 1, 2016. Manhattan Community Board No. 1 and  
14 Community Education Council No. 2 were also notified  
15 of the site plan on March 1<sup>st</sup>, and were asked to hold  
16 public hearings on the proposed site plan. The  
17 Community Board and Community Education Council  
18 jointly conducted a public hearing on the proposed  
19 site on March 2, 2016. On March 22, 2016, Manhattan  
20 Community Board No. 1 adopted a resolution in support  
21 of the proposed school site. Community Education  
22 Council No. 2 did not submit written comments on the  
23 site plan. The City Planning Commission by a letter  
24 dated May 27, 2016, submitted comments in support of  
25 this proposed site.



2 The SCA has considered all comments  
3 received on the proposed site plan and affirms it  
4 pursuant to Section 1731 of the Public Authorities  
5 Law. In accordance with Section 1732 of the Public  
6 Authorities Law, the SCA has submitted the proposed  
7 site plan to the Mayor and the City Council for final  
8 approval on August 1, 2016. We look forward to your  
9 subcommittee's favorable consideration of this  
10 proposal and are prepared to answer any questions  
11 that you may have. Thank you.

12 CHAIRPERSON KOO: Council Member Chin, do  
13 you have questions?

14 COUNCIL MEMBER CHIN: Thank you. I just  
15 want to reiterate thank you for working with us, and  
16 I heard some good news in the last overcrowded  
17 taskforce meeting that we're going to—that you are  
18 considering working with DOE to not have the pre-K  
19 seats and use that space to do another so that multi-  
20 purpose room so that we can have a full sized  
21 gymnasium.

22 KENRICK OU: Yes, thank you, Council  
23 Member. We have at your suggestion. We have looked  
24 into that possibility and we have—we are waiting on  
25 the department to look at the overall need as I

1 explained last—a couple of weeks ago on the pre-K  
2 situation in Lower Manhattan. So we're—we're waiting  
3 on their, on their direction and I'm sure we'll work  
4 with you and them to come up with hopefully a satis—a  
5 good solution for everyone.  
6

7 COUNCIL MEMBER CHIN: Yeah, I just wanted  
8 to also, you know, talk or let my colleagues is that  
9 in the public schools it's really important for us to  
10 have a full size gym and also with an auditorium  
11 because I mean lately a lot of schools are getting  
12 these so-called gymnasium, and it's not as having a  
13 full sized gym, and an auditorium where the community  
14 can also take advantage of it, and utilize it. In  
15 the Council we've been pushing for physical  
16 education, and we really want to have a full sized  
17 gym for our students. So going forward I hope that  
18 we can make sure that that do happen in the schools.

19 CHAIRPERSON KOO: Council Member Kallos.

20 COUNCIL MEMBER KALLOS: I would like to  
21 congratulate Council Member Chin on getting more  
22 seats in District 2, which we share all the way from  
23 the Upper East Side down to the tip of Manhattan.  
24 Glad to see more seats coming on line, and I just  
25 wanted to follow up with the familiar drum beat of

1 additional seats in the north end of Community School  
2 District 2 in addition to the south end. Just so  
3 that I don't end up with four-year-olds, five-year-  
4 olds and six-year-olds who have a longer commute to  
5 school than many of their peers, and so I don't have  
6 to take them to school myself on the 456 for an hour  
7 and a half. [pause] So the—the question being are  
8 their plans to building additional seats in the  
9 northern part of the district as well?  
10

11           MICHAEL MIRISOLA: Not at this time. As  
12 you know, we've—we've—we sat with you just a few  
13 weeks ago, and had this discussion. We're always  
14 looking at the—and, our—in our Capital Plan, we re-  
15 evaluate every year the need. At this time, it's not  
16 showing that, but we are looking at suggestions by  
17 you, and by your—your staff as to ways to—to possibly  
18 better use of existing space, and we-- As you know,  
19 we've created several schools in the district in the  
20 last 5, 6, 7, 8 years. So it's something that we're  
21 constantly looking at. We have an incredible need  
22 throughout the city. I'm sure, as you all know,  
23 we've seen our CEC and our presentations so it's—it's  
24 something we struggle with each and every day. And  
25 so balancing that out is—is—is Kenrick's difficult

1 job, and so we'll continue to look at it and continue  
2 to work at it, and try our best to make sure that  
3 every—all our children have the best.  
4

5 COUNCIL MEMBER KALLOS: And—and, I—I  
6 think the—the key pieces a lot of the new schools are  
7 serving the entire city, and it is great that School  
8 District 2 is one of the school districts that kids  
9 from all over New York City want to go to, and we're  
10 proud to be able to educate, and just making sure we  
11 actually have enough seats in District 2 for the  
12 entire city as well as for the kids who live there,  
13 too. So that we can actually achieve the dream of  
14 integrated schools in my district, and—and the others  
15 that would wish to see it.

16 MICHAEL MIRISOLA: Agreed.

17 CHAIRPERSON KOO: Alright, yeah, any  
18 members? Council Member Mendez.

19 COUNCIL MEMBER MENDEZ: Yes, um, I just  
20 want clarity. This space will have a gymnasium, is  
21 that correct?

22 MICHAEL MIRISOLA: At this time, we are—  
23 have planned for a gymnasium, correct. It's out  
24 way of saying it's a combined space that has a stage  
25 unit, stage lighting, but it also gymnasium

1 facilities such as basketball hoops and—and, et  
2 cetera. So it's something we do when space is at a  
3 premium, which it is throughout the city, but  
4 primarily in Lower Manhattan where it's very, very  
5 difficult to find enough space to do both a gym and  
6 an auditorium. At the Council Member's suggestion  
7 we're looking into the possibility to see if our  
8 youth—if our Pre-K needs can be satisfied elsewhere  
9 or are being satisfied elsewhere. And so, at her  
10 request, we have moved the pieces around--

11  
12 COUNCIL MEMBER MENDEZ: Uh-huh.

13 MICHAEL MIRISOLA: --and we're trying  
14 very hard to include a—what we will call a multi-  
15 purpose room for—with a stage. So that they can both  
16 be used at the same time. So if that's successful,  
17 that would be a win-win for us, for everyone.

18 COUNCIL MEMBER MENDEZ: So gymnatoriums  
19 are considered when there's not enough space and you  
20 combine [interposing]

21 MICHAEL MIRISOLA: Correct.

22 COUNCIL MEMBER MENDEZ: spaces. Yes, I—I  
23 got a gymnatorium in New York Union Square where we  
24 got a new school, but, you know, what worries me is  
25 that what's—what's going to happen is anyone who

1 attends school in Manhattan is not going to ever have  
2 an auditorium and a gymnasium. They're always just  
3 going to have gymnasiums because space is always at  
4 a premium in the Borough of Manhattan. So that's  
5 disconcerting.  
6

7 MICHAEL MIRISOLA: That's concerning.

8 COUNCIL MEMBER MENDEZ: And, um, I'm  
9 sorry Council Member, are you fine with a  
10 gymnasium, or we're going to see what happens with  
11 the pre-K seats?

12 COUNCIL MEMBER CHIN: No, we don't want a  
13 gymnasium. Um, and the—the parents and everyone in  
14 the overcrowding task force has voiced that they  
15 don't really—they don't want a gymnasium. We want  
16 a full sized gym, and that's why we're asking SCA to  
17 work DOE, um, to see if we could work something out  
18 because I think we—we feel that we might—we don't  
19 need the Pre-K seats in this school because we have  
20 Pre-K available at other stand-alone sites, and in  
21 other schools in the district. So that's what we're  
22 asking SCA right now to work with DOE so that we can  
23 have a full sized gym. And, you know, an—an  
24 auditorium that could be a multi-purpose room.

25 MICHAEL MIRISOLA: Uh-huh.

1  
2 COUNCIL MEMBER MENDEZ: Um, Mr. Mirisola,  
3 how many Pre-K seats are we talking about at this  
4 location?

5 MICHAEL MIRISOLA: I believe the plan was  
6 for four classrooms.

7 COUNCIL MEMBER MENDEZ: Four classrooms.  
8 That would turn out to be like how much square foot.

9 MICHAEL MIRISOLA: Of the square footage,  
10 four classrooms would be approximately 4,000 square  
11 feet give or take because some of these spaces  
12 downtown are--are odd shaped because of the existing  
13 building the--the--the landmark building is not a  
14 standard size--

15 COUNCIL MEMBER MENDEZ: I'm sorry.  
16 Approximately.

17 MICHAEL MIRISOLA: Approximately, 4,000  
18 square feet.

19 COUNCIL MEMBER MENDEZ: Approximately and  
20 that's for Pre-K because you may you need--

21 [interposing]

22 MICHAEL MIRISOLA: Pre-K.

23 COUNCIL MEMBER MENDEZ: --because you  
24 need more space for Pre-K kids than for older kids?

25 MICHAEL MIRISOLA: Correct.

1  
2 COUNCIL MEMBER MENDEZ: Okay. Alright,  
3 alright, thank you very much.

4 MICHAEL MIRISOLA: Okay.

5 CHAIRPERSON KOO: Thank you. We are also  
6 joined by Council Member, and I want to ask you a  
7 question, too. What is the budget for this school?  
8 How much you going to spend?

9 KENRICK OU: Based on the most recently  
10 Amended Capital Plan that was adopted in June, it is  
11 approximately budgeted for about \$60 million, 6-0 or  
12 60. [pause] Without analyzing it, I-I think there  
13 probably--there probably is a premium that attaches,  
14 both by the nature of this partnership with the  
15 developer where they're, you know, we're in a mixed-  
16 use space, and also by the nature of--of construction  
17 costs in a--in a high-rise environment as opposed to,  
18 you know, other parts of the city where there are  
19 different Department of Buildings' requirements, and  
20 construction and safety requirements.

21 CHAIRPERSON KOO: Thank you. Council  
22 Member Barron.

23 COUNCIL MEMBER BARRON: Thank you, Mr.  
24 Chair. As you're constructing this school are there  
25 special rooms that are going to be a part of the



1 construction specifically where it would have wiring  
2 for a computer room, or will it have facilities for a  
3 science lab or a science resource room?  
4

5 MICHAEL MIRISOLA: Yes, there will be a  
6 science room. All our buildings are wide  
7 [interposing]

8 COUNCIL MEMBER BARRON: A science lab?

9 MICHAEL MIRISOLA: A science lab for a—it  
10 will be an appropriate science room for a, um,  
11 elementary school. So yes it's not a—it wouldn't be  
12 a full lab, but there are different gradations that  
13 you would do—use for that so--

14 COUNCIL MEMBER BARRON: Yes. So will it  
15 have the equipment? Will it have a preparation room?  
16 Will the deep sink, will have [interposing]

17 MICHAEL MIRISOLA: You know, off hand I  
18 don't know, but it will—again appropriate for a  
19 primary school. A prep room generally you would find  
20 in a middle or a high school. So you wouldn't have a  
21 prep room in a high school.

22 COUNCIL MEMBER BARRON: Well, I don't  
23 know that that's necessarily true because when I was  
24 a principal, and we partnered with a private entity  
25 to construct a science resources room, not a

1 laboratory, with the special equipment, there was  
2 science prep room that was a part of that design for  
3 that science resource room. So again, it was not the  
4 level of a science lab.

5  
6 MICHAEL MIRISOLA: Uh-huh.

7 COUNCIL MEMBER BARRON: But yet still it  
8 had an area that was designated for the preparation  
9 of the equipment that would be needed for the  
10 presentation of the lesson.

11 MICHAEL MIRISOLA: I-I don't know off  
12 hand.

13 COUNCIL MEMBER BARRON: Okay, so if could  
14 find out [interposing]

15 MICHAEL MIRISOLA: We will have to get  
16 back to you on that--

17 COUNCIL MEMBER BARRON: --that would be  
18 important to me.

19 MICHAEL MIRISOLA: --the science.

20 COUNCIL MEMBER BARRON: Right, 'cause  
21 it's this--it's specifically built on the  
22 construction.

23 MICHAEL MIRISOLA: Uh-huh.

24 COUNCIL MEMBER BARRON: Thank you.

25 [background comments]

1  
2 CHAIRPERSON KOO: Any more questions from  
3 our members? Seeing none, thank you Mr. Ou and Mr.  
4 Mirisola.

5 MICHAEL MIRISOLA: Thank you.

6 KENRICK OU: Thank you.

7 CHAIRPERSON KOO: Are there now members  
8 of the public who wish to testify? Seeing none, I  
9 will now close the public hearing on this item. Now,  
10 we'll move to LU 418 the Designation of the John  
11 William and Lydia Ann Bell Ahles House as an historic  
12 landmark. We held a public hearing on this item in  
13 our last meeting, and laid it over for further  
14 consideration. Council Member Vallone has a  
15 statement, and he would like to read it into the  
16 record. Council Member Vallone.

17 COUNCIL MEMBER VALLONE: Thank you very  
18 much Chairs Peter Koo and David Greenfield. Today, I  
19 speak with our complete community, our  
20 preservationists—preservationists community members  
21 throughout our district to pledge our unanimous  
22 support for the proposal to landmark the Lydia Ann  
23 Bell and Jay William Ahles House located here in  
24 Bayside, Queens. In a district that has continued to  
25 lose so much of its history, we must protect one of

1 the oldest surviving homes in Bayside, and one of the  
2 last of the Bell Family houses. The Ahles House is a  
3 second empire style residence constructed around 1873  
4 by Robert Bell for his daughter Lydia and her husband  
5 William Ahles. At the time, Mr. Ahles was a  
6 prominent grain merchant and officer of the New York  
7 Produce Exchange in Queens County Agricultural  
8 Society. Upon the death of Mr. Ahles, the New York  
9 Times cited the building as one of the showplaces of  
10 Bayside. As you may know, the Bell family was one of  
11 the most influential families in our history and  
12 especially on Bell Boulevard, which is now our  
13 cultural and commercial center of Bayside in  
14 Northeast Queens. Your approval of this application  
15 to landmark the Ahles House would further serve to  
16 educate future generations about the significance of  
17 the Bell Family to the Bayside area. Unfortunately,  
18 our community has continually had to watch the loss  
19 and destruction of our historic properties, and  
20 saving the Ahles House would preserve at least one  
21 wonderful and historic reminder our lost past. Once  
22 again, I along with our local community board and  
23 several community groups unanimously support the  
24 effort to landmark this house, and hope that you will  
25

1 take under advisement during a decision making  
2 process all of this support. As Henry Euler of the  
3 Bayside Historical Society and Mitchell Grubler Chair  
4 of the Queens Preservation Council have stated in  
5 their letters of support, over the years Bayside has  
6 witnessed the destruction of many historic buildings.  
7 The Ahles House is one of the last vestiges of  
8 Bayside's beginnings and should be preserved for  
9 future generations as well as current residents of  
10 Bayside and our city. Before I close, I'd like to  
11 thank the honor-owner Robert Ruden for his tireless  
12 efforts preserving his home. It was his stewardship  
13 as owner and has preserved this piece of history. I  
14 understand his concerns regarding this application,  
15 but in truth what we are doing today is protecting  
16 his home, his hard work and history for generations  
17 to come. I would also like to thank the Land Use  
18 staff Amy Levitan, my Chief of Staff, Jonathan Schott  
19 (sp?), Ed Mazar (sp?) and also all of the community  
20 members who have worked tirelessly to see this  
21 through. Thank you to my fellow council members for  
22 allowing me this time to personally bring this  
23 attention to the matter. And again, on a final plea  
24 our district has not really had any of the benefits  
25

1 that this subcommittee can grant and 1870 is a long  
2 time ago for this house to be built, and it really  
3 would serve as a historic for the Bayside Historical  
4 and all of that is true for our wonderful district.  
5 So I look forward and hope that we can vote a yes for  
6 land marking this property. Thank you very much,  
7 Chair.

9 CHAIRPERSON KOO: Thank you, Council  
10 Member Vallone. I want to explain some—before we  
11 vote on my position on this item, particular item. A  
12 year ago, our city faced landmarks deadlock of  
13 calendared items that were stuck on the calendar for  
14 as much as 50 years. A number of these items were  
15 waylaid because they were not black and white  
16 decisions either through or support of the same such  
17 as the—such as the Ahles House today, and many were  
18 located on the Outer Boroughs where there's a  
19 significant disparity of landmarks when compared to  
20 Manhattan. Knowing these challenges, the LPC  
21 nonetheless moved to make the difficult choices of  
22 moving forward with a number of items or removing  
23 them completely. The Ahles House was one such item  
24 they fully reviewed and knowing the challenges that  
25 existed as such prior immigrations and that owner

1 support. They, nonetheless, in their learned  
2 expertise, historical knowledge and judgment decided  
3 to move in favor of landmarking this location. It's  
4 my understanding the Ahles House will become one of  
5 the Bayside's and Northern Queens few worthy  
6 landmarks. It has the full support of the LPC, the  
7 local council members and other elected officials,  
8 the community boards and the community groups. Over  
9 these past years, the Ahles House and the community  
10 has been fortunate to have an owner who is respectful  
11 of his heirs.(sic) However, as the case was made  
12 with Intro 775, the purpose of landmarking is to  
13 ensure protection long after all of us have left this  
14 earth. You may protections now, but we must ensure  
15 this protection continues well into the future. With  
16 such overwhelming support and knowing the-and knowing  
17 the value that this property will bring to so many  
18 future generations, I am compelled to move in favor  
19 of landmarking, and I urge my colleagues to do the  
20 same. Thank you. I will now call for a vote to  
21 approve LU 418, the Landmark Designation of the Ahles  
22 House. Counsel, please call the roll.

24 LEGAL COUNSEL: Chair Koo.

25 CHAIRPERSON KOO: I vote yes.

2 LEGAL COUNSEL: Council Member Mendez.

3 COUNCIL MEMBER MENDEZ: [off mic]

4 LEGAL COUNSEL: Council Member Levin.

5 COUNCIL MEMBER LEVIN: I vote aye.

6 LEGAL COUNSEL: Council Member Barron.

7 COUNCIL MEMBER BARRON: Permission to  
8 explain my vote?

9 CHAIRPERSON KOO: Please, yes.

10 COUNCIL MEMBER BARRON: Yes, I was very  
11 moved by the owner of the house who came and gave  
12 testimony before this committee at the last meeting  
13 that we had, and I'm voting—I'm abstaining on this  
14 vote because I think that land, the owners should  
15 have more weight in making these kinds of  
16 determinations than the other factors that are there.  
17 So, I'm abstaining. Thank you.

18 CHAIRPERSON KOO: Thank you.

19 LEGAL COUNSEL: Council Member Kallos.

20 COUNCIL MEMBER KALLOS: Permission to  
21 explain my vote?

22 CHAIRPERSON KOO: Yes.

23 COUNCIL MEMBER KALLOS: I'd like to, um,  
24 thank Council Member Vallone for his advocacy for  
25 Landmarks and Preservation in his district. The more



1 we can do it in all five boroughs the better, and I-I  
2 share-I think one of the key pieces here is just that  
3 were custodians while we are here. We're just  
4 borrowing this place, this land, these homes that we  
5 live in while we're here, and lot of this is making  
6 sure that we're able to preserve this for future  
7 generations so that folks can have a sense of time  
8 and place in the city. For that reason, I just want  
9 to thank the owner for their care and custody, and I  
10 hope that they will continue, and that future owners  
11 will do the same in accordance with the law. I vote  
12 aye on all.  
13

14 CHAIRPERSON KOO: Thank you.

15 LEGAL COUNSEL: LU 418 is approved by a  
16 vote of 4 in the affirmative, 0 in the negative and 1  
17 abstention and referred to the full Land Use  
18 Committee.

19 CHAIRPERSON KOO: Okay, we will now move  
20 onto a preconsidered land use application for the  
21 approval of a hospital lease pursuant to the Health  
22 and Hospitals Corporation Enabling Act. This lease  
23 will facilitate the development of a 16-story  
24 building with 153 apartments for low and moderate  
25 income families. This proposed development is

1 located in the Speaker's district, and she has  
2 indicated her support for approval. I will now open  
3 the public hearing for this item. We have speakers  
4 Sydelle Knepper, John Jurenko, Beth Greenburg.  
5 Please identify yourself and start.  
6

7 JOHN JURENKO: Alright, good afternoon.  
8 My name is John Jurenko and I'm the Vice President  
9 for Intergovernmental Relations and Planning at New  
10 York City Health and Hospitals. Thank you for the  
11 opportunity to testify in support of a proposed lease  
12 agreement between Health and Hospitals and Draper  
13 Family Housing Development Fund Corporation as  
14 Nominee for Gilbert On First, LLC for a parcel of  
15 land located on the campus of New York City Health  
16 and Hospitals Metropolitan in Manhattan. I'm joined  
17 her today by the developer Sydelle Knepper SKA Marin  
18 and the Architect Beth Greenberg. As some of you may  
19 know, New York City Health and Hospitals has engaged  
20 in several collaborations with housing providers and  
21 developers to create affordable, supportive and  
22 sustainable housing on parcels of land that are no  
23 longer needed for healthcare services. SKA Marin is  
24 one of the developers Health and Hospitals has worked  
25 with, and the relationship has yielded three other

1 housing development projects. There are two  
2 completed projects with SKA Marin. One is across the  
3 street from Metropolitan Hospital on 99<sup>th</sup> Street  
4 where 175 housing units were built for Health and  
5 Hospitals patients who can live successfully in the  
6 community with proper support. The second was for  
7 173 units of senior housing in Brooklyn. The third  
8 project is the first phase of the Draper Hall project  
9 that is underway now to build more than 200 units of  
10 affordable housing for seniors. All of these  
11 projects were previously approved by the Council.  
12 The proposed lease now before you will allow for the  
13 construction of a 16-story building containing 153  
14 units for low and moderate individuals. The New York  
15 City Health and Hospitals lease with the developer  
16 would be 99 years with annual rent payments of  
17 \$87,606 per years. The cost of development and  
18 operation are the responsibility of the Draper Family  
19 Housing Development Fund Corporation as the tenant.  
20 New York City Health and Hospitals Board of Directors  
21 conducted a public hearing earlier this year at  
22 Metropolitan Hospital in January with respect to the  
23 proposed leasing. HHC's Board of Directors  
24 subsequently authorized the leasing of the property  
25

1 on July 28, 2016. Thank you for your consideration  
2 of this proposal.  
3

4 I will now flip through a brief  
5 presentation. This is the site in Manhattan on—where  
6 Metropolitan Hospital is, and it shows where this  
7 project would be, and then where the other projects  
8 right near by Metropolitan Hospital are. A little  
9 bit about SKA Marin that I mentioned before. They're  
10 one of the top affordable housing developers as  
11 ranked by Affordable Housing Finance Magazine and  
12 have developed more than 6,500 units of housing here.  
13 A little summary of what I said verbally, we've  
14 worked with them on three other projects: Kings  
15 County Senior Residents for 172 units with a super—a  
16 building—a unit for a super; the Metro East 99<sup>th</sup>  
17 Street project across from Metropolitan Hospital that  
18 receives State Medicaid redesign funds, and was  
19 listed as—by Harvard as a notable project. And then  
20 the initial phase 1 Draper Hall project, which is  
21 adjacent to this building. We've worked well with the  
22 community. We've had successful outreach with  
23 hospitals Community Advisory Board and the local  
24 community board and all the elected officials in the  
25 area. There would be 30 studios, 47 1-bedrooms, 53 2-

1 bedrooms and 23 3-bedrooms on this. The—here are the  
2 income levels from—that are set by federal government  
3 for fair market rent for New York City for the  
4 different units. Various financing from HDC, Federal  
5 Tax Credits, New York State Tax Credits, HPD and then  
6 City Council funds. The closing would be for  
7 December 2016. Construction would be completed  
8 December 2018 and rent up June 2019. This is a  
9 schematic of what the first floor would look like,  
10 but importantly this—on this you can see on the right  
11 hand side it would be what this new tower would look  
12 like. We're happy to answer any questions that you  
13 have.  
14

15 CHAIRPERSON KOO: I have a question with  
16 just, the HHC will receive a rent payment of \$87,000  
17 and \$87,666 per year for 99 years.

18 JOHN JURENKO: Correct.

19 CHAIRPERSON KOO: Yeah, how do you come  
20 to this rent a month? It's computed big or—or some  
21 calculations you figured out?

22 JOHN JURENKO: We—we looked at the cost  
23 of the project and what the appraised value of the—  
24 this site was, and it actually had a negative  
25 appraisal because of the amount of asbestos in the

2 other building and the cost of construction for this  
3 site, and what they had to do to build. Do you want—  
4 Sydelle, do you want to add anything?

5 SYDELLE MARIN KNEPPER: Yes, also the  
6 Draper Hall site took eight feet of water during  
7 Sandy, and so there is—the appraisal was also based  
8 on the—this is part of the Draper Hall site. It was  
9 based on the problems that would be encountered in  
10 fixing that, and rehabbing and doing this entire  
11 project.

12 JOHN JURENKO: And on these projects we  
13 try to balance what we can get in terms of the lease  
14 payment and those dollars go back to the—the hospital  
15 that, um, the project is on its campus. But we—  
16 affordability is an issue for these projects, and  
17 getting the tax credits and all the other support  
18 lowers the amount of what we can get in a lease  
19 payment. But overall we determined that this was a  
20 good, a good use of the property that we were no  
21 longer using and putting housing back into the  
22 community. That we have a benefit, an indirect  
23 benefit of also supporting low community and  
24 providing housing, and some of these people who would

1 live in the housing with uses Metropolitan Hospital  
2 as their hospital.  
3

4 CHAIRPERSON KOO: There's no escalation  
5 for the rent? Remain the same for 99 years?

6 JOHN JURENKO: It would be at least this  
7 amount for 99 years. I guess this could be revisited  
8 down, you know, some time long down the road, but we  
9 don't foresee that right now.

10 BETH GREENBERG: There's also Draper 1,  
11 which is the other building \$100,000 annually.

12 CHAIRPERSON KOO: How about can you like  
13 tell us like what the return on investment for  
14 instance for your company?

15 SYDELLE MARIN KNEPPER: Excuse me?

16 CHAIRPERSON KOO: The—the return on—on  
17 investment. After like the developer spends so much  
18 money, right, building out this space. So how much  
19 money will they make, they forecast to make?

20 SYDELLE MARIN KNEPPER: This is a—this is  
21 a low-income housing tax credit project. So  
22 basically the fees that are set are set by the  
23 Federal Tax Credit Program and that's what the fee  
24 is. We are not a contractor. There's an arms length  
25 different contractor for the project.

1  
2 CHAIRPERSON KOO: Okay, so-so you-the  
3 developer-no-you represent the-the hospital or-

4 JOHN JURENKO: No, I-I represent the  
5 hospital. This is the-the developer that we've with  
6 on-on this project and-and three other projects.

7 From-from a larger perspective our return on  
8 investment would be that we generate a yearly lease  
9 amount for the hospital, but then also with the  
10 development of 152 units of housing for folks in the  
11 community that previously there was no-this was just  
12 empty space. So we're-we take a-a larger view of  
13 what the community needs are. Housing is identified  
14 as a community need, and through negotiation with  
15 various city agencies plus the developer we arrived  
16 at this number.

17 CHAIRPERSON KOO: So how much money, you-  
18 the-the developer has spent on this project?

19 JOHN JURENKO: How much will they spend?

20 CHAIRPERSON KOO: Professional and all  
21 the other stuff?

22 CHAIRPERSON KOO: Several-several million  
23 dollars.

24 SYDELLE MARIN KNEPPER: The total  
25 development of the project is about \$37 million.



2 CHAIRPERSON KOO: How much is that?

3 JOHN JURENKO: \$37 million with total  
4 development costs?

5 CHAIRPERSON KOO: Okay, and you were  
6 saying that you don't know how much money you will  
7 make for this project?

8 SYDELLE MARIN KNEPPER: There's--there's  
9 a--the only, uh, fee is set by the federal government  
10 in this Low-Income Tax Credit Program, and a  
11 significant portion of that fee is deferred for 15  
12 years for cash flow. So our fees are set by, um, HPD  
13 and HDC and the feds, and it will depend basically  
14 on--there's a maximum, and it will depend on how much  
15 is ultimately deferred, and it is the guarantee for  
16 making sure also that nothing happens during  
17 construction, et cetera.

18 CHAIRPERSON KOO: Okay, yeah. Any  
19 questions from our members. Is there--? Mr.--Council  
20 Member Barron.

21 COUNCIL MEMBER BARRON: Thank you. I  
22 didn't get a direct answer. I didn't understand the  
23 answer that you gave to the Chair when he asked what  
24 can we expect to be the range of the returns that the  
25 developer. We heard--we heard from the, um, from

2 Hospitals that they expect that they'll be getting a  
3 yearly lease amount, and I didn't hear an amount from  
4 you either. So I would like to know what is the  
5 dollar amount.

6 JOHN JURENKO: I don't have the dollar  
7 amount for--for what it is right now in--in front of  
8 me for what it is, but I--I think what Sydelle is  
9 saying is that we--the--what the developer's fee on  
10 this is capped according to the program and a portion  
11 of that is deferred for 15 years.

12 COUNCIL MEMBER BARRON: Okay, so what is  
13 the amount that is capped?

14 JOHN JURENKO: I don't--I don't have that  
15 information in front of me right now.

16 SYDELLE MARIN KNEPPER: In the project,  
17 typically in the federal government--[interposing]

18 COUNCIL MEMBER BARRON: Uh-huh.

19 SYDELLE MARIN KNEPPER: --a tax credit  
20 project a developer fee is capped at 15%.

21 COUNCIL MEMBER BARRON: Fifteen percent,  
22 Thank you.

23 SYDELLE MARIN KNEPPER: And that's the  
24 maximum. HPD typically and the state typically have  
25 a lower maximum -- [interposing]

1  
2 COUNCIL MEMBER BARRON: Uh-huh.

3 SYDELLE MARIN KNEPPER: --and then they  
4 are required to have a significant portion of that  
5 fee deferred and paid out during cash flow, and what  
6 that does is that the city doesn't have to and state  
7 don't have to spend as much subsidy upfront. So  
8 that's subsidy that they would have spent. This is  
9 deferred fee.

10 COUNCIL MEMBER BARRON: Thank you. Thank  
11 you, Mr. Chair.

12 CHAIRPERSON KOO: So, thank you all.

13 JOHN JURENKO: Thank you.

14 SYDELLE MARIN KNEPPER: Thank you.

15 [pause]

16 CHAIRPERSON KOO: That was the last item  
17 we have on our calendar today. So we will now move  
18 on to a vote. We are voting to recommended approval  
19 of all remaining items on the calendar, the  
20 preconsidered hospital lease, the preconsidered  
21 school site approval, and I will couple the two items  
22 on a vote for approval. Counsel, please call the  
23 roll.

24 LEGAL COUNSEL: Chair Koo.

25 CHAIRPERSON KOO: I vote aye.

SUBCOMMITTEE ON LANDMARKS,  
PUBLIC SITING AND MARITIME USES

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LEGAL COUNSEL: Council Member Mendez.

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COUNCIL MEMBER MENDEZ: (off mic)

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LEGAL COUNSEL: Council Member Levin.

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COUNCIL MEMBER LEVIN: Aye.

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LEGAL COUNSEL: Council Member Barron.

7

COUNCIL MEMBER BARRON: Permission to

8

explain my vote?

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CHAIRPERSON KOO: Yes.

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COUNCIL MEMBER BARRON: Thank you. I

11

vote aye, and I would just want to encourage

12

regarding LU for this primary school. I would want

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to encourage that the council member be very vigilant

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and make sure that it's funding provided for a

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technology lab, as well as consideration for a

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science prep room in whatever level of science room

17

that they're going—that they were going to construct.

18

I vote aye.

19

LEGAL COUNSEL: Council Member Kallos.

20

COUNCIL MEMBER KALLOS: Aye.

21

LEGAL COUNSEL: Preconsidered Land Use

22

Items 2016-5444 SCM and 2016 5054 HHM are approved by

23

a vote of 5 in the affirmative, 0 in the negative and

24

0 abstentions and they are referred to the full Land

25

Use Committee.

1 SUBCOMMITTEE ON LANDMARKS,  
PUBLIC SITING AND MARITIME USES

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2 CHAIRPERSON KOO: Okay. So we have  
3 finished all the items today. The meeting is  
4 adjourned. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date August 10, 2016