



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
163 West 125th Street, 5th floor, New York, NY 10027
(212) 531-1609 p (212) 531-4615 f
www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

January 7, 2015

**Recommendation on ULURP Application No. 140352 PQM – UBA Beatrice Lewis Senior Center/Addie Mae Collins 3 Child Care Center
By Administration for Children’s Services, Department for the Aging, and the Department of Citywide Administrative Services**

PROPOSED ACTION

The Administration for Children’s Services, Department for the Aging, and the Department of Citywide Administrative Services (“the applicants”) seek the acquisition of property located at 2322 Third Avenue in order to exercise the renewal of a 20-year lease for an existing day care center and senior center currently located within the existing building. The programs are currently housed on four floors within a privately-owned commercial building on Block 1775, Lot 33 in a R7-2/C1-4 zoning district in Community District 11, Manhattan.

PROJECT DESCRIPTION

The NYC Department of Citywide Administrative Services (DCAS), the NYC Administration for Children’s Services (ACS) and the NYC Department for the Aging (DFTA) are proposing to continue to occupy 35,212 square feet of space in a privately owned building located at 2322 Third Avenue for the use of a senior center and child care center. The space is currently occupied by the UBA Beatrice Lewis Senior Center and the Addie Mae Collins 3 Child Care Center, operated by DFTA and ACS, respectively. The remainder of office space in the building is leased by the NYC Human Resources Administration (HRA) and is not part of this ULURP application.

The building is privately owned, and was built in 1974. It was occupied shortly thereafter by HRA and used in the provision of city services. The lease start date coincides with, at the time, a sudden citywide demand for space that would accommodate many new Head Start facilities. The lease was renewed once before, in 1994, after approximately 20 years of occupancy. The current proposal would allow the City of New York to enter into a new lease agreement with the land owner for another 20 years, setting the next potential renewal date sometime in 2035.

Both of the programs that are housed in 2322 Third Avenue serve a well-defined need in the East Harlem Community. The area is dominated by multi-family residential buildings and the 125th Street corridor is host to multiple large developments that will bring additional residential and commercial capacity to the service area. Of note, the East Harlem Multimedia, Entertainment and Culture Center project on the abutting block could create hundreds of new housing units in the next decade.

Background

In 1994, after the first two decades in service, the city sought to renew the lease for another 20 year term to continue the existing services of that time. The application to enter into another 20 year lease was met with conditions from both Community Board 11 and the Manhattan Borough President, Ruth Messinger. The community board was clear in their desire for the children to have a safe, sanitary and modern play area. The Borough President's comments called to question the ability of the Department of General Services, now DCAS, to properly enforce the terms of the lease, as the building was described to be in poor condition as there were signs of "neglect" and "degradation." Borough President Messinger's recommendation was to eschew a new 20 year lease and instead approve a 10 year lease with a two year escape clause.

A great deal changed in 20 years. After this ULURP was certified by City Planning, staff from Community Board 11 and the Office of the Manhattan Borough President visited both facilities that are housed in 2322 Third Avenue. On that visit, there were no signs of current neglect or degradation. The building appeared to be a functional facility with only minor visible issues. Presumably, the scope of work that the landowner made to secure the previous 20 year lease brought the building into a much better state.

Over the length of the 20 year lease, the repairs and building upgrades that are agreed upon by New York City and the landowner are listed in document called a "Scope of Work." Upon executing the lease, the landlord is given a short period of time to organize the repairs and upgrades into a schedule that details the long-term schedule to do the work. This is known as the "Phasing Schedule" and each agency must approve the schedule according to their programmatic and scheduling needs. DCAS, ACS, and DTFA reported to this office that all repairs and upgrades from the 1994 lease agreement's scope were made and that there are no outstanding items from the work phasing schedule.

Proposed Project

Currently, DCAS has already negotiated the new lease agreement with the landowner to govern the conditions moving forward for the existing senior center and day care facilities. Among a long list of work items, the new scope of work includes several costly items such as an upgraded HVAC system and a repositioning of radiators to maximize coverage, while adding more sensitive heat controls. The new HVAC system will be installed in a manner that eliminates the need for window air conditioning units. The result will be a building that uses fewer resources in the heat of the summer and cold of the winter.

The lease contains a very standard set of "teeth" that can be employed to compel the landowner to adhere to the continued good upkeep of the building according to the standards set in the lease agreement. An example of one of the teeth is if the landowner does not comply with the phasing schedule for a prescribed amount of time, DCAS will be able to terminate the lease upon 30-days' notice. Furthermore, if DCAS maintains its tenancy past the prescribed period, it will begin to receive rent credits equivalent to \$2,000 per day for each day that the Substantial Completion of Work was delayed.

COMMUNITY BOARD RECOMMENDATION

On December 6, 2014 Community Board 11 voted to approve the application by a vote of 27 in the affirmative, 5 in the negative, and 5 abstentions on the condition that the board receives a series of reports back from the applicant along with the phasing schedule for all repairs included in the scope of work and lease.

BOROUGH PRESIDENT'S COMMENTS

DCAS is negotiating a huge number of new leases for the current 20 year wave of senior citizen and child care centers. Their efforts along with those from ACS and DFTA should be applauded as these facilities are crucially important to our communities. The end-user of these efforts are the seniors and children. Because these centers are so critical for the communities they serve, it is our responsibility to ensure, when reviewing these applications, that the facilities are in the best of conditions and are maintained that way throughout the lease cycle.

Because this is the first of a wave of such lease renewal applications to be reviewed by this office I use this as an opportunity to suggest a process for presenting information relating to the facilities and leases that allows for optimal review and oversight. Because of the history of the conditions and inconsistent repair cycle, the Manhattan Borough President's Office requested historical documents and directed questions to all three agencies involved. There was some difficulty in gathering all of the relevant information as it did not appear that there was any one agency that was championing the application. The three applicant agencies should better coordinate their dealings with the Community Board, Borough Presidents, and City Councilmembers and provide, as a package for review, any existing lease documents, exhibits and phasing schedules to allow for complete oversight during the ULURP process. Finally, all co-applicants should expect to meet with Borough President's staff together to review the proposed lease agreement and respond to any questions.

Of additional concern is ensuring all potential major infrastructure repairs for the building are included. For this project, Article 13 of the Lease states that the landlord is responsible for the maintenance and repair of the roof, but given the age of the current roof it is likely that there will be major work to be done to portions of the roof during the next lease period. The current roof was installed in the late 1990s and assuming a 20 year lifespan, it would need to be replaced before the end of this decade. Its absence on the scope of work is conspicuous. The phasing schedule is currently being assembled by the landowner and will need to be approved by DCAS, ACS and DFTA. If it is not part of the scope of work, then it stands to reason that it would not be in the phasing plan, in which case there would be no predictable timeline when the tenant agencies and those whom they serve could expect such an invasive, but necessary, amount of work to be completed. For the sake of providing seamless service to those who need it most, all major work must be included on the phasing plan.

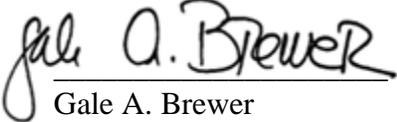
The Beatrice Lewis Senior Center and the Addie Mae Collins Child Care Center provide an incredible amount of services to the communities that they serve as do other centers that will be the subject of similar lease renewals over the coming year. However, in looking toward the future, as the City embarks on an aggressive campaign to increase the amount of affordable housing, it should consider the placement

of similar critical social programs in new developments built on public land, rather than in leased space. In fact, many of the future potential development sites will likely be in mid-block lots that are not covered by a commercial overlay, reserving community facility floor area as the only alternative to dwelling units. On larger development sites, building community facility space for child care, senior care, or cultural programs would diversify the income stream to the building by having the city as a tenant and moving these programs away from commercial corridors could enhance their effectiveness as they would be embedded into the neighborhoods they serve.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application No. 140352 PQM on the conditions that:

- 1. The major roof repairs are included in an amended scope of work and placed on the phasing schedule; and**
- 2. That the phasing schedule is made available to Community Board 11, the Manhattan Borough President, and the Councilmember Inez Dickens as soon as it becomes available.**



Gale A. Brewer
Manhattan Borough President