



200 EAST 16 NEWS

200 EAST 16TH STREET HOUSING CORPORATION • WWW.200EAST.COM • SEPTEMBER 2003

2003-2004

BOARD OF DIRECTORS

KAREN CARSLY
ASSISTANT TREASURER

LINDA DOMSKY
VICE PRESIDENT

ELYCE FRIEDFELD
SECRETARY

RAE GILSON
VICE PRESIDENT

LISA OVERTON
PRESIDENT

NEIL RITTER
VICE PRESIDENT

JAY SOLINSKY
TREASURER

MANAGING AGENT

MARK GREENBERG
REALTY, LLC
1981 MARCUS AVE
LAKE SUCCESS, NY
11042
PH: 516-944-5000
FX: 516-801-6153
WWW.MGRE.COM

JAMES GOLDSTICK
VICE PRESIDENT

CARLOS KOPECNY
PROPERTY MANAGER

MINDY MINTZ
REFINANCING & SALES

KAREN REARDON
SUBLET APPLICATIONS

JILL REINITZ
ASSISTANT TO
PROPERTY MANAGER

LIGHTS OUT, BUT 200 EAST 16TH HAS THE POWER

August 14, 2003 found much of the east without electricity. The hardships in our building were lessened by the staff and residents who went out of their way to help others. Special thanks to building staff who worked long hours under difficult conditions to keep things sane and orderly during the 27-hour power outage. The Board will be evaluating matters in light of this event to determine what improvements may be required to be better prepared for future occurrences.

Here are some precautions individuals can take to be better prepared for emergencies:

1) Maintain a dependable collection of batteries,

flashlights and other battery operated lighting fixtures.

- 2) Use candles cautiously be sure that they are out before you go to sleep or leave the apartment.
- 3) Acquire a battery operated radio and/or TV.
- 4) Keep on hand, one or more gallons of water for emergency use and insure an adequate supply of dry and canned goods.
- 5) Make sure all faucets and plumbing fixtures are off as electricity generates power to the pumps which supply water throughout the building.

THINGS JUST KEEP GETTIN' BETTER

Bulk Purchasing - Good for You, Good for Your Co-op

The co-op plans to begin purchasing services such as cable TV/modem and gym memberships in bulk and reselling them to shareholders. The benefits of this are twofold: first, it will reduce the cost of the service to the end user (i.e. you). Second, it will increase the amount of "good income" required by the IRS code 216.* Be sure to fill out the survey included with this newsletter and indicate if you would be interested in participating. We hope to have these plans in operation by January 2004.

*For a detailed explanation see page 3.

Tired of That Bicycle in Your Living Room?

The board is considering offering storage space for bicycles in the basement or courtyard (a fee would cover the cost of providing a secure space). If you are interested, please fill out the survey on page 3.

200 East Website: www.200east.com

Our site features a message board where you can discuss ideas and issues with other shareholders, and make suggestions to the Board or Management. It also includes information on

building policies and contact information for Staff, Management and the Board of Directors. In order to access the site you'll need to enter the following: user name: 200east password: patty.

Let Us Know What's on Your Mind

Included with this newsletter is a survey that will help the Board better understand your priorities. Please take time to complete the survey and let us know what changes or additional amenities you would like to see in the building.

Capital Improvements

Several capital improvements will take place in the coming months. The water tank will be replaced on September 17th and the boiler will undergo major repairs during September in anticipation of the heating season. Any interruption of service will be minimized and announced well in advance. The result will be a more efficient system, delivering even heating to each floor and freeing up staff for other tasks. The iron work around the tree pits will be completed in October after the city replaces the dead tree. Upcoming security improvements will include new security cameras, replacement of the basement door and securing the service gate.

TAX ABATEMENTS - GET YOUR FAIR SHARE

All shareholders qualify for one or more of the following tax abatement programs offered by New York City and New York State. To be sure you are taking advantage of all the programs for which you qualify, check your monthly maintenance bills from the first six months of the year or call Jim Goldstick at MGRE. 516-944-5000.

- 1) *Co-op/Condo tax abatement* - This is offered to all shareholders who own three or less apartments. It shows up as a maintenance credit during the months of January to June (this year was February to August due to processing delays by the City). MGRE charges a \$15 fee annually for processing each update with the City.
- 1) *STAR Program* - This abatement must be filed by each shareholder directly with the City. Contact them at

212-361-8215 or on the internet at <http://home.nyc.gov/html/dof/html/ctd238.html>.

- 3) *Veteran Exemption* - Offered to all honorably discharged wartime veterans. The application must be filed by the shareholder. Contact the City at 718-935-9500 or on-line at www.nyc.gov/html/dof/html/ctd122.html.
- 4) *Senior Citizens* - There are two abatements offered to senior citizens: the enhanced STAR program and the SCHE program. The enhanced STAR program uses the same application as the STAR program (see above). The SCHE program is for seniors with annual income less than \$29,900. Information on the SCHE program can be obtained at 718-935-6736 ext. 440 or on-line at: www.nyc.gov/html/dof/html/exemptions.html#sche.

ANNUAL SHAREHOLDERS MEETING

The Annual Shareholders Meeting was held on Thursday, June 12th at the Friends Meeting House.

ANNUAL FINANCIAL STATEMENT

The co-op's accountant, Rob Mellina presented the 2002 Annual Financial Statement. He reported that the Corporation is operating at a slight surplus, has a projected break-even budget and a positive amount in its reserve fund. There was discussion concerning the ongoing efforts to refinance the mortgage.

PROPOSED AMENDMENTS

The co-op's lawyer, Jim Samson introduced the proposed amendments to the Proprietary Lease and Corporation By-laws. For the most part, the goal of the amendments was to bring the documentation into alignment and compliance with current standards and practices.

All amendments eventually passed.

PRESIDENTS REPORT

Frank Rieder highlighted achievements of the past year, particularly the importance of the transition to the new holder of Unsold Shares. He discussed issues for the coming year, such as the leasing of the commercial stores.

NOMINATIONS FOR 2003 - 2004 BOARD OF DIRECTORS

The following residential candidates were nominated: Karen Carsley (4J), Linda Domsy (20D), Elyce Friedfeld (4L), Lisa Overton (13B)

The candidates who were not currently on the Board introduced themselves and explained why they would like to serve. Because there were no contested seats, a single vote was cast by the Secretary and the nominees were confirmed. Jim

Goldstick welcomed the new members to the Board.

OPEN DISCUSSION

Jess von der Ahe (apartment 10D) introduced herself and said she was hoping to organize an advisory committee comprised of residents from each floor to liaison with the Board of Directors. She said she would announce future meetings and hoped to get representatives from each floor to participate.

There was further discussion concerning issues of cleanliness, building amenities and security. The Board outlined capital expenditures in the coming year including: replacement of the water tank, boiler repairs, security enhancements and a continuation of planned improvements to the building appearance and maintenance.

BOARD OF DIRECTORS MEETING REPORTS

The Board met on Monday July 7th and elected the following officers: Karen Carsley, Assistant Treasurer; Linda Domsy, Vice-President; Elyce Friedfeld, Secretary; Rae Gilson, Vice-President; Lisa Overton, President; Neil Ritter, Vice-President; Jay Solinsky, Treasurer. The Board

also agreed to hire the firm of Kleinman Weinschank to replace Zeidman, Lackowitz and Prisdan as the Corporation's accounting firm. Kleinman Weinschank was chosen, in part, because of their expertise in dealing with 80/20 issues.

At the August 4th meeting the

Board voted to close the Annual Shareholders meeting which had been adjourned for the purpose of completing the tally on the votes on the proposed amendments. All of the proposed amendments (with the exception of #9 which was withdrawn) were passed.

80/20? GOOD INCOME VS. BAD INCOME?

Section 216 of the Internal Revenue Code, commonly known as the 80/20 rule, grants co-op owners certain tax deductions, provided that at least 80 percent of a housing cooperative's income comes from shareholders. Tenant/shareholder related income is often referred to as "good income". Income from other sources (rent, interest income, etc.) are referred to as "bad income".

The code was established to give urban dwellers the same rights as suburban homeowners. However, the regulation can become a problem for buildings that include rental space such as commercial storefronts. Any increase in "bad" income must be offset by a larger amount of "good" income.

Failure to maintain the 80/20 balance can result in the co-op losing its tax status for the year. Individual

shareholders will not be able to deduct mortgage interest and property taxes. Any owners who were to sell an apartment during the year would be unable to take advantage of the exclusion from gain benefit, in which the first \$500,000 of a home sale is tax exempt.

When "bad" income rises, a building can always raise "good" income by increasing maintenance fees. However, this is usually a very unpopular option. So the Board of Directors needs to prepare a realistic budget and continue to monitor income throughout the year so that actions can be taken to avoid a potential code violation.

There are a number of strategies that can be used to tip the scales in favor of "good income". Some of them can be quite simple. Others are extremely technical and require substan-

tial legal and accounting expertise.

Sub metering of utilities is one way of increasing good income and often has the added benefit of resulting in a discount to the end user. However, the cost of installing such meters is, extremely high. Similar master systems can be used for internet service, cable television and garage space.

Direct payment of brokerage commissions by the retail tenants, coupled with store tenants paying for their own capital improvements can have the effect of reducing the commercial income without reducing the benefit to the building.

Other more drastic measures may involve a "master lease" or creating a subsidiary corporation to truncate the cash flow to be derived from the commercial space.

A LITTLE HISTORY



Board member Linda Domsy did some research in the municipal archives and came up with this shot of our building taken in 1938. The photo was taken by Lloyd Acker as part of a project to document every property in the city for the Department of Taxation.

200 East 16th Street was originally built to house nursing staff at the nearby hospital. It was converted to apartments shortly thereafter and went co-op in 1987.

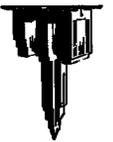
The neighborhood has gone through some big changes as well. The Third Avenue El came down in 1955. The renovation of Union Square in the late eighties has invigorated the area which had fallen on hard times in the seventies.

The print will be framed and placed in the lobby along with one or two other historical photos of the neighborhood.

STUYVESANT SQUARE TOUR 10/5/03

Tour Petrus Stuyvesant's farm. Learn little known facts, see historic houses off the beaten path, admire 19th century ironwork that built NYC, hear about a famous composer, and more from Historian Diana Stuart. Meet 10/5/03 Sunday 12 noon at Stuyvesant Square Park, 2nd Ave. & 17 St. s.e. corner. Fee: \$15. Info 212-685-6150.

200 East 16th Street Housing Corp.
 c/o Mark Greenberg Realty, LLC
 1981 Marcus Ave
 Lake Success, NY 11042



FOR YOUR INFORMATION...

Some names and numbers to keep handy:

Lobby Desk.....212-254-7334
 Superintendent.....212-475-0333
 13th Precinct Community Affairs.....212-477-7423
 Mark Greenberg Real Estate.....516-944-5000
 James Goldstick, Vice President.....ext. 239
 Carlos Kopecny, Property Manager.....ext. 222
 Mindy Mintz, Refinancing & Sales.....ext. 237
 Karen Reardon, Sublet Applications.....ext. 224
 Jill Reinitz, Assistant Property Manager.....ext. 233

311 Citizen Service Center

Dial 311 for all non-emergency City services.
 For example:

- Find out if alternate side of the street parking is in effect.
- Report loud noise, or a blocked driveway.
- Find your neighborhood library and its operating hours.
- Report a pothole or street light that needs to be fixed.
- Find out about garbage collection.

2003 - 2004 Board of Directors

Karen Carsley, apt. 4J
 Assistant Treasurer
 kcarsley@aol.com

Elyce Friedfeld, apt. 4L
 Secretary
 ef@broadstreetcap.com

Lisa Overton, apt. 13B
 President
 lisa@bigpink.com

Jay Solinsky
 Treasurer
 classic@nyapts.com

Linda Domsy, apt. 20D
 Vice-President
 ldomsy@nyc.rr.com

Rae Gilson
 Vice-President
 classic@nyapts.com

Neil Ritter
 Vice-President
 classic@nyapts.com

Website

www.200east.com
 username: 200east
 password: patty

LET US KNOW WHAT'S ON YOUR MIND

Please take a moment to complete the following survey. Feel free to use additional pages to elaborate on any answers. Place the completed survey in an envelope and return to the front desk in the lobby or mail them to: MGRE, 1981 Marcus Ave., Lake Success, NY 11042, attn: 200 E. 16 Survey. You can also fax responses to 516-801-6153 or **complete the survey online at www.200east.com** (user name: 200east, password: patty). We'll report back on your responses in the next issue of the 200 East 16 News.

Staff and Management: Are you satisfied with the performance and responsiveness of staff and management?

Appearances: Are you pleased with the appearance of the lobby and other public areas in the building? Do you have suggestions for further enhancements?

Discounts on Services: Would you utilize the the following services if the co-op were to offer them at reduced rates?

Cable TV and/or Cable Modem ___yes ___no

Gym Membership ___yes ___no

If yes, which club do you prefer? ___ NY Sports Club ___ Equinox ___ Other _____
(please specify)

Parking Garage ___yes ___no

If yes, please indicate type of car: _____ frequency of use: ___ daily ___ weekly ___ monthly
(i.e. sedan, SUV, compact)

Are there other services that you would like to see offered in a similar manner?

Bike Storage: Would you be willing to pay a fee for bike storage? ___yes ___no

Commercial Store Fronts: Are you happy with the appearance and usefulness of the 3rd Avenue commercial stores? What other types of businesses would you like to have on the block?

Communications: Do you find the website and newsletter useful and informative? Are there other features that you'd like to see in either forum?

Laundry Room: Are you satisfied with the current laundry facilities in the building?

Other: Any other concerns, questions, complaints, suggestions, comments? (please use back page if necessary)

Name & Apt. #: (optional) _____