CRAIN'S
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NEWSMAKERS OF THE YEAR

The 10 power brokers who set the agenda for 2018—and are shaping the city's future PAGE 13

THE BACKSTORY ON PASSING THE KUSHNER RULE

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CITY WINERY preps for an intermission

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POLITICAL VET'S NEW TURN

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VOL. XXXIV, NO. 51 WWW.CRAINSNEWYORK.COM

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NEWSPAPER

ON THE COVER

PHOTO: GETTY IMAGES, GOVERNORANDREWCUOMO/FLICKR

FROM THE NEWSROOM | BRENDAN O'CONNOR | MANAGING EDITOR

Making news

EARLY IN 2017 comedian John Oliver warned that the nonstop news cycle soon would hit warp speed. "This is going to be exhausting," the host of HBO's *Last Week Tonight* predicted. Oliver had the incoming Trump administration in mind, but his prescience has been no less prophetic when it comes to the barrage of news that has buffeted New York business owners ever since.

But reacting to the news is a far cry from making it, and *Crain's* inaugural compendium of the year's top newsmakers aims to highlight the power brokers, dealmakers and rule breakers who have set the agenda for the city and beyond.

Away from the turmoil on Wall Street, the local economy is poised to get a big jolt after winning Jeff Bezos' long-running Amazon dating game, thanks in no small part to the efforts of Gov. Andrew Cuomo. Then again, Alexandria Ocasio-Cortez is galvanizing opposition to the Long Island City project, and that's big news. The upstart representative-elect—whom few had heard of six months ago—is arguably the state's most influential left-wing leader.

Over on the West Side of Manhattan, The Related Cos.' Stephen Ross is about to open Hudson Yards, which could shift the center of gravity for city commerce. Meanwhile, his running feud with labor leader Gary LaBarbera could set the course for local building projects for decades to come.

Adam Neumann pushed WeWork from Manhattan's hottest startup to its top office tenant. Transit boss Andy Byford is tackling the subway conundrum. Acting Attorney General Barbara Underwood has had an outsize impact during her brief tenure as the state's top cop. Mitchell Katz is reimagining Health and Hospitals. And TLC Commissioner Meera Joshi is setting the national standard for regulating e-hail vehicles.

So who is New York's top newsmaker? We want our readers to decide. Visit CrainsNewYork.com to cast your vote—and make some news.

IN THIS ISSUE

UP FRONT

FEATURES

CONFERENCE CALLOUT

JAN. 8

***CRAIN'S* BUSINESS BREAKFAST FORUM**

Meera Joshi, commissioner of the Taxi and Limousine Commission, will discuss the effects of the cap on Uber and Lyft, efforts to raise drivers' wages and the future of the taxi and livery industries.

NEW YORK ATHLETIC CLUB

8 to 9:30 a.m.
CrainsNewYork.com/events-Joshi2019

NEWS FROM CRAIN'S HQ

CRAIN COMMUNICATIONS has announced key appointments of veteran executives at its publications in Chicago, Cleveland, Detroit and New York. K.C. Crain, a member of the third generation of family ownership, has been named publisher of *Crain's Detroit Business* and will continue to serve as president of the parent company. Frank Sennett, director of custom and digital strategy for *Crain's Chicago Business*, has been named director of digital products and strategy at the four publications. Mary Kramer remains group publisher for all *Crain's* city titles.

"These changes will help us improve our communication across the brands," Crain said. "Our role in each city has never been more important, and we'll continue to serve these audiences with great content."

BUCK ENNIS

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AGENDA

DECEMBER 17, 2018

Forcing businesses to accept cash would hurt them and their customers

All U.S. paper currency bears the words "Legal tender for all debts, public and private." But a growing number of businesses don't accept greenbacks. They don't have to, we presume, because customers who are not served incur no debt in the first place. But many low-income New Yorkers have no credit or debit card, so the question has been raised whether not accepting cash for purchases is fair. A bill introduced by Councilman Ritchie Torres says it is not.

The measure would compel commercial establishments in the five boroughs to take cash. Mayor Bill de Blasio said this month that although he had not read the legislation, its goal "has merit." That makes it distinctly possible that the measure will be passed next year.

That would be a mistake. The number of cashless operations in the city is growing, and for good reason. Cash might seem convenient for customers, but it is anything but for merchants. Paper currency and coins necessitate cash registers, safes, sorting, counting, security and endless trips to the bank, among other costs. Bills also carry pathogens that cause ailments including acne and salmonella poisoning. It's no wonder some businesses would rather their customers all used plastic or an app such as Apple Pay or Venmo.

> **Cashless establishments in the city are growing, and for good reason: Handling bills and coins is costly**

Going cashless is not just a policy for some companies, including taqueria Dos Toros and salad-maker Sweetgreen, but part of their business model. Uber, Lyft, Zipcar, most airlines and other transportation providers don't accept cash, and neither does the state of New York at many bridges, tunnels and toll roads. The trend is making life a little bit easier.

Torres' heart is in the right place; the Bronx councilman is looking out for poor people and immigrants, many of whom rely on cash and do not use banks. But advocates have been trying for years to change that; state law even requires banks to offer low-cost accounts. The New Yorkers using check-cashing stores and other high-fee options are the ones who can least afford them. Why perpetuate their pain? Cashless businesses might be the nudge they need. They will fare better in a cashless world.

With consumers increasingly shunning cash, the cost of other payment methods will be reduced further by automation and market competition, which at some point will end the Visa-MasterCard-Amex oligopoly. Government will benefit too, because electronic transactions are easier to tax.

Banning no-cash policies risks promoting inefficiency and raising prices. It would keep some folks bankless, hurting the very people it aims to protect. Paying with cash soon will seem archaic—as will the council's legislation. Indeed, of all the laws made irrelevant by technology, this would be in a special class: outdated from the day it was written. **— THE EDITORS**

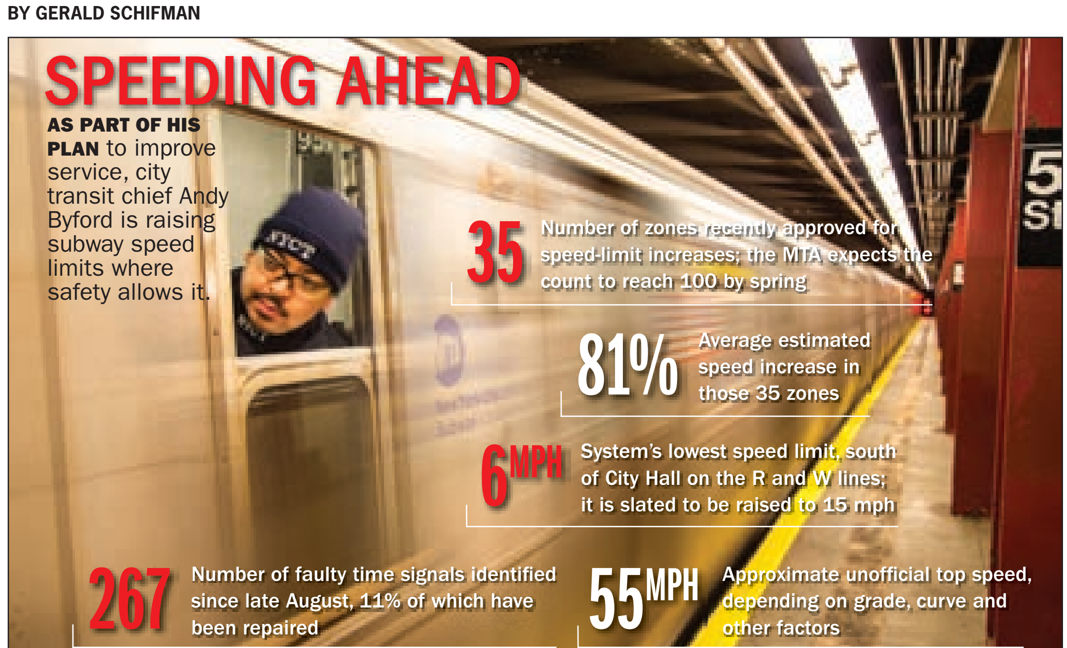
FINE PRINT Amazon's pledge to open a headquarters in Long Island City appears to have put the transitioning neighborhood on the proverbial map. The day after the e-commerce company's announcement last month, searches for housing in the neighborhood increased by 54% on apartments.com. The biggest spike came from Amazon's home base—the Seattle metro area—where LIC searches jumped by 244%.

25 WORDS OR LESS

> "Senate [Democrats] passed it when they were in the minority. Do it now that you're in the majority. Right?"
>
> — Gov. Andrew Cuomo on how Albany can resolve questions about a commission's authority to make limits on state legislators' outside income a condition of their salary increases

STATS AND THE CITY

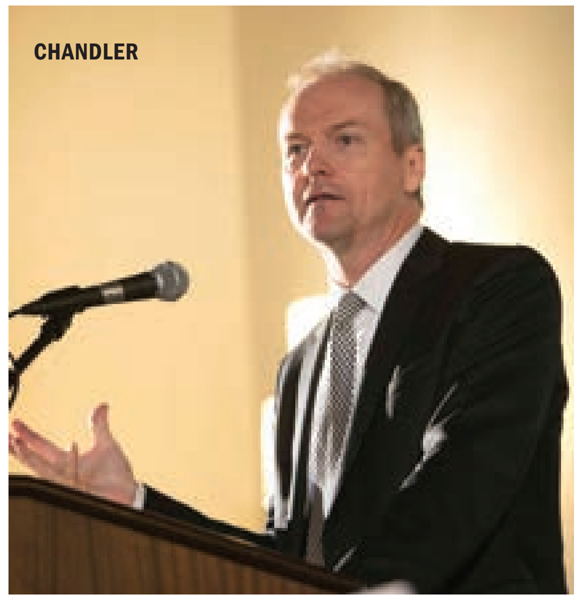
BY GERALD SCHIFMAN



SOURCE: Metropolitan Transportation Authority

GETTY IMAGES, BUCK ENNIS

What took so long to close the Kushner loophole?



CHANDLER

THE CITY LAST WEEK UNVEILED a rule designed to prevent landlords from falsely claiming a building has no rent-regulated tenants. Such misrepresentations, which allow owners to evade extra scrutiny of their construction methods when they renovate, were brought into the public consciousness by a March report showing the Kushner Cos.—formerly run by White House adviser **Jared Kushner**—falsely claimed 34 of its buildings were free of protected residents.

In response, Buildings Department Commissioner **Rick Chandler** announced that his agency will now cross-check a landlord's claim against a state database of rent-regulated apartments. Advocates welcomed the move, which was puzzling, as there was no need to coordinate with Albany.

"The city already had this data," said **Aaron Carr**, executive director of the nonprofit Housing Rights Initiative, "but its agencies weren't sharing it with each other."

The watchdog group did the research behind the March Associated Press report on Kushner Cos., along with a follow-up study showing the city approved about 10,000 bogus construction applications during a two-and-a-half-year period. The organization did it by comparing publicly available building records with publicly available tax information from the city's Department of Finance.

City government is often slow to adapt and innovate—which is why watchdog groups and journalists play a crucial role in effecting meaningful change. Officials had been sitting on data that long ago could have closed the Kushner loophole, but with a vast industry to regulate, the Buildings Department opted instead to let owners police themselves. Because intrusive construction has been used to oust tenants from rent-regulated apartments and convert them to market-rate units, the City Council had already planned to codify the department's new initiative into law and trigger additional audits for owners suspected of acting in bad faith. It's about time. **– JOE ANUTA**

Traffic forecast

According to AAA and Inrix, congestion is expected to be nearly four times worse than normal in the city during the holiday season as drivers head out of town to see family. At the same time, New York is the only cold-weather city to rank among the report's 10 most popular holiday destinations.

Terminal problem

More than a dozen executives at Bloomberg LP were arrested last week by the Manhattan district attorney's office and state police. The executives are accused of inflating the interior construction costs charged to the financial news and data giant after accepting bribes and kickbacks.

Zooming along

Used-car e-commerce company Vroom announced that it has raised $146 million in a late-stage venture funding round. The Manhattan-based company, which picks up cars from sellers and refurbishes them for prospective buyers, has raised $440 million during its five years in existence.

Under Oath

The state attorney general's office settled a suit against Oath after the Verizon subsidiary illegally auctioned off billions of targeted advertisements on children's websites. At nearly $5 million, the penalty is a U.S. record for the enforcement of web privacy rules for children younger than 13.

DATA POINT

NEW YORK STATE SUED TARGET AND WALMART FOR SELLING TOY JEWELRY KITS WITH LEAD LEVELS UP TO 10 TIMES THE FEDERAL LIMIT. THE ATTORNEY GENERAL IS SEEKING UP TO $6,000 PER KIT.

Padding their staffs

Both the Mets and Yankees brought back familiar faces during Major League Baseball's winter meetings last week in Las Vegas. The Amazins signed right-hander Jeurys Familia to a three-year deal to serve as a set-up man to new closer Edwin Diaz. The Bombers re-signed starter J.A. Happ for two guaranteed years following his strong stint in pinstripes last season.

Lap of luxury

One of the biggest Lower Manhattan penthouse sales in history closed last week for $55 million. The apartment, at 70 Vestry St. in TriBeCa, has five bedrooms and six and a half bathrooms. Amenities include a 2,000-square-foot roof deck and a private gallery.

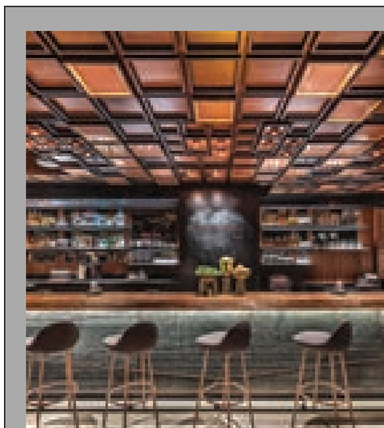
Sentimental journey

Kathie Lee Gifford announced that she will leave NBC's *Today* show in April. The Daytime Emmy Award winner had partnered with Hoda Kotb to host the fourth hour of *Today* for more than 10 years. The 65-year-old Gifford plans to focus on book, film and music projects.

Refreshing market addition

Coca-Cola has hired Cushman & Wakefield to sell its tower at Fifth Avenue and 55th Street, known as the Coca-Cola Building. The Atlanta-headquartered soda company acquired the 18-story Midtown property as part of its 1983 purchase of Columbia Pictures.

– GERALD SCHIFMAN



Bean town

Starbucks opened its first East Coast Reserve Roastery in Chelsea on Friday. A step above the typical outpost from the Seattle coffee chain, the 23,000-square-foot Roastery offers coffee-laced cocktails, a wide pastry selection and an expanded retail section.

BUCK ENNIS, STARBUCKS

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THE ALLIANCE OF AREA BUSINESS PUBLICATIONS

Landlords could get tax break if forced to lock in discounted rents

Pol claims mandate is needed to avert crisis but lacks evidence BY WILL BREDDERMAN

BUCK ENNIS

The city faces a new epidemic of homelessness if owners who charge tenants less than the legal maximum for rent-subsidized apartments are not compelled to lock in those discounts, the Bronx borough president said last week.

And to facilitate the passage of such a law, Ruben Diaz Jr. said those landlords should get a tax break.

Although Diaz's prediction of a crisis was nothing short of fantastical, the prospect that so-called "preferential rent" will be made the new baseline for hundreds of thousands of apartments regulated by the Rent Guidelines Board is real, with Democrats set to take control of the state Senate next month and rent-regulation laws up for renewal in the spring.

A citywide survey Diaz released last week found that 260,378 units have a preferential rent, meaning less than the maximum allowed by the rent board. The borough president warned that mass displacement could result should their owners raise the rent to the highest level permitted when those leases expire. As evidence, he cited a Social Security recipient whose rent shot up from a preferential $503 to $1,650.

"Tenants are going into these apartments, they think they're rent-stabilized, and then at the next lease signing, the rent goes up by hundreds and hundreds of dollars," Diaz told reporters. "That's why so many people are being displaced."

But city data show only about 5% of preferential rents are raised to the legal maximum when the lease is renewed. And not all of those tenants are displaced. Nonetheless, the borough president's team estimated that providing homeless shelter services and constructing affordable housing should a majority of tenants with preferential rent lose their apartments could cost the city $17 billion.

Compensation or punishment?

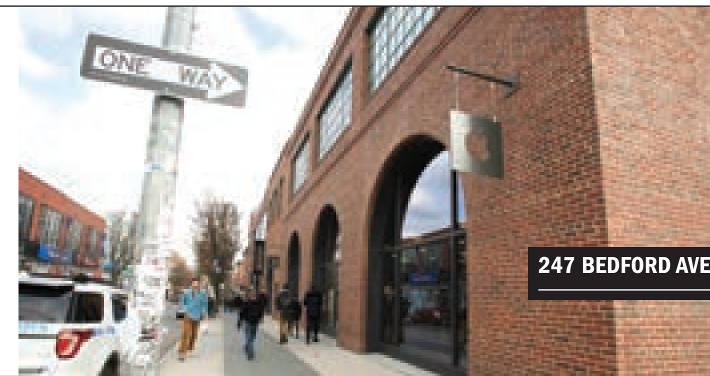
Diaz said a bill pending in Albany to lock in discounted rents should be passed with a tax break to compensate landlords. The subsidy would cost the city about $93.5 million in forsaken revenue annually.

"It's a drop in the bucket," he said.

Diaz asserted that without such compensation, a legal challenge could block the bill backed by Brooklyn Assemblyman Steven Cymbrowitz and Manhattan Sen. Liz Krueger to restore pre-2003 rules that locked in a preferential rent as the baseline cost for renting the apartment.

The Rent Stabilization Association, which represents owners of rent-regulated buildings, has argued that such a measure would punish landlords who "do the right thing" by charging tenants less than the maximum. The trade group has acknowledged, however, that preferential rents usually stem not from the property owner's goodwill but from an apartment's regulated rent being higher than what anyone is willing to pay.

Preferential rents are charged in roughly a quarter of the city's rent-regulated units. ■



247 BEDFORD AVE.

Williamsburg retail shrugs off L-train shutdown—for now

Ground-floor rents appear stable, although building sales are scarce

BY TOM ACITELLI

The impending 15-month repairs-related closure of the L train's East River crossing in April, announced by the MTA in January 2016, is already being felt in Williamsburg's residential market. StreetEasy reported that year-over-year demand for apartments rose in every neighborhood in the five boroughs except Williamsburg, where it dropped 1% in October.

However, commercial real estate in the hub of hipsterdom—home of the busy Bedford Avenue L stop, the first one in Brooklyn and the last one out—is showing some surprising resilience. In terms of asking rents, at least, retail rents are holding their own for now.

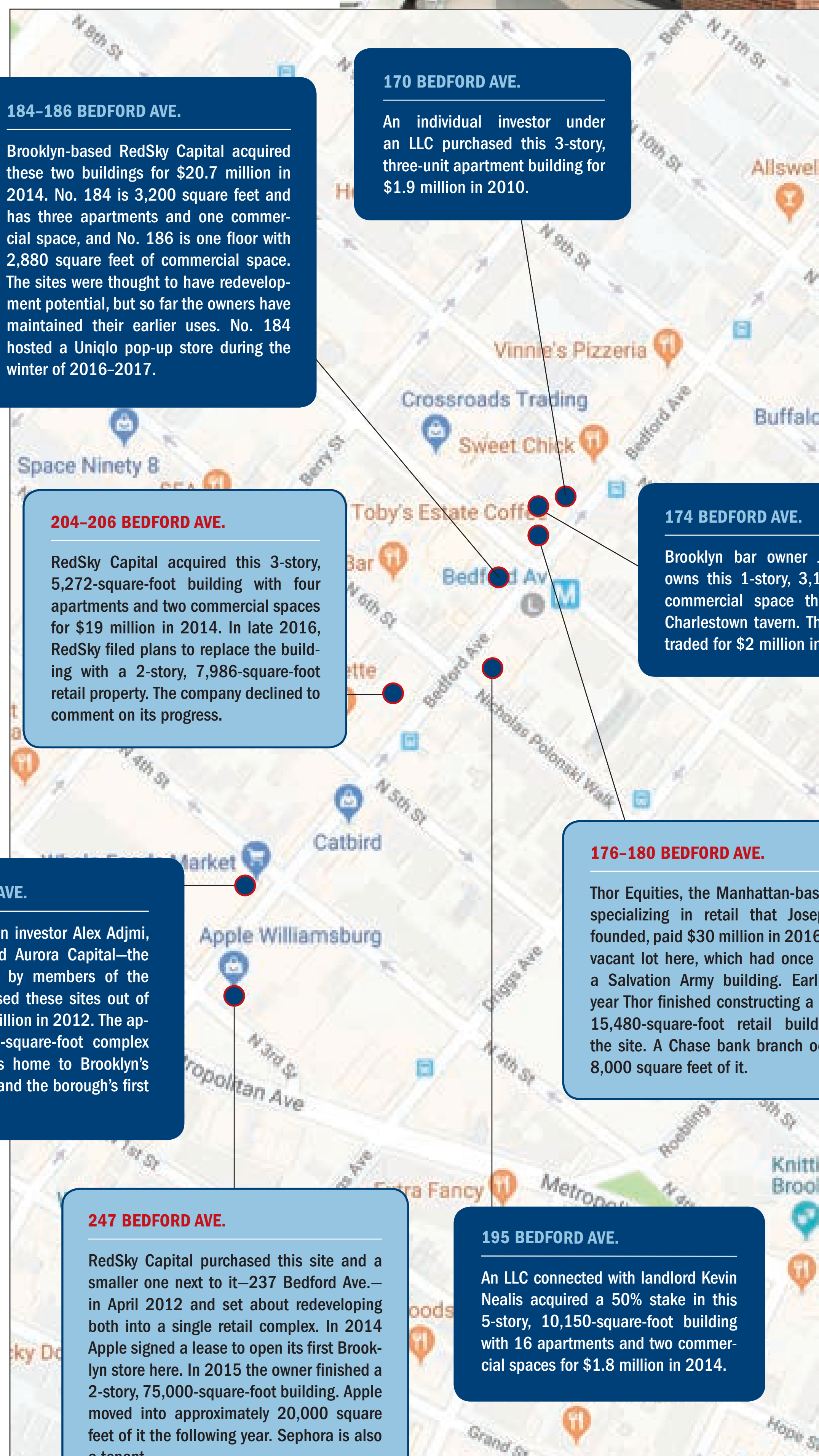
The years-long increase in the neighborhood's popularity, which saw much of the retail along Bedford shift from mom-and-pop operations to deep-pocketed brands such as Apple, Sephora and Whole Foods, appears to be sustaining it now as the L-pocalypse looms.

A recent Real Estate Board of New York report did find that the average asking rent for ground-floor retail space along Bedford Avenue from North Eighth to Grand streets, just north of the L stop, declined 11% between the summer of 2017 and the summer of 2018, but it was still a hefty $351 per square foot annually—the highest among the 16 Brooklyn corridors surveyed.

What's more, farther up the avenue, from North Eighth to North 12th streets, the average rent actually increased 3%, to $151 per foot; and on nearby stretches of North Fourth and North Sixth streets, rents also were up—some 34%—to $197 per foot.

Some of that stability has to do with the long-term nature of retail leases. Chase, for instance, in January signed a 10-year contract for space at 176–180 Bedford for $600 per square foot—likely a record for Brooklyn. Apple's lease at 247 Bedford is reportedly for multiple years as well.

Renters appear to be keeping the market active, but investors are not. For the past two years, few buildings or development sites have traded hands north of the Bedford L stop. ■



184–186 BEDFORD AVE.
Brooklyn-based RedSky Capital acquired these two buildings for $20.7 million in 2014. No. 184 is 3,200 square feet and has three apartments and one commercial space, and No. 186 is one floor with 2,880 square feet of commercial space. The sites were thought to have redevelopment potential, but so far the owners have maintained their earlier uses. No. 184 hosted a Uniqlo pop-up store during the winter of 2016–2017.

170 BEDFORD AVE.
An individual investor under an LLC purchased this 3-story, three-unit apartment building for $1.9 million in 2010.

204–206 BEDFORD AVE.
RedSky Capital acquired this 3-story, 5,272-square-foot building with four apartments and two commercial spaces for $19 million in 2014. In late 2016, RedSky filed plans to replace the building with a 2-story, 7,986-square-foot retail property. The company declined to comment on its progress.

174 BEDFORD AVE.
Brooklyn bar owner John McGillion owns this 1-story, 3,162-square-foot commercial space that houses the Charlestown tavern. The property last traded for $2 million in 2006.

238–242 BEDFORD AVE.
A partnership between investor Alex Adjmi, Midtown Equities and Aurora Capital—the latter two controlled by members of the Cayre family—purchased these sites out of bankruptcy for $21 million in 2012. The approximately 150,000-square-foot complex now in their place is home to Brooklyn's second Whole Foods and the borough's first WeWork location.

176–180 BEDFORD AVE.
Thor Equities, the Manhattan-based firm specializing in retail that Joseph Sitt founded, paid $30 million in 2016 for the vacant lot here, which had once housed a Salvation Army building. Earlier this year Thor finished constructing a 2-story, 15,480-square-foot retail building on the site. A Chase bank branch occupies 8,000 square feet of it.

247 BEDFORD AVE.
RedSky Capital purchased this site and a smaller one next to it—237 Bedford Ave.—in April 2012 and set about redeveloping both into a single retail complex. In 2014 Apple signed a lease to open its first Brooklyn store here. In 2015 the owner finished a 2-story, 75,000-square-foot building. Apple moved into approximately 20,000 square feet of it the following year. Sephora is also a tenant.

195 BEDFORD AVE.
An LLC connected with landlord Kevin Nealis acquired a 50% stake in this 5-story, 10,150-square-foot building with 16 apartments and two commercial spaces for $1.8 million in 2014.

GOOGLE MAPS, BUCK ENNIS

City to sell $1B of air rights above public housing

Proceeds to be earmarked to fix elevators and heating, eradicate mold and address other pressing issues

BY JOE ANUTA

The city plans to sell—for the first time ever—unused New York City Housing Authority air rights to developers, Mayor Bill de Blasio announced last week. It is part of the latest effort to bring the city's crumbling public-housing stock into a state of good repair.

The air-rights sale is part of the administration's NYCHA 2.0 plan, which also calls for developing predominately market-rate housing on underused Housing Authority land and prioritizing some of the most pressing capital needs, including mold eradication and repairing dilapidated heating systems.

City Hall appeared to marshal considerable political backing for the plan, which would take a decade to fully realize. City Council Speaker Corey Johnson and several of his colleagues expressed support along with nonprofit groups involved with affordable-housing efforts.

Selling air rights to developers of nearby projects likely will be easier than allowing new market-rate housing on the authority's land—which many critics still oppose. Councilman Ben Kallos, for example, argued in his statement of support that the new project should be 100% affordable—a scenario that would provide little if any funding for capital improvements.

The politics of developing on authority property helped doom a Bloomberg-era idea to build mostly market-rate housing on open space, playgrounds and parking lots.

$24B

ESTIMATED funding for capital repairs under the mayor's NYCHA 2.0 plan

Although the de Blasio administration pledged to prioritize affordable housing in its first improvement plan, City Hall has come to terms with the hard math facing public housing and its dire need for cash.

Developments are expected to be mostly market-rate but would be subject to the city's Mandatory Inclusionary Housing policy, which requires at least a quarter of the units to be enrolled in the city's affordable housing programs.

Proceeds from the air rights and development—likely structured as long-term ground leases—would fund repairs at neighboring complexes. "The money stays in the community, where people need the help and support," de Blasio said.

Selling air rights and allowing development are expected to add about $3 billion to the agency's coffers. When coupled with $8 billion in expected federal funding and a plan announced last month to enlist private developers to manage tens of thousands of apartments, the mayor said the Housing Authority would be able to make nearly $24 billion worth of repairs—roughly three-quarters of its current total need. ■

ALLOWING PRIVATE DEVELOPMENT on public-housing property has long been a tough sell politically.

BUCK ENNIS

For recycling's great redeemer, fight with Nestlé leaves bitter taste

Westchester businessman sues Swiss conglomerate


CUTLER


AARON ELSTEIN

All over the city, scavengers are collecting empty bottles and cans to redeem the 5-cent deposits. A lot of the containers end up in Westchester County at a Mount Vernon warehouse run by 28-year-old Conrad Cutler.

Every week Cutler's enterprise collects up to 3 million empty soda, beer and water containers, which are sorted and returned to distributors. They pay the deposit plus a state-mandated 3.5-cent handling fee for each one.

The pennies and nickels add up: Annual revenue for Cutler's Galvanize Group has grown to $14 million.

There's lots of room for it to grow too. Deposits are redeemed on only 65% of the 8 billion returnable bottles and cans consumed in New York each year, according to state data. (In California, it's 75%.) Since getting into the redemption business six years ago, Cutler has built a network of private haulers, property managers and janitorial companies that give his crews first dibs on recyclables before they're hauled to the curb, where they are prone to plunder by the anonymous army of New Yorkers who engage in that enterprise. I say "plunder" because it's illegal to rummage through recyclables once they're curbside, at which point they become valuable to the Department of Sanitation.

According to Cutler, his operation is not a rival of those other collectors.

"We look for the bottle that wasn't intended to be redeemed," he said. "We're diverting bottles and cans that otherwise would end up in the streets or streams."

But recently his quest for redemption was interrupted by a dispute with Nestlé Waters North America, the outfit that brings you Poland Spring and San Pellegrino and is part of the Swiss conglomerate that makes candy bars. According to a lawsuit Cutler filed in state court, Nestlé violated the state's bottle-deposit law by failing to pay for bottles and cans in a timely manner and regularly refusing to pick up returnables. For Galvanize Group, a business based on getting bottles and cans in and out the door quickly, a backlog is a serious hang-up.

"We had 2 million of their bottles bagged, waiting for pickup, reaching to the ceiling," Cutler said.

Nestlé denies the allegations in Cutler's suit. "We look forward to vigorously defending ourselves" in court, a spokesperson said, "as well as possibly filing counterclaims in this matter."

It could be that Cutler is so successful locating unredeemed bottles and cans that Nestlé would rather not bear the cost of sending trucks to pick them up. Under New York's bottle law, companies such as Nestlé get to keep 20% of all unredeemed deposits; the other 80% goes to the state, which reaps about $100 million per year from the arrangement. When people don't get their nickels back, beverage companies and the state benefit financially.

Cutler says it's time the state changed its bottle-redemption law, created in 1982, to make sure it incentivizes recycling. The deposit on each container should be doubled to a dime, he said, in order to discourage consumers from throwing away returnables. More recycling would benefit redemption centers, like his, whose profits are squeezed by the rising minimum wage, which starting next month will have doubled since the state last updated its bottle law a decade ago.

"We can all work together to make the recycling system more efficient," Cutler said.

By the way, Nestlé eventually picked up Cutler's 2 million bottles. They filled 18 trailers. ■

Cryptocurrencies have hit bottom, leading VC says

After advising investors to sell at the January peak, Fred Wilson suggests it's time to take a fresh look at the sector

FRED WILSON is probably New York's most successful venture capital investor. His firm, Union Square Ventures, was an early backer of Etsy, Kickstarter and Twitter, to name a few.

So it was interesting when Wilson declared last week that cryptocurrencies are starting to appear interesting again after their big bust.

"I think it is time to at least start looking for fundamental value in crypto land," he wrote Tuesday on his blog.

Wilson's free advice might be worth heeding, because at the height of crytpomania in January, he recommended that investors sell at least some of their holdings.

Contrarian approach

Since then bitcoin, Ethereum and other currencies have lost about 80% of their value, shaking the faith of holders everywhere.

But big fortunes are often made on bold, contrarian bets. And Wilson observed that cryptocurrencies are about as out of favor as Amazon, Apple and Google stocks were when the market crashed 10 years ago. The big difference, as Wilson observed, is that those tech companies were established businesses with billions in cash flow.

Still, Ethereum—with a market value of less than $10 billion—"is starting to look pretty compelling" Wilson wrote, although he added it could still go to zero and "there are many reasons not to go all in."

The sector's fundamentals remain poor, and Google searches for the term "bitcoin" have nose-dived alongside growth in new accounts. But if you're thinking of a taking a shot at crypto-investing, one of Wall Street's smartest analysts, Nicholas Colas of Datatrek Research, has some useful advice: Invest only as much as you would spend on the most expensive meal you'd be willing to pay for.

"Small amounts of capital plus time (and a little market euphoria) have historically equaled a reasonably good return. History may repeat itself," Colas wrote in a recent report. "And if it doesn't, you are only out one nice lunch." **– A.E.**

AOL receives massive write-down—again

Verizon acknowledges brand's lack of 'goodwill'

TO BORROW A LINE from legendary sage Porky Pig, "That's AOL, folks!"

The surprisingly durable media company was subjected to the second big asset write-down in its history last week, when owner Verizon Communications said it would take a $4.5 billion after-tax charge to reflect the diminishing fortunes of AOL and Yahoo, the other pioneering website it owns.

Although that charge surely stung, it's dwarfed by the $46 billion write-down AOL's former owner, Time Warner, took in early 2003. That charge contributed to the $98 billion net loss suffered by the parent company in 2002 and secured the status of the merger between the old-line media conglomerate and the dial-up internet provider as the worst in the history of business. (For a good read about the saga, check out Kara Swisher's book *There Must Be a Pony in Here Somewhere*.)

AOL survived that fiasco and was spun off from Time Warner in 2009. Tim Armstrong, a former Google executive, rebuilt the brand by repositioning AOL as an original content creator and advertising hub. In 2015 Verizon bought the company for $4.4 billion, then grabbed Yahoo for $4.5 billion. The telecom giant combined the two brands into a single division called Oath and put Armstrong at the helm. But the old-guard internet pioneers failed to click, and in September Armstrong was pushed aside. "Our enthusiasm for Oath's potential has never been greater," Verizon Chairman Lowell McAdam insisted at the time.

But in recent weeks Verizon CEO Hans Vestberg, who took the reins Aug. 1, has started to make his mark. Shortly before announcing the AOL loss, Verizon revealed that some 10,000 employees had accepted buyouts.

Strictly speaking, last week's loss was a noncash charge stemming from Oath's "goodwill"—a balance sheet entry that reflects the difference between an acquired company's actual value and the value assigned to it by its buyer—being all but wiped out.

But AOL and Yahoo are not alone. Verizon executives saw how second-generation digital media companies such as BuzzFeed, Vice and Vox also haven't produced the revenue their investors expected. In a regulatory filing, the company cited "lower-than-expected benefits from the integration of Yahoo Inc. and AOL Inc." **– A.E.**

BUCK ENNIS, ISTOCK

INTERVIEW BY STUART MILLER

MICHAEL DORF CITY WINERY

City Winery has been drawing capacity crowds to see performers such as Los Lobos and Graham Nash since it opened near the Holland Tunnel in 2008. Founder and CEO Michael Dorf has brought the concept—live music, food and drinks in a working-wine-cellar setting—to six cities and is looking to expand. The company sold 500,000 tickets this year. But in July "two 900-pound gorillas"—Trinity Real Estate and the Walt Disney Co.—agreed Disney would buy the building and tear it down for its New York headquarters.

Were you blindsided by your eviction?
Our lease had a 12-month demolition notice clause. We had a good relationship with Trinity [Church]—we even made sacramental wine for them. But—this is key—they approached us in 2017 and said, "Look at the rooftop; we can bundle it with the second floor to give you a really good deal." We signed a five-year lease extension.

So you felt secure?
We knew they're branding the area as Hudson Square, and the neighborhood is getting hotter. I didn't want to put much money into renovation unless I knew how much time we had. We could recoup our investment in three years. We shared those models with Trinity. We put $2 million into the second floor and started doing $1 million in structural work on the roof this spring. Then they said, "There's beginning to be some interest in the building."

They didn't make it sound imminent?
We said, "We shouldn't put another million into the roof," but they said, "You're going to be fine." Then in June we heard Disney made a $650 million offer. Trinity said, We're "sure we can work something out, but you have to talk to your new landlord." This month we received word that Disney is going to stick to the 12 months' notice, so after Aug. 1, there'll be no more shows. I wish we could open our new location then, but that's not realistic.

"This month we received word that Disney is going to stick to the 12 months' demolition notice, so after Aug. 1 there'll be no more shows"

How much of a financial hit will this be?
If both Goliaths do the right thing, we will be fairly compensated. We're strong and resilient enough that we'll thrive either way.

Do you know where you're moving?
Finding the right space in Manhattan—column-free, a certain ceiling height, accessibility—was not easy. And we wanted to remain downtown. But we are in deep lease negotiations with two phenomenal options. The capacity is going to be the same; we'll remain a sit-down, intimate concert space.

Where is downtown? What's your dividing line?
Downtown is more a state of mind than a ZIP code. And downtown on the West Side is different. I like the Lower West Side.

Did you consider Brooklyn or Queens?
That's a state of mind I just can't get into.

Are you excited about having a new home in New York?
We have 10 big design flaws here now. Food comes out of the kitchen, travels upstairs, then through our white-wine chiller room before it gets served. I'm certain Danny Meyer doesn't have a single restaurant where the hot food passes through a refrigerator on the way to the consumer. When we opened in Chicago in 2012, I addressed all those flaws. That's the prototype. I've always said if we had that Chicago building here, we could double our revenue. Now we are going to build the greatest City Winery. ■

BUCK ENNIS

DOSSIER

WHO HE IS CEO and founder, City Winery

EMPLOYEES 1,000

2018 REVENUE $70 million

YEAR-OVER-YEAR GROWTH 20%

BORN Milwaukee

RESIDES TriBeCa

EDUCATION Bachelor's in business and psychology, Washington University in St. Louis

EARLY SUCCESS Dorf was a lousy guitar player who wanted to be in a band. He started managing his friends' band, Swamp Thing. They moved to New York, and he got them gigs at CBGB and the Peppermint Lounge. At age 23, Dorf opened the Knitting Factory in the East Village and grew it into KnitMedia: a record label, music festival production and a live-concert streaming service. He lost control of that business to his investors in 2003.

A DIFFERENT NIGHT Each Passover, Dorf throws a celebrity seder, inviting artists to interpret the ritual. Boldfaced names such as composer Philip Glass and Dr. Ruth have presided. The spring before Lou Reed died in 2013, the rocker read the lyrics to Bob Marley's *Exodus*.

Five factors that will determine if the city has a happy New Year

What happens when Senate Democrats check in and the mayor checks out?

GREG DAVID

WILL DONALD TRUMP deliver a blow to the New York City economic boom? What will the Democrat-controlled and increasingly progressive Albany actually do? How interested will Mayor Bill de Blasio be in his job, and who will fill the vacuum at City Hall? What would a market meltdown mean for Wall Street? Can the city's tech sector continue its explosive growth?

I predict those will be the five biggest stories in 2019. Here's why.

Trump and the economy. It might seem like a reach to suggest President Donald Trump can derail New York's economic boom, now heading into its ninth year. Construction activity set a record this year and will keep up the pace for the next three years, the New York Building Congress forecasts. New tech companies keep appearing, venture capital is pouring into them by the billions, and employment is soaring. Even the retail sector is adding jobs again.

But at a *Crain's*-sponsored event for chief financial officers this month, every single CFO said tariffs and trade wars are top of mind with everyone they talk to. The uncertainty alone is stifling business as well as rattling the stock market. If trade tensions get worse, the city's economy could suffer.

850

DEALS CLOSED by startups in the first nine months of 2018

Albany. There can be no doubt the Democratic state Legislature is about to enact a long list of measures that has been bottled up by the Republican state Senate and sometimes the governor. Some of the changes will have widespread support: making voting easier, toughening ethics rules and increasing protections for women. Others, such as campaign finance reform, will pose problems for business interests. The city's rent-regulation system is going to become more onerous; look for an end to vacancy decontrol.

The question is, what else might happen? Higher spending, higher taxes on the wealthy and statewide limits on how employers can schedule workers are all possible.

De Blasio. The most telling story I read this month was a *New York Times* piece headlined "New York's Vanishing Mayor." It was about how little time de Blasio has been spending at City Hall and the growing concerns that he isn't much interested in governing the city. Since the article was published Dec. 5, other signs of the mayor's lack of focus—such as a deputy mayor firing the emergency management commissioner while the mayor was out of town—have been hard to miss.

It wouldn't be unusual for a mayor's agenda to stall in his final term, but for it to happen with three years left is early. The key issue to watch is who will fill the void and whether the person who does becomes the leading contender for mayor.

Wall Street. I have no idea if the market meltdown will continue. If it does, Wall Street will be squeezed, and profits, bonuses and employment will plunge.

Executives say tariffs and trade wars are top of mind. The uncertainty alone is stifling business and rattling the market

The good news here is that Wall Street has been a minor factor in the great Bloomberg–de Blasio boom. But that doesn't mean New York won't feel a severe chill if Wall Street contracts.

The tech sector. In the first nine months of the year, startups closed 850 deals worth $9.1 billion, according to the city's Economic Development Corp. All signs point to a similarly robust final three months of the year. The city is approaching 3,000 tech firms—defined as companies whose primary business involves technology—and employment in the sector is headed to 150,000. Can the pace be sustained? The answer to that question likely will dictate how good 2019 will be. ■

GREG DAVID writes a regular column for CrainsNewYork.com.

If public housing's walls could talk, they'd say, 'Fix the damn pipes'

Mold and cold will plague tenants until this hidden danger is addressed **BY ROBERT BARTELS JR.**

For thousands of people living in New York City Housing Authority buildings, the winter has arrived with frigid cold temperatures in their homes, inconsistent water service and toxic mold.

Why? The pipes that carry heat and water through their walls are well past their useful lives, having been installed in some cases around World War II. Like clogged and deteriorating arteries in a person reaching the age of 60 or 70, the pipes that form the circulatory systems of these buildings have degraded over the decades.

Many of these problems are caused by failing pipes, which leak and breed mold—unrecognized because they are hidden behind plaster and drywall—that threatens the health of residents, especially those with asthma and other chronic respiratory ailments.

Recently a federal judge ruled that the Housing Authority must develop a plan to remediate mold and heating problems, and last week Mayor Bill de Blasio released a $24 billion repair plan. In both cases, a comprehensive approach is needed.

The court's order should help spur action not only to solve the immediate problem but to create a serious plan to address the long-term damage to these heating and water systems so that people can live safely in these buildings for decades to come.

A recent report by Steamfitters Local 638 on the dangers hidden behind the walls of Housing Authority buildings details just how serious a problem this has become.

A shocking 59% of residents have a problem with mold, and 52% have or had leaking roofs, windows or pipes that have caused water to leak into their apartment, according to a survey published this year by the state Senate, working with public housing residents and advocates.

We need to stop applying a Band-Aid to problems that require surgery. An overhaul of authority building systems will create safer conditions for residents, and repairs will pay for themselves in energy savings.

The city can look to similar approaches that have been successful elsewhere, such as at the privately owned Penn South complex in Chelsea, a development similar in age and construction to many Housing Authority buildings. The piping at Penn South was replaced, resulting in significant service upgrades and cost savings from increased energy efficiency.

GETTY IMAGES

PROBLEM AREAS: Behind peeling paint and moldy walls in Housing Authority buildings are aging, failing pipes.

The new infrastructure in that 10-building high-rise complex will be good for 70 to 100 years and was completed without seriously disrupting or displacing tenants.

The Housing Authority owns more than 2,400 buildings in 326 developments, accounting for 8.1% of the city's rental apartments. These buildings are incredibly valuable assets, providing housing for families in need.

To maintain and reap the benefits, it is crucial that the city invest in the sustained health of these buildings so that they stay viable and safe for tenants. ■

Robert Bartels Jr. is the business agent at large of the 8,500-member Steamfitters Union Local 638 in New York. Its members design, install and maintain fire sprinklers; gas, water and steam piping; and heating, ventilation and cooling systems in high-occupancy commercial, retail and residential buildings.

How the Tax Cuts and Jobs Act is changing tax strategies

The changes brought by the Tax Cuts and Jobs Act and the U.S. Supreme Court's decision in *South Dakota v. Wayfair Inc.* are prompting businesses to reassess their tax strategies.

New corporate and personal tax rates are making certain legal structures look more appealing, and after *Wayfair*, more businesses than ever will be required to collect sales tax and possibly pay additional state and local taxes.

To find out where businesses should look to change their tax planning and where they should leave well enough alone, Crain's Custom turned to accounting and advisory firm Marks Paneth LLP. We spoke with Mordecai Lerer, CPA, partner.

Mordecai Lerer, CPA
Partner
Marks Paneth

Q *Crain's:* Given the changes brought about by the Tax Cuts and Jobs Act, what year-end tax planning strategies remain viable and effective for businesses?

A *Lerer:* Two provisions of the TCJA make the year-end purchasing of property and equipment even more beneficial than before. First, the immediate write-off has been increased to $1 million from $500,000, and the maximum threshold for total property placed in service has been increased to $2.5 million. Second, under bonus depreciation, 100 percent of your qualified property acquired can be expensed immediately, up from 50 percent.

Also, qualified property only needs to be new in the hands of the taxpayer, meaning businesses can expense their purchases of used property. A business that acquired real property this year can realize a major tax break by allocating a portion of the purchase price to tangible personal property. For example, suppose a taxpayer purchased a hotel for $100 million. If a cost-segregation study identified tangible personal property of $30 million, the taxpayer could deduct the full $30 million in the year acquired.

Under the new tax act, taxpayers with annual gross receipts below a certain threshold can elect to recognize their taxable income under the cash method, opt out of Section 263a and use the completed contract method of accounting. In many cases these changes should result in lower taxable income.

Q *Crain's:* Now that C corporations enjoy a tax rate that's been reduced from 35 percent to 21 percent, should non-C corporations consider changing the form of their business entity?

A *Lerer:* When taxpayers compare the new corporate rate to the new personal tax rate of 37 percent, switching to a C corporation seems pretty compelling. In many instances, this may be a mistake. First, unlike pass-throughs, C corporations have a second layer of tax at the individual level when dividends are paid to its shareholders. If the dividend is taxed at the highest rate of 23.8 percent, that may raise the effective federal rate above 37 percent.

Also, a 199a deduction can bring the highest personal rate down to 29.6 percent. Furthermore, the corporate rate is not graduated; the very first dollar is taxed at 21 percent. The rate on pass-through income is taxed at the graduated personal rates.

Q *Crain's:* For businesses that operate as pass-through entities, what are some year-end planning strategies to consider that will help maximize the Section 199a deduction?

A *Lerer:* Basically, 199a provides for a tax deduction of up to 20 percent of qualified business income from a domestic pass-through business. The mechanics are somewhat complex. The main items that will limit the deduction are the type of business that will generate the QBI, the wages paid and the business's unadjusted basis in qualified property. For taxpayers that are below certain thresholds these limitations will not apply.

As a result, it is important to maximize QBI by limiting the wages or guaranteed payments paid to the owners. In an S corp, the shareholder must be paid at least a reasonable salary; in a partnership, guaranteed payments can be eliminated and replaced with special allocations.

A sole proprietorship or partnership limited by a percentage of wages paid may find it useful to incorporate and elect to be taxed as an S corp. Then it can pay wages to its shareholders. Of course, wages paid effectively reduce QBI, so modeling is required. It has been suggested that the sweet spot for W-2 wages paid is 28.57 percent of overall business income.

Another strategy would be to use qualified pension plan deductions to reduce the thresholds below the limitation levels or to consider married filing separately.

Q *Crain's:* What do business owners need to understand about the effect of this year's Supreme Court decision in *South Dakota v. Wayfair Inc.* on their tax planning?

A *Lerer:* The court's decision in *Wayfair* overturned many years of precedent, which had held that a business must have a physical presence in a state to be required to charge, collect and remit its sales tax. Going forward, all that is required is that the business have "substantial nexus" with the state. The court did not define substantial nexus, but it did find that South Dakota's economic nexus thresholds of $100,000 or more in gross sales into the state or 200 or more separate transactions with customers in the state during the previous or current year "clearly" constituted "substantial" nexus. Following *Wayfair*, many states have enacted their own economic nexus laws.

It's important to note that this development doesn't just affect retailers, nor does it only apply to sales taxes. For instance, wholesalers and distributors who sell into other states may have a responsibility to at least register to collect sales taxes in those states where they exceed the economic nexus threshold. Companies conducting interstate businesses also must worry about income, franchise, and other state and local business-activity taxes. While federal law might still protect companies that sell tangible personal property from state income taxes, they may nevertheless have to file state income tax returns to affirmatively claim immunity. Many states and their political subdivisions impose minimum or non-income-based taxes, which are not afforded federal protection. ■

Why do I support Amazon's arrival? Two reasons: The past and the future

Critics should consider the fate of cities that reject change **BY SETH BORNSTEIN**

I'm finding out that discussing the Amazon HQ2 project in Long Island City is as treacherous as traveling down the Amazon River on a raft: It's full of wild rapids and deep trenches and home to biting reptiles. And that's just around people I love.

I was not part of the negotiations, but by virtue of my job, I've been fielding many inquiries since the announcement. And let's get this out in the open: I'm in favor of the Seattle-based company's expansion in Queens. But before any rotten fruit is thrown through my office windows and negative emails flood my inbox, allow me to explain.

BORNSTEIN

History shapes my opinions, and I'm a true New York City history geek. I recently finished the second volume of Mike Wallace's *Greater Gotham*, which covers 1898 to 1919 and sheds incredible light on the changes that took place in this city in less than a generation (and at more than 1,000 pages, the book changed my triceps too). It points to the fact that we must always reinvent ourselves. If not, we become an artifact, like Venice. Once a world-class city, it's now primarily known for overpriced cappuccinos and sinking into the sea.

If we don't reinvent ourselves, we'll become like Venice—a former world-class city now known for overpriced cappuccinos and sinking into the sea

We don't want to go that route.

Let's take a trip down memory lane. In 1979, when I started my career, my first task was to attract a quality drugstore to southern Queens. There were none, as most neighborhoods were redlined. Queensboro Plaza was notable for greasy doughnut shops and illicit sex. Commuting outbound on the E or F line to Kew Gardens in the morning, I was often the only one in the subway car—though a drunk once tried to knife me but succeeded only in slitting my *New York Times* down the middle. (I was ticked, as I was just about to complete the Friday crossword.) And of course, it's easy to forget when the streets were a mélange of car-window shards and crack vials. Nostalgia just isn't what it used to be.

People and businesses did not want to be here. Efforts were made to retain the borough's great companies; Eagle Electric and Swingline come to mind. (Oh, how I miss that gigantic neon stapler bearing down over Sunnyside Yard!) This city once had hundreds of thousands of manufacturing jobs; now it has just 75,000. Incentives were offered to stanch the loss of jobs, but it was like shoveling sand against the tide. Manufacturing found greener pastures, and the great smokestacks that defined our borough disappeared. (To remember what some of them left behind, catch a whiff of Flushing River or Newtown Creek at low tide.) We were triumphant when Citi opened its tower in Long Island City nearly three decades ago; we thought it was a harbinger of financial institutions that would jump across the East River. But the economic downturns in 1987 and 2008 put a big damper on the financial sector as our savior.

The world's most diverse county needs a diverse economy. Queens still has manufacturing, albeit on a smaller scale and hopefully more environmentally friendly. Citi did beget other financial organizations, such as the U.N. Credit Union. Tourism, which employs more than 50,000 people in the borough, has played a key role as people flock for an authentic New York City experience. (Try to beat our variety of dumplings: momos, gnocchi, kreplach, empanadas and other carb-encased treats.) Movie studios also have made our economic base fatter, bringing with them a touch of glamour. (Was that Bill Murray dribbling souvlaki sauce down his chin on Ditmars Boulevard?)

Throughout our history, the city adapts. We always have. From an oyster-trading post to the country's biggest port to a manufacturing center of everything including buggy whips and pianos (which we still do—thank you, Steinway!) to the financiers who traded under a buttonwood tree and went on to open offices in counting houses to cultural arts and mass media, we need to be cutting-edge. Technology has become that edge, and it cuts across every sector (though possibly not buggy whips).

For the past 30 years, we've heard about the technology centers in Boston, Palo Alto and, oddly enough, Omaha. Then the Flatiron District made a name for itself, as did parts of Brooklyn, as pockets of tech. The placement of Cornell Tech on Roosevelt Island, which a motorist can reach only from Queens, has boosted the presence of tech as a significant and growing sector in our economy.

A QUEENS train station in 1974

Why did Amazon choose Queens? For a company in any sector that wants to be at the intersection of technology, diversity and a well-skilled labor pool, the choice is apparent. My loved ones ask, "Do they really need billions of dollars that could go to rebuilding our infrastructure, schools and hospitals? A helipad, for God's sake? I need a helipad on 46th Street because the 7 train stinks." My response is that most of the economic-development incentives are as-of-right and/or in the form of tax offsets, not cold cash. They're tax credits on new jobs, not retained jobs. It can be considered seed money—yes, on a colossal scale. (Maybe this is a good time to think about how we hand out incentives, as we are in a different environment now.) But look at it this way: If 25,000 new jobs pay an average of $150,000 each per year, that's an annual payroll of nearly $3.8 billion. The incentives are "paid back" by spreading a lot of money through the city and putting a lot of bread on a lot of tables. And these are new jobs that will add to our tax base.

60%
PORTION OF workers in NYC with manufacturing jobs in 1940

$3.8B
ANNUAL PAYROLL at Amazon's Long Island City campus, projected

In addition, Amazon has agreed to help with schools and job fairs and create other community benefits. This is where we need to take a strong and tough stance. Job fairs and résumé-writing workshops are sweet, but the company must do much more. Skilled training must be memorialized into the agreement, especially for communities such as the Queensbridge, Ravenswood and Astoria Houses, which have been sidelined as development booms around them. This is how Amazon can make a difference, and by doing so, be a model for future economic development. As much effort must go into this as any other part of its agenda.

It's also time to take a hard line on infrastructure improvements financed in part by companies that want—and need—better transit, schools and health care to attract a qualified workforce. The 7 line does stink, and improvements need to be accelerated.

Access to Grand Central Terminal for the Long Island Rail Road will be a great benefit, but we need to somehow coordinate our mass transit with seamless transfers so residents and workers in Queens benefit just as much as suburban commuters. Quality education to develop entry-level to high-tech skills must be available.

The Long Island City site must be designed carefully. Twenty-five thousand employees are a lot, and they're going to need goods and services. Savvy local entrepreneurs will benefit. We need to ensure that they are trained to provide the goods and services even Amazon employees can't buy on Amazon.

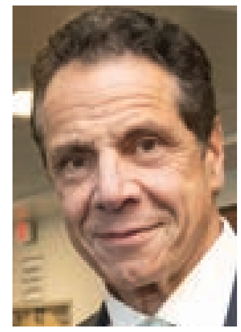
We are New York. We welcome, and we absorb. And we need to make Amazon accommodate us. ■

Seth Bornstein is the executive director of the Queens Economic Development Corp.

ALLYSON HOWARD, JOHN KUCZALA, GETTY IMAGES

NEWSMAKERS OF THE YEAR

In the never-ending swirl of the modern-day news cycle, these 10 power players stayed the course—and set the agenda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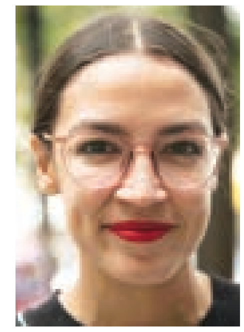
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MITCHELL KATZ


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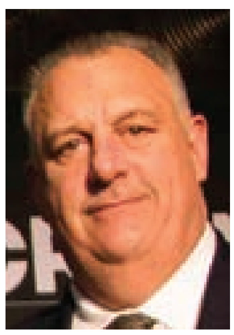
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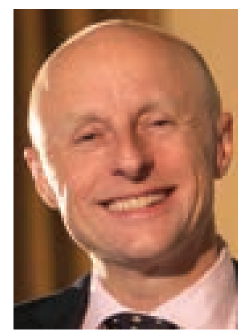
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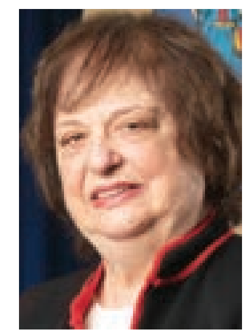

BARBARA UNDERWOOD

ANDREW CUOMO

Guv powered his way to a third term

BY WILL BREDDERMAN

IN NOVEMBER Andrew Cuomo became only the second New York Democrat to secure an additional term after eight years as governor. The first was his idol, the late Gov. Mario Cuomo. But whereas the father is remembered for eloquent speeches and ruminations about a presidential run, the son is obsessed with leaving a physical imprint on his home state. The governor has crushed every whisper about White House ambitions and is not considered a contender for 2020.

But that has not stopped him from capitalizing on animus toward President Donald Trump, notably in his re-election campaign. But just weeks after winning, Cuomo sat down with his fellow Queens native at the White House to negotiate for a desperately needed rail tunnel under the Hudson River. He came back with a handshake deal that would cut out his chief rival for control of Penn Station: Amtrak.

It was indicative of Cuomo's real interests: completing high-profile projects and maximizing his power. Despite regular allusions to his venerated father, he often cites Republicans as policy role models: Gov. Nelson Rockefeller and Robert Moses, the men who reshaped New York's economy and infrastructure in the 20th century. In June Cuomo vowed that investment in roads, bridges and transit hubs would hit $150 billion during his third term: with the overhaul of John F. Kennedy and LaGuardia airports and smaller ones on Long Island and upstate; the replacement of the Tappan Zee, Kosciuszko, Goethals and smaller bridges; and the repaving and widening of roads from Montauk to Buffalo. And, of course, last month he helped lure Amazon to Long Island City with $1.7 billion in state subsidies and tax breaks.

The governor has been no less aggressive and undaunted in politics. Even after juries convicted a cabal of his closest aides and donors on corruption charges in the spring and summer, Cuomo in the fall easily defeated activist and actress Cynthia Nixon in the primary and Dutchess County Executive Marc Molinaro in the general election. He helped hustle rival Eric Schneiderman out the door when the attorney general was accused of abusing women. The governor then navigated an ally, Public Advocate Letitia James, into that seat. After the primaries decimated his nearest friends in the Legislature—the state Senate's Independent Democratic Conference—the governor sank time and money into electing a bloc of centrist suburban and outer-borough Democrats to help keep the newly solid blue capital under his sway.

Yet for all the power Cuomo has amassed, for all his skill in dispatching critics and enemies, he remains cautious politically. He never risks his political capital or commits to a fight when victory is in doubt.

His risk-averse approach could doom perhaps the most important entity he controls: the Metropolitan Transportation Authority. Cuomo entered the year with a bold and ballyhooed proposal to raise cash for the ailing subways by charging vehicles to enter the Manhattan business district. But at the first hint of opposition from the Legislature, he all but abandoned it, settling for a surcharge on cabs and promising to finish congestion pricing down the road. He repeatedly claimed, falsely, that he does not control the train network while trying to wring money for MTA repairs out of Mayor Bill de Blasio—an unequal opponent in every way. Cuomo's Achilles' heel remains the sagging performance and frightening finances of the transit system.

In 2019 he will aim to alleviate pressure from the galvanized left wing of his own party and persuade the new state Senate leadership to relax its opposition to the Amazon deal. The governor, known for thinking several steps ahead, will then begin making the case for New Yorkers to grant him what they denied his father: a fourth term. ■

BUCK ENNIS, GETTY IMAGES, GOVENORANDREWCUOMO/FLICKR

ALEXANDRIA OCASIO-CORTEZ

Upstart ready to shake up business as usual in Washington BY AARON ELSTEIN

MANY LOCAL POLITICAL LEADERS expressed reservations about the incentives New York granted to lure Amazon to Queens. But when Rep.-elect Alexandria Ocasio-Cortez tweeted that she had "serious concerns" about the deal, that got everyone's attention. Amazon soon hired lobbyists to overcome the opposition.

Time will tell how that fight plays out, but it's already clear that Ocasio-Cortez drives the agendas of both friends and foes and has a striking ability to enter the battlefield on her terms.

Clout can be a hard term to define in politics, but here's one measure: Ocasio-Cortez has 1.5 million Twitter followers. That's twice as many as the governor and 200,000 more than the mayor, who have held office for a combined 29 years—as long as Ocasio-Cortez has been alive.

Unheard of a year ago, she is now unique among Democrats in her capacity to galvanize supporters and get detractors' blood boiling.

After Donald Trump Jr. mocked her on Instagram, she shot back: "I have noticed that Junior here has a habit of posting nonsense about me whenever the Mueller investigation heats up. Please, keep it coming, Jr—it's definitely a 'very, very large brain' idea to troll a member of a body that will have subpoena power in a month. Have fun!" Trump Jr.'s girlfriend, Kimberly Guilfoyle, tweeted back, "Did you

DR. MITCHELL KATZ

Envisioning a future beyond hospitals BY JONATHAN LAMANTIA

NYC HEALTH AND HOSPITALS, facing a $1.8 billion deficit in the fiscal year beginning July 1, had been trimming its workforce through attrition to cut costs until Dr. Mitchell Katz relocated from the West Coast in January to become its president and CEO.

Right off the bat, he declared that the 11-hospital system would have to hire more doctors and nurses to see more patients and drive down appointment wait times. Katz looked to other areas for savings. He laid off 130 administrators, cut down on outside consultants and announced the Health System would exit its leases and relocate offices to unused space in its hospitals.

"What I care about is providing great care," said Katz, a native New Yorker, "and I'm prepared to do whatever is necessary to make sure that's the thing that flourishes."

He puts that principle in practice by treating primary-care patients himself at the Gouverneur clinic on the Lower East Side, despite his myriad administrative duties. "The future of health care is not hospitals," he said. "The future of health care is community health centers."

To that end, Health and Hospitals said in October that it would spend $82 million to build clinics in Bushwick, Jackson Heights and the Tremont section of the Bronx. The three clinics are expected to open in 2021. The system this fall opened its first facility in a homeless shelter: on Wards Island.

JoAnn Cutrera-Smith, one of Katz's patients at Gouverneur, is the type of person the system is trying to retain. She left when she had private insurance but returned after enrolling in the city's MetroPlus plan. She was drawn to Katz when she heard him on a podcast describe the need to care for patients as if they were family members.

Part of Katz's job is improving the level of service so patients stick with the system, especially after they switch to higher-paying insurance.

While it looks to attract more insured patients, the health system remains committed to treating the uninsured and undocumented, for whom Katz has served as a vocal advocate. He alerted the public after Health and Hospitals treated a dozen children who had been separated from their parents as part of the Trump administration's immigration policy, and he has stood up for immigrants' right to access public health benefits.

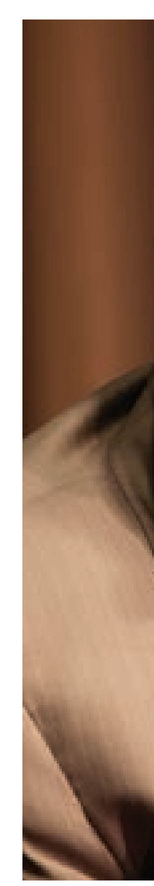
The $8 billion system, which relies heavily on government programs that reward it for treating poor and uninsured patients, remains at risk to fluctuations in government funding.

"It's my job to advocate for money, because the need is so great," Katz said. "I'll always be prepared to do the best job with what I have." ■

STEPHEN ROSS & GARY LABARBERA

The developer and the labor leader will decide the future of local construction

BY DANIEL GEIGER



MORE THAN A THOUSAND construction workers shut down Park Avenue in August, many carrying cardboard cutouts of developer Stephen Ross, accusing the billionaire builder of inflammatory if dubious offenses: racism, sexism and union-busting.

Days before, similarly unflattering posters of labor leader Gary LaBarbera were plastered on food carts across Midtown. They invited New Yorkers to "Ask Gary why" the city's infrastructure is outdated and deteriorating. It was a claim that LaBarbera and the unions in his umbrella group inflate construction costs, leaving less money for needed work.

The competing jabs were part of the nastiest and perhaps most important battle in the city's construction industry in decades. The fight erupted in March, when Ross's real estate firm, The Related Cos., sued LaBarbera and his organization, the Building and Construction Trades Council, to break their hold on the $20 billion Hudson Yards development Related is constructing on the West Side.

Related built the first half with exclusively union labor, but it aims to include nonunion workers for the rest. With billions of dollars of wages and organized labor's grip on New York megaprojects at stake, LaBarbera and other union leaders said they will boycott the project if Related proceeds on that course. Because Related needs union workers for certain skilled tasks, LaBarbera has leverage—but only if his members stay united. So far they have, except for the carpenters union, which agreed to work with Related.

The company says projects could be completed far more economically without unions' cumbersome work rules and uncompetitive wages; LaBarbera views Related's push as a race to the bottom.

As the dispute heads toward an unknown outcome, efforts for public support have escalated. LaBarbera in September marched 1,000 workers down Sixth Avenue, with some carrying papier-mâché effigies of Ross and other Related executives. This month the Center for Union Facts, an anti-union group that labor leaders suspect is funded by Related, released a video that depicts LaBarbera as the Grinch. The largest private development project in the United States and the future of large-scale construction in the city hang in the balance. ■

BUCK ENNIS, GETTY IMAGES

just threaten to subpoena someone for criticizing you?"

Ocasio-Cortez is no ordinary liberal. She's a democratic socialist, and her election made her the first socialist of any label elected to Congress in New York since the 1920s. Back then, the city's socialists were leading the charge for unemployment insurance, Social Security and other programs deemed impossible—until the New Deal.

A fan of single-payer and free college, Ocasio-Cortez knows her history. She's been pushing a big-government measure lately to combat global warming. She calls it the Green New Deal.

When it comes to business, Ocasio-Cortez has made it clear her heart lies with the small shopkeepers in her Queens and Bronx district who struggle to make ends meet.

"To be in control of our own destinies is everything that our community is about," she told the Queens Women's Chamber of Commerce in September, one of her few campaign appearances before a business group. "It's everything that being Latino is about." ■

"I'M PREPARED TO DO WHATEVER IS NECESSARY TO PROVIDE GREAT CARE"

2018 NEWSMAKERS

ADAM NEUMANN

Head of city's most successful startup turns it into top office tenant

BY JOE ANUTA

THE WORLD'S LARGEST coworking company and the most successful startup to launch in the five boroughs notched another claim to fame this year: displacing JPMorgan Chase as the city's top office tenant.

Adam Neumann and co-founder Miguel McKelvey started WeWork in SoHo in 2010 with a fairly simple premise: sign traditional long-term leases in prime locales, then build out the space and offer short-term leases plus amenities to small firms or individuals who aren't well served by the broader commercial market. Since then the company has expanded its scope to larger tenants, retail stores, gyms and even educational facilities and raised more than $6 billion, primarily through Japan-based conglomerate SoftBank. In September a lease WeWork signed at 21 Penn Plaza put it over the top as the city's largest tenant, a superlative it also earned in London and Washington, D.C.

"From that single floor in a single building in SoHo, we have gone on to occupy over 5.3 million square feet of space in Manhattan, placing us ahead of the four banking giants," WeWork's chief development officer, Granit Gjonbalaj, wrote. Last month architect Bjarke Ingels unveiled plans to transform the Lord & Taylor building on Fifth Avenue—which WeWork purchased for $850 million in 2017—into the firm's global headquarters.

But not everyone is convinced of WeWork's bona fides. Several major landlords have not done any deals with the firm, and Tishman Speyer recently launched its own coworking company, while competitors such as Knotel and Regus have been gunning for WeWork's client base.

The fate of the firm remains to be seen. It is still in startup mode and, despite being valued at $45 billion, has yet to turn a profit, even as it continues to eye massive growth. ■

JEFF BEZOS

E-commerce boss sees the future in Long Island City **BY MATTHEW FLAMM**

NEW YORK'S BEING CHOSEN as one of two homes for Amazon's second headquarters was supposed to be a good thing. But no one should be surprised that residents are objecting to the Seattle e-commerce giant's plans to settle in Long Island City. The company that Jeff Bezos founded 24 years ago and runs with an efficiency that makes Walmart look warm and fuzzy rubs a lot of people the wrong way.

Some of Amazon's warehouse workers have reported brutal conditions. The company uses its unparalleled sales data to roll out its own product lines that undercut rival brands selling on its site. And there is a growing chorus of critics who argue that the e-tailer is a new kind of monopoly that needs to be broken up.

Amazon, however, disputes reports of harsh conditions at its warehouses and says it offers competitive pay and full benefits. "One of the reasons we've been able to attract so many people to join us is that our No. 1 priority is to ensure a positive and safe working environment," a spokesman said. He added that the company's share of the U.S. retail market is only 4%, making Amazon far from a monopoly, and its private-label business is standard retail practice.

Clearly Amazon is doing something right. Retail experts say it has grown so fast because Bezos has relentlessly focused on customers and innovation.

"It's amazing, the conversations I have with retailers and other consumer companies that feel they are one step away from catching up with Amazon," said Morningstar analyst R.J. Hottovy. "When you speak with the team at Amazon, they could be thinking a decade ahead, if not multiple decades, in terms of their game plan."

That plan includes the two new campuses for the next 20 years of growth: one in New York for its media and advertising businesses, the other in northern Virginia, where Amazon Web Services—

ANDY BYFORD

Transit head on fast track to stardom

BY WILL BREDDERMAN

A MAY ESTIMATE FOUND that 264,000 people had moved to the city within the past year. Among them was Andy Byford, who had been running Toronto's transit system after time at the London Underground. As the new president of New York City Transit, he would oversee the largest train and bus network on the continent—at a moment of crisis, no less.

His agency's parent, the Metropolitan Transportation Authority, was in a state of emergency declared by Gov. Andrew Cuomo and had launched a subway action plan to catch up on deferred maintenance. But the subway's problems run far deeper: antiquated sig-

MEERA JOSHI

Taxi regulator's initiatives are setting a national standard **BY MATTHEW FLAMM**

WHEN MEERA JOSHI took the helm of the city Taxi and Limousine Commission, Uber was just a toddler and taxi medallions were selling for a million bucks apiece. Few people could have imagined the upheaval caused when app-based rides skyrocketed and medallion prices plunged.

Another thing no one thought until recently was that Uber and Lyft would submit to the kind of regulation they have resisted everywhere else. But thanks largely to Joshi, they have.

New York will soon be the first place where Uber and Lyft take part in a wheelchair-accessible dispatch program. And next month it will become the only city in which e-hail drivers are guaranteed a $15 hourly wage after expenses—$17.22, in fact, with the extra accounting for their lack of paid time off.

A more activist City Council leadership and a string of driver suicides that underscored the desperation in the industry have contributed to the changes. But Joshi laid the groundwork by fighting early on to get information on trips—which the e-hail companies had never disclosed.

"That data has enabled us to do a lot of policy making that needed to be done and hasn't been done in other jurisdictions," Joshi said. "Hopefully we can serve as a model."

Her evidence-based approach has even impressed Uber. "It's no secret we often disagree," said Josh Gold, the ride-hail giant's senior manager for policy. "But Chair Joshi's commitment to the facts and policy over politics is extremely admirable."

Joshi is less admired among medallion owners, some of whom say she failed taxis by continuing Bloomberg administration policies that ceded ground to the e-hail giants and undermined yellow cabs' exclusive right to pick up street hails. Ultimately, they argue, that wiped out the value of medallions.

But Joshi said her emphasis has been on "making sure taxis can operate nimbly enough to compete," including loosening rules on shifts and upfront pricing. Other observers said it was beyond her powers to keep Uber out of the market.

GETTY IMAGES, BUCK ENNIS

its cloud computing division—will be hunting for government contracts.

And the company is still growing its e-commerce business. Greg Melich, an analyst with Moffett-Nathanson, believes Amazon will overtake Walmart, which has a 10% retail market share, by 2021. Complaints about the company being too big, he says, come with the territory.

"People said the same thing about Walmart in the '90s," Melich said. "When you have a disruptive model that says, 'I'm going to do something better, faster and cheaper,' that's going to crack some eggs." ■

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nals, cars and other equipment make it costly to run and curb its capacity to absorb more riders.

In May Byford released Fast Forward, a 10-year, $40 billion plan to remedy those issues, improve bus service and render the system more accessible to the disabled. To get things back on track, he must navigate something just as complex: New York politics.

The native of England has called congestion pricing—which London implemented in 2003—essential, if insufficient, to fund Fast Forward. But the notion of charging cars to enter the Manhattan business district still faces resistance from outer-borough and suburban state legislators, whose approval is needed. Moreover, Mayor Bill de Blasio has resisted calls for new city investment in the state-run subways, while Cuomo hasn't given up on that—a source of tension.

Despite the obstacles, Byford has emerged as a potential savior. He's built momentum for his plan with a traveling roadshow, including presentations to the City Council and the New York Building Congress and an appearance on *60 Minutes*. "If it takes 400 town halls to get the billions we need for Fast Forward, I will do it," he told a packed hall of business leaders at a *Crain's* forum this month.

POLITICAL OBSTACLES ABOUND, BUT BYFORD HAS BUILT SUPPORT FOR HIS PLAN AND EMERGED AS A POTENTIAL SAVIOR

He also has split the plan into two parts to accommodate the state's five-year calendar for capital improvements. As the 2019 legislative session dawns, the question is whether he can convince New York's entrenched political factions to get on board. ■

"Could the city have blocked Uber?" asked transportation consultant Bruce Schaller, who worked at the Taxi and Limousine Commission in the 1980s and '90s. "No other city in America has."

Even some who wish Joshi had done more, sooner, for traditional cabs and liveries point out that she worked to regulate the disruptors from the start of her tenure.

"She kept the candle burning," said Bhairavi Desai, executive director of the New York Taxi Workers Alliance. "Without her, there would have been even more darkness." ■

BARBARA UNDERWOOD

AG's big impact in a brief tenure

BY AARON ELSTEIN

BARBARA UNDERWOOD HAS DONE nearly everything a lawyer could do. She clerked for Justice Thurgood Marshall, taught at Yale Law School, worked for the district attorney's offices in Manhattan and Queens and was a federal prosecutor in Brooklyn before becoming the first female U.S. solicitor general in the first six months of the George W. Bush administration. She has argued about two dozen cases before the U.S. Supreme Court.

Even so, hardly anyone outside the legal world knew who Underwood was until one morning in May, when Attorney General Eric Schneiderman abruptly resigned and she was appointed to replace him, the first woman to hold the job.

And when the spotlight found Underwood, she knew how to handle it. In her seven-month tenure, she made a big impact, most notably when her office sued the Donald J. Trump Foundation for self-dealing, violating campaign-finance rules and illegally coordinating with the presidential campaign. The president and his adult children, who are also defendants, moved to have the suit dismissed, but a state judge ruled last month it can proceed.

That's far from all. Underwood's office has taken more than 200 legal actions to fight Trump administration policies, including restoring funding for health care and public safety. After finding that up to 9.5 million comments were filed using the names and addresses of New Yorkers who were not aware they were urging the Federal Communications Commission to scale back "net neutrality," her office subpoenaed more than a dozen advocacy groups, lobbying firms and consultants.

Her office, the nation's most powerful state financial regulator, has opened an investigation into T-Mobile's proposed $26 billion merger with Sprint to determine how the deal could affect competition in the pay-as-you-go wireless market.

She also reached a settlement with New York hospitals that illegally billed rape victims for forensic examinations and secured an $8 million settlement for tenants who lived in buildings owned by Steve Croman, a landlord who regularly forced residents out of rent-regulated apartments.

Underwood's stint will be short—she chose not to run in the November election—but she will remain a force, having pledged to work for incoming AG Letitia James and return to her previous job as state solicitor general. ■

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PUBLIC & LEGAL NOTICES

NOTICE OF QUALIFICATION of Integro Insurance Brokerage Services, LLC. Application for Authority filed with the Secretary of State of New York (SSNY) on 10/19/2018. Office location: NEW YORK County. LLC formed in DE on 9/18/2018. SSNY has been designated as an agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: c/o Gary T. Harker, Esq. 6 Clement Ave, Saratoga Springs, NY 12866. The principal business address of the LLC is: 1 State Street Plaza, 9th Floor, New York, NY 10004. DE address of LLC is: 1201 N. Orange Street, Suite 710, Wilmington, DE 19801. Certificate of LLC filed with Jeffery W. Bullock, DE Secretary of State, located at: 401 Federal St #4, Dover, DE 19901. Purpose: Insurance sales and services.

Notice of Qualification of OLIVE TREE ASSET MANAGEMENT LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/19/18. Office location: NY County. LLC formed in Delaware (DE) on 08/04/17. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Formation of ESPR, LLC filed with the Secy. of State of NY (SSNY) on 10/09/18. Office loc.: NY County. SSNY designated as agent of LLC upon whom process against it may be served. The address SSNY shall mail process to Elliot Sloane, 2109 Broadway, Unit 10-18, New York, NY 10023. Purpose: Any lawful activity.

SPICE BROTHERS, LLC, Arts. of Org. filed with the SSNY on 11/28/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: Emmanuel Jaegle, 55 East 59th St, Ste 15A, NY, NY 10022. Purpose: Any Lawful Purpose.

PUBLIC & LEGAL NOTICES

Notice of Formation of OLD TOWN ROAD HOLDINGS LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 10/31/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

Notice of Qualification of OLIVE TREE MULTIFAMILY HOLDINGS LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/19/18. Office location: NY County. LLC formed in Delaware (DE) on 05/02/17. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of KK-RR FINCO, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/01/18. Office location: NY County. LLC formed in Delaware (DE) on 10/29/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corps., John G. Townend Bldg., 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

One Pediatrics (NY) PLLC Arts of Org. filed SSNY 9/17/18. Office: NY Co. SSNY design agent of PLLC for process & shall mail to 180 West 80 St Ste. 214 New York, NY 10024 General Purpose

DWITTE LLC, Arts. of Org. filed with the SSNY on 10/22/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: The LLC, 249 Eldridge St., Apt. 2, NY, NY 10002. Purpose: Any Lawful Purpose.

JOSEPH SERINO LIMITED LIABILITY COMPANY Art. OF Org. Filed Sec. of State of NY 10/29/2018. Off. Loc. : New York Co. United States Corporation Agents, Inc. designated as agent upon whom process against it may be served. SSNY to mail copy of process to The LLC, 7014 13th Avenue, Suite 202, Brooklyn, NY 11228. Purpose: Any lawful act or activity.

Notice of Formation of NAVONA GROUP LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/20/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o John V. Vincenti, Vincenti & Vincenti, P.C., 61 Broadway, Ste. 1310, NY, NY 10006. Purpose: Any lawful activity.

TRULANE LLC, Arts. of Org. filed with the SSNY on 09/04/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: The LLC, 545 8th Ave., Ste #1700, NY, NY 10018. Purpose: Any Lawful Purpose.

NOTICE OF FORMATION of JOSHUA Z. TAL, PHD, PSYCHOLOGIST, PLLC. Arts. of Org. filed with Secy of State of NY (SSNY) on 9/18/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against PLLC to 26-14 12th St, #2F, Astoria, NY 11102. Purpose: any lawful act.

Notice of Formation of CAMPBELL TERRACE PRESERVATION GP, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/30/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

Notice of Formation of ROCKAWAY SOUTH DEVELOPER, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/13/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

NOTICE OF FORMATION of GROWTH X DESTRUCTION III, LLC. Arts. Of org. filed with secy of State of NY (SSNY) on 8/27/18. Office location: NY county. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 546 Main St, Apt 530, NY, NY 10044. Purpose: any lawfull act.

Notice is hereby given that a license, number 1312696 for wine, beer and liquor has been applied for by the undersigned to sell wine, beer and liquor at retail in a restaurant under the Alcoholic Beverage Control Law at 355 West 16th Street, New York, NY 10011 in New York County for on premises consumption. Philippe MP LLC, d/b/a Philippe by Philippe Chow

Notice of Qualification of PRESIDENT STREET GLOBAL LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 10/18/18. Office location: NY County. LLC formed in Delaware (DE) on 10/12/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: c/o CSC, 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with Jeffrey W. Bullock, Div. of Corps., John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of NEW YORK CITY DOWN PAYMENT ASSISTANCE FUND LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/20/18. Office location: NY County. LLC formed in Delaware (DE) on 11/16/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: CSC, 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corps., John G. Townsend Bldg., 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Formation of CAMPBELL TERRACE DEVELOPER, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/30/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

83-87 AUDUBON AVENUE, LLC. Arts. of Org. filed with the SSNY on 01/03/11. Latest date to dissolve: 12/31/2081. Office: New York County. SSNY designated as agent of the LLC upon whom process against it may be served. SSNY shall mail copy of process to the LLC, 31-10 37th Avenue, Suite 500, Long Island City, NY 11101. Purpose: Any lawful purpose.

NOTICE OF FORMATION OF Five Iron Golf Philadelphia LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on August 8, 2018. Office Location: NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is 155 E. 49 St, Apt 6B, New York, NY 10017. The principal business address of the LLC is: 138 Fifth Ave, 4th Floor, New York, NY 10011. Purpose: any lawful act or activity

Notice of Formation of NORTHGATE PRESERVATION GP, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/13/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

NOTICE of FORMATION OF ANNEJMILLERMD LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on Oct. 30, 2018. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 151 W86th St, Apt 9D, NY, NY 10024. Purpose: any lawful act.

GOTBAUM for the first time is working on city government from the outside.

The godmother of good government

A veteran civil servant deploys her decades of experience—and killer Rolodex—**to steward fair elections**

After a nearly 40-year career serving four mayors, running the New York Police Foundation, establishing the City Parks Foundation, turning around the New York Historical Society and twice being elected public advocate, Betsy Gotbaum, at age 70, decided to take some time off. The ensuing decade was busy nonetheless.

"I got a new hip, a new dog, a new husband and a new job—in that order," she said.

Since February, Gotbaum has been executive director of Citizens Union, the good-government organization known for voter guides that provide rigorous, nonpartisan information about state and local candidates. She knows the electorate is cynical about corruption in politics. But after the midterms put Democrats' hands on all levers of power in Albany, she's more hopeful about cleaning up state government than she has been in a long time.

Before the election, Gotbaum arranged an hourlong call with Gov. Andrew Cuomo, during which he assured her that he would support such reforms as early voting, same-day registration, the release of a database of all state government contracts and the closing of a loophole that allows limited liability companies to donate as much to politicians as an individual, rather than the lower cap imposed on corporations. "He says he'll do all those things," Gotbaum said. "We'll see, won't we?"

Gotbaum returned to the political arena after getting a call from Citizens Union Chairman Randy Mastro, whom she's known since he was a Giuliani administration deputy mayor and she was parks commissioner. Mastro told her she urgently needed to take the helm and invigorate the nonprofit, which dates back to 1897. "I said, "Today?" recalled Gotbaum, who was getting married on the day of the call. "Are you nuts?"

> "I got a new hip, new dog, new husband and new job"

After taking some time to wind down her consulting business, she has given her unmatched Rolodex a workout in service of her newest cause. Her decades running nonprofits and private-public partnerships have given her a good idea of how to make them succeed: If you want a donor to attend your gala, she said, don't send an email. Call or, even better, write a personal note.

Gotbaum said invitations that come to her without a personal note attached go straight into the garbage.

She believes in thanking people the old-fashioned way.

"I had 250 thank-you notes to write after Citizens Union's gala," she said. "Good thing I took calligraphy lessons." — **AARON ELSTEIN**

BETSY GOTBAUM

BORN Manhattan

RESIDES Upper West Side

EDUCATION Bachelor's in history, George Washington University; master's in education, Teachers College at Columbia University

CITY SERVANT Gotbaum was Mayor John Lindsay's assistant for education, managed a school-security program for Mayor Abraham Beame and was appointed parks commissioner by Mayor David Dinkins before briefly serving under Mayor Rudolph Giuliani, who fired her.

INDEPENDENT STREAK She was elected public advocate in 2001 and was the only city officer not to run for a third term in 2009, when Mayor Michael Bloomberg did away with term limits. She and Bloomberg had a tense relationship. "No mayor wants someone he can't fire calling him out," she said.

BUCK ENNIS

BY CHERYL S. GRANT

Serving the underserved

Visiting Nurse Service of New York on Nov. 8 held its 125th anniversary gala at the Ziegfeld Ballroom. It raised a record $1.3 million to provide direct care and specialized support to thousands of vulnerable individuals and families. Comedian and actor Jim Gaffigan performed for the nearly 600 guests.

The nonprofit's board chair, **John Rafferty**, and president and CEO, **Marki Flannery**, with honorees **April Anthony**, CEO of Encompass Home Health and Hospice, and **Samuel "Tony" Milbank**, board chair of the Milbank Memorial Fund. Writer and producer **Susan Fales-Hill** served as master of ceremonies.

Anne Ehrenkranz, trustee at New School University, and her husband, **Joel Ehrenkranz**, partner and co-founder of Ehrenkranz Partners.

Providing awareness and care

The American Cancer Society's New York Hope Lodge Bash took place at Guastavino's on Nov. 6. Among the 250 guests were cancer survivor and speaker **Allison Ruddick** and master of ceremonies **Kitt Shapiro**, president of Eartha Kitt Productions and Simply Eartha. Shapiro lost her mother, Eartha Kitt, to colon cancer 10 years ago.

Board member **Dr. Arnold Baskies**, medical director at Virtua Health Systems; **Christina McInerney**, president and CEO of the Jerome L. Greene Foundation, which was the event's presenting sponsor; and **Kris Kim**, executive vice president of the society, helped raise more than $380,000 to provide free housing for cancer patients traveling for treatment.

The future is female

Citymeals on Wheels held its 32nd annual Power Lunch for Women at the Rainbow Room on Nov. 14. It brought in nearly $1.2 million, all of which will be used to prepare 160,000 meals and deliver them to the homebound elderly. Entrepreneur and model **Iman** with **Beth Shapiro**, executive director of Citymeals on Wheels.

Honoree **Kathie Lee Gifford**, co-host of *Today*; chef and restaurateur **Daniel Boulud**; **Barbara Bush**, co-founder and board chair of Global Health Corps; honoree **Derek Blasberg**, director of fashion and beauty at YouTube; and **Hoda Kotb**, co-anchor of *Today*, were among the 300 in attendance.

JOE VERICKER/PHOTOBUREAU, KONRAD BRATTKE, ERIC VITALE, GENERIC BRAND HUMAN

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NEW IN TOWN

Benelux
25 Bogart St.
A chef from the critically acclaimed Charleston, S.C., restaurant Husk opened a diner in Bushwick. The menu features Belgian fare such as *mitraillette,* a stuffed meat-and-fries sandwich.

Lobster GoGo
190 Front St.
Bringing lobster to the masses is the mission of this fast-casual spot in the Seaport District. Aiming to be inclusive, the menu includes vegan dishes.

Oxalis
791 Washington Ave., Brooklyn
After appearing as a pop-up that sold out several times, this neighborhood bistro has a permanent home, in Prospect Heights.

Pine Hill Group
275 Madison Ave.
A group of former Big Four consultants have opened an office in Midtown for accounting and transaction advisory services.

The Rooftop at Pier 17
89 South St.
This cocktail lounge and restaurant serves new American cuisine such as grilled romaine salad with trout roe and Manchego cheese in the Seaport District.

Zula Wine & Spirits
487 Fifth Ave., Brooklyn
Amy Poehler added wine store owner to her résumé. The Park Slope shop, co-owned by Poehler's musician friends Amy Miles and Mike Robertson, offers free tastings and local deliveries.

MOVES AND EXPANSIONS

Brooklyn Cat Café
76 Montague St.
The Brooklyn Heights cat café relocated to pick up more space to offer pet-education workshops and classes. There's also a separate kitchen for humans that serves coffee and snacks.

Dim Sum Palace
59 Second Ave.
The third location of this chain has more dim sum varieties on the menu than its earlier shops.

Ikinari Steak
205 Bleecker St.
The Japanese fast-casual steakhouse opened its 11th Manhattan location, in the West Village.

M&T Bank
354 Flatbush Ave., Brooklyn
Delaware's largest retail bank now has 18 branches in New York City, the latest being in Park Slope.

Shelsky's Brooklyn Bagels
453 Fourth St., Brooklyn
The retro Jewish deli counter, Shelsky's Brooklyn, in Cobble Hill has expanded to Park Slope with a bagel shop.

STOCK TRANSACTIONS

Yext (YEXT-N)
Board member Michael Walrath bought 64,987 shares of common stock at prices around $15.40 Dec. 6 in a transaction worth $999,987. He now holds 2,128,543 shares.

AmerisourceBergen Corp. (ABC-N)
CEO Steven Collis sold 21,350 shares of common stock for $88.92 per share Dec. 3 in a transaction worth $1,898,442. He now holds 142,828 shares.

Estée Lauder Cos. (EL-N)
CFO Tracey Travis sold 13,297 shares of common stock at prices around $152.50 per share Dec. 3 in a transaction worth $2,027,152. She now holds 19,467 shares.

REAL ESTATE

RETAIL

Investment company DivcoWest bought The Press, an office building with retail units at **311 W. 43rd St.**, for $130 million from William Macklowe Co. and Principal Financial. Major tenants include WeWork, Cantonese restaurant Hakkasan and the Manhattan Theatre Club. Cushman & Wakefield brokered for both parties.

Hamleys signed a deal for 30,000 square feet at **2 Herald Square**. The London-based toy seller plans to open its new store in the first quarter of 2020. The asking rent for the 15-year deal was $8 million per year. JLL represented the tenant. It was unclear if the landlord, SL Green Realty Corp., had a broker.

AmorePacific inked a 10-year deal for 24,714 square feet at **1407 Broadway**. The asking rent was $59 per square foot. The South Korean cosmetics company plans to move its offices from 1385 Broadway—less than a block away—by June. The Kaufman Organization brokered the deal for the tenant. CBRE handled the transaction for the landlord, Shorenstein Properties.

Ikea nabbed 17,530 square feet at **999 Third Ave.** The Swedish furniture giant announced it will open its first city-center store, Ikea Planning Studio, in the spring for delivery-only purchases. It was unclear if the landlord, Zucker Organization, had a broker. Colliers International represented the tenant. The asking rent was $350 per square foot.

WeWork took 7,460 square feet at **902 Broadway**. The coworking giant is expanding its retail presence, with plans to open a second WeMrkt stocked with merchandise made by its tenants. The opening date for this shop has not been revealed. It was unclear if the owner, the Rosen family, or the tenant had broker representation. The asking rent was not disclosed.

COMMERCIAL

Ralph Lauren is set to add 350,000 square feet at **601 W. 26th St.** The 10-year deal consolidates the clothing brand's offices from various locations in the city to almost 450,000 square feet. Savills Studley handled the lease for the tenant. The landlord, RXR Realty, was represented by an in-house team.

TD Securities inked a deal for 119,000 square feet at **1 Vanderbilt Ave.** The investment banking arm of TD Bank already occupied 193,159 square feet in the skyscraper. It was unclear if the landlord, SL Green Realty, had a broker. CBRE handled the lease for the tenant. The asking rent was between $135 and $160 per square foot.

Oppenheimer & Co. signed a 10-year deal for 13,055 square feet at **777 Third Ave.** The wealth-management firm plans to relocate its Midtown East branch from 825 Third Ave., two blocks away. The asking rent was $68 to $70 per square foot. Sage Realty Corp. represented the landlord, the William Kaufman Organization. JLL handled the deal for the tenant.

NY Kids Club agreed to take 22,294 square feet at **44-16 23rd St.** in Long Island City. The preschool enrichment program plans to open its new center next to a barre studio in the building. The asking rent for the 12-year lease was not disclosed. JRT Realty Group brokered for the landlords, the Hakimian Organization and Gorijian NY. RKF represented the tenant.

Knotel leased 17,258 square feet at **110 Greene St.** The shared-workspace provider took the second floor at the SoHo Building there. The asking rent was not disclosed. Skylight Leasing brokered for the tenant. Landlord SL Green Realty was represented in-house. **— YOONA HA**

DEALS ROUNDUP

TARGET/SELLERS	TRANSACTION SIZE [IN MILLIONS]	BUYERS/INVESTORS	TRANSACTION TYPE
Limetree Bay Terminals LLC	$1,250.00	Barclays UK Ventures; BlackRock Inc. (Manhattan); EIG Global Energy Partners	GCI
Ferrous Resources Ltd.	$550.00	Icahn Enterprises LP (Manhattan) Vale S.A.	SB M&A
V3 Group Ltd.	$366.56	KKR & Co. Inc. (Manhattan)	GCI
1221 City Center in California	$253.50	KKR & Co. Inc. (Manhattan); TMG Partners LLC	FB M&A
27 Agri-logistics Properties W.P. Carey Inc. (Manhattan)	$150.48	Charter Hall WALE Ltd.	SB M&A
1550 Tower and 1600 Tower in St. Louis Park/DRA Advisors LLC (Manhattan)	$115.50	Accesso Partners LLC	SB M&A
Form Factory Inc.	$102.27	Acreage Holdings Inc. (Manhattan)	SB M&A
Cross River Bank Inc.	$100.00	Andreessen Horowitz LLC; Battery Ventures; Creditease Corp.; KKR Credit Advisors (U.S.) LLC; Liontree Partners LLC (Manhattan); Ribbit Capital	GCI
Pindrop Security Inc.	$90.00	Allegion Ventures; Andreessen Horowitz LLC; CapitalG; Citi Ventures Inc.; Cross Creek Advisors; Dimension Data Holdings PLC; EDB Investments Pte. Ltd.; Goldman Sachs Group, Merchant Banking Division (Manhattan); GV; Institutional Venture Partners; Vitruvian Partners LLP	GCI
The Deal LLC/ TheStreet Inc. (Manhattan)	$87.30	Euromoney Institutional Investor PLC	SB M&A
Amplitude Analytics Inc.	$80.00	Battery Ventures; Benchmark; Institutional Venture Partners; Lead Edge Capital Management LLC (Manhattan); Sequoia Capital	GCI
The Hamptons at North Lauderdale/ KPC Properties LLC	$69.77	Phoenix Realty Group LLC (Manhattan)	SB M&A
Two North Loop apartment buildings/ Clarion Partners LLC (Manhattan)	$68.00	LaSalle Investment Management Inc.	SB M&A
Impel NeuroPharma Inc.	$67.50	5AM Venture Management LLC; Kohlberg Kravis Roberts & Co. LP (Manhattan); Norwest Venture Partners; venBio LLC; Vivo Capital LLC	GCI
DBM Global Inc.	$40.00	DBM Global Intermediate Holdco Inc. (Manhattan)	GCI
Princeton Marriott at Forrestal/ Lone Star Funds	$37.60	Kushner Cos. LLC (Manhattan)	SB M&A

Selected deals announced for the week ending Dec. 6 involving companies in metro New York. "SB M&A": Strategic buyer M&A represents a minority or majority acquisition of existing shares of a company without the participation of a financial buyer. "FB M&A": Financial buyer M&A represents a minority or majority acquisition of existing shares of a company with the participation of a financial buyer. "GCI": Growth capital investment represents new money invested in a company for a minority stake. SOURCE: CAPITALIQ

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Surface signs

In preparation for the L-train shutdown in April, the city has begun altering the appearance of streets at anticipated congestion points. The storm-related repairs to the East River crossing could drive 275,000 daily underground commuters to ground level at 14th Street, where the city plans to direct cars from the thoroughfare and run 80 buses per hour.

In the past few weeks the traffic lanes at 14th Street intersections between Third and Ninth avenues have been painted red, which will signal that motorists must exit. By April, white Bus Only wording will be stenciled in the black boxes to make the message clear. Similar restricted lanes are planned for Delancey Street between the Williamsburg Bridge and the Bowery.

Those are just some of the road alterations being made to mitigate the L-pocalypse. In addition to the bus lanes, protected bike lanes have been installed on 12th, 13th, Delancey and other streets for the onrush of commuters expected to cycle from Brooklyn over the Williamsburg Bridge. Also to come are pedestrian walkways on 14th Street to relieve jammed sidewalks, as well as designated curbside loading zones for businesses.

Some of the measures could become long-term if they prove successful. But once the Canarsie Tunnel repairs are completed, the city said, 14th Street's asphalt will be black again. – GERALD SCHIFMAN

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