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REAL ESTATE WEEKLY

Wednesday December 28, 2011

REBNY Watch
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President, Real Estate Board of New York

A proposed landmark designation, the Borough Hall Skyscraper Historic District in Brooklyn, will cost property owners and retail tenants about \$4.7 million over the next few years. The Real Estate Board of New York urges the City Council vote down this designation, which includes 21 buildings.

REBNY recently did a survey of the 18 privately-owned buildings in the proposed district and the work to be performed on the more than 1.65 million square feet of space over the next several years.

Based upon our survey, it is expected that these property owners (both commercial and residential - as well as retail tenants) will incur approximately \$4.7 million in additional costs (or approximately \$2.75 per square foot) over the next several years if the land marking district is approved by the City Council.

Those additional costs will be generated as a result of requirements imposed by the city's Landmarks Preservation Commission (LPC) when property owners seek to comply with Local Law 11 and when new retail tenants seek to make changes to their storefronts.

Additional administrative costs will be assumed by property owners and tenants to prepare LPC filings, to provide material samples and to submit detailed architectural drawings that show design features. Also, these additional tasks will increase cost for architects, contractors and consultants because this landmark related work requires an added and rigorous level of review and approval beyond what the Buildings Department would require.

These additional and unavoidable costs to maintain their properties and could result in decisions to postpone work or for retail tenant not to invest in those buildings and locate elsewhere.

In September, LPC approved the proposed district and the proposal is now before City Council. LPC doesn't take economic impact into consideration when it approves new landmark districts, and REBNY is urging the City Council to do that.

REBNY is not opposed to land marking when it is warranted but we are against the LPC designating buildings that are not land mark worthy.

Within the district boundaries of the Borough Hall Skyscraper Historic District these are a number of buildings that are not historically significant and that make this entire designation questionable.

For example, 52 Court Street is described in the designation report in the area of “Style: None” and “Architect/Builder: Not determined”. It has been significantly altered, with a two –story extension with reconfigured openings added, and the cornice replaced. It’s not architecturally significant and has been altered so that whatever original design it had no longer exists.

The same is true of 62 Court Street which is also described as “Style: None, Architect/Builder: Not determined”. Alterations to 62 Court include new storefront infill, two added floors and the façade of the upper stories resurfaced.

Additionally, 200 Montague Street was built in 1959-60, decades after most of the other buildings and was dramatically altered in 2006 with a new curtain wall on the upper stories and reconfigured storefronts. There is absolutely no public purpose in land marking buildings of this nature.

It is also a lack of guidelines for landmark designation districts that puts an unfair burden on property owners and retail tenants by not telling them the ground rules while also wanting them to invest.

In 2003, the Gansevoort Market Historic District was designated as a landmark and the Commission was supposed to issue district guidelines to property owners. To this date, no district guidelines have been issued.

After 8 years, no guidelines have been issued for this district. How can we expect property owners to make investment decisions regarding a property or a neighborhood if they have no idea what changes or renovations can be made to a property in a historic district.

LPC does not consider the economic impact of the designation, the impact on the owner’s plans for the site or consider the potential impact it could have on the growth and development of the city.

REBNY urges the City Council to say “No” to the Borough Hall Skyscraper Historic District and to reject this designation as failing to meet a minimum standard of historic significance and to encourage growth and change in this extremely important part of the city that the City Council supported when it rezoned this neighborhood in 2004.

In other REBNY News:

Don't forget to order your tickets for the real estate industry's most anticipated evening of the year, the Real Estate Board of New York's 116th Annual Banquet on Jan. 19, 2012 at the New York Hilton.

That night, we pay tribute to Douglas D. Durst, David E. Green, Pamela Liebman, Howard Rubenstein, Gerard V. Schumm and Simon Ziff who will receive coveted awards for their unprecedented success and continued commitment to the city and the industry.

For more information on purchasing tables and tickets, contact MaryAnn Aviles at REBNY, 212-532-3100 or visit www.REBNY.com.