

# CRAIN'S

OCTOBER 1 - 7, 2018 | PRICE \$3.00

NEW YORK BUSINESS®



## PEDAL PUSH

Ryan Rzepecki and other alternative-transportation entrepreneurs see opportunity in the L-train shutdown  
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NEWSPAPER

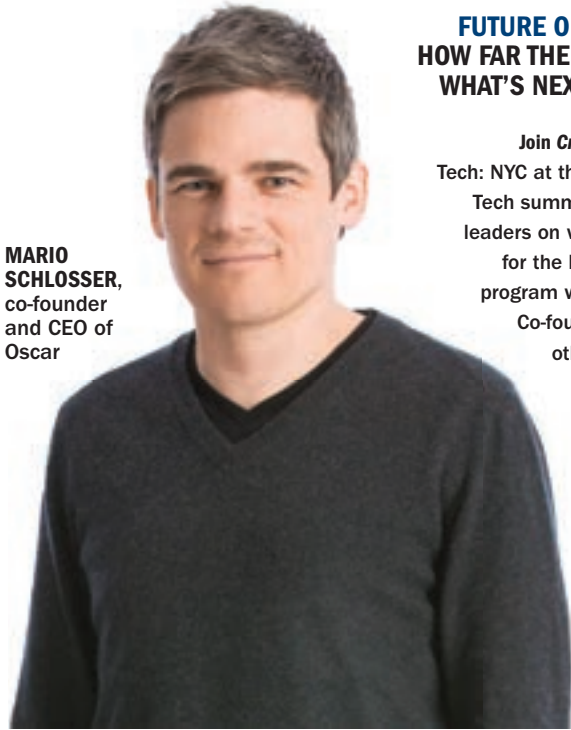
ARGER

## CONFERENCE CALLOUT

OCT. 31

### FUTURE OF NYC TECH SUMMIT: HOW FAR THE CITY HAS COME AND WHAT'S NEXT FOR THE INDUSTRY

**MARIO SCHLOSSER**,  
co-founder  
and CEO of  
Oscar



Join *Crain's New York Business* and Tech: NYC at the Future of New York City Tech summit and hear from industry leaders on what is and is not working for the local tech community. The program will feature Oscar CEO and Co-founder Mario Schlosser and other industry pioneers. The summit will wrap up with Deputy Mayor Alicia Glen, who will discuss the de Blasio administration's plans for growing the sector.

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# AGENDA

OCTOBER 1, 2018

## To oppose neighborhood jails is to support the travesty of Rikers

**T**he Rikers Island jail complex has long been a source of shame for this city, and we are gratified that the de Blasio administration is pushing forward with a plan to close it. Razing Rikers is something New Yorkers of all stripes should cheer, and most of them do. But some are claiming to support it while in the next breath fighting the proposals necessary to make it happen. Whether they are disingenuous, hypocritical, selfish or ignorant, they are plainly wrong. Humanity and common sense must prevail.

The case for closure is clear. Rikers is such a decrepit and poorly designed facility that it is costly to staff and unsafe for inmates and correction officers, nearly all of whom leave worse off than when they arrived. Isolated between the South Bronx and LaGuardia Airport, it's far removed from the courtrooms to which inmates must frequently be transported and challenging for the lawyers and families who visit. Demolition is the only sensible option, but absent dramatic reform of our criminal justice system, new detention space must be created elsewhere. The mayor has proposed replacing the Brooklyn House of Detention and a Chinatown jail with 40-story buildings that include retail as well as erecting a 26-story detention center with apartments and stores in the Bronx and a 29-story facility on the site of a closed jail in Queens to house pregnant and medically needy inmates. All would have space for rehabilitative services and recreation.

Yet some neighbors and elected officials have made the usual complaints about traffic and building heights, and some irrational ones, such as that jails bring crime. No, they bring correction officers, attorneys and social workers; the inmates are locked up, for heaven's sake. And jails do not cause children in nearby schools to become criminals, contrary to Bronx



A VIGNETTE of the Bronx jail, which would include shops and apartments.

## The opposition hit a low point when one foe said, "I don't want a Kalief Browder in my neighborhood"

Councilwoman Vanessa Gibson's assertion. Her rejection of a site next to the courthouse forced the administration to pick a less optimal location in Hunts Point, where locals are up in arms. They should blame Gibson. Meanwhile, Chinatown residents say the city is picking on Asians—never mind that Latinos are protesting in the Bronx and whites in Brooklyn.

The opposition hit a low when a foe of the Chinatown proposal said, "I don't want a Kalief Browder in my neighborhood." Browder was the teen who was physically and psychologically abused during three years at Rikers while awaiting trial for allegedly stealing a backpack. His suicide spurred the overdue push to close Rikers. The point of the new jails is to prevent such tragedies—and the crime that inhumane incarceration breeds.

If the jail plan succeeds, the opponents will have egg on their faces. If they defeat it, they could have blood on their hands. — THE EDITORS

**FINE PRINT** Brooklyn is the 10th-best minor-league baseball town, according to SmartAsset. The high ranking stemmed from the borough's fifth-best quality-of-life score, not from the 23rd-ranked game-day experience of the Mets' single-A Cyclones affiliate in Coney Island. Staten Island, where the Yankees have a single-A team, did not crack the list of 25 locations. Nashville, Tenn., home of the triple-A Sounds, took the top spot.

### 25 WORDS OR LESS

"In every instance that I know of, community plans get ripped up and changed to the point of being unrecognizable"

—Tom Angotti, professor emeritus of urban policy and planning at Hunter College, assessing the chances of a Bushwick rezoning proposed by locals

BY GERALD SCHIFMAN

## HOT LUNCH

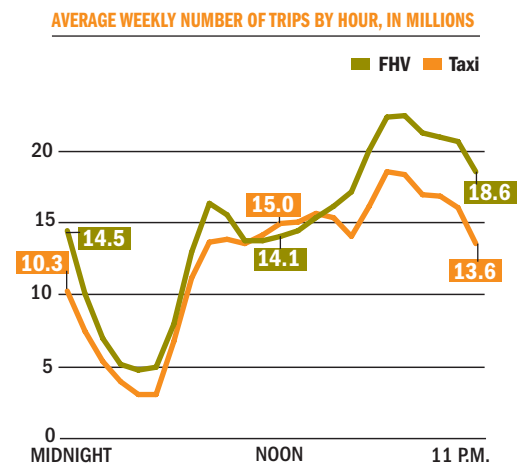
**RIDE-HAIL CARS GREATLY** outnumber taxis on city roadways at all hours, although taxis still get more trips at lunchtime. App-based vehicles own the night.

**64,266** Average number of for-hire vehicles on city streets per hour, more than five times the number of taxis

**57.8M** Average weekly taxi trips from 11 a.m. to 3 p.m., exceeding Uber-type trips by 4%

**104.1M** Average weekly number of for-hire-vehicle trips from 7 p.m. to midnight, when ride-hail has its biggest lead (27%) over taxis

**1.3M** Average number of for-hire-vehicle trips on Saturdays in the 11 p.m. hour, the peak for ride-hail



SOURCE: 2016-18 Taxi and Limousine Commission data

STATS AND THE CITY

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## Council, MTA in war of words over subway funding

**N**O SMALL NUMBER of New Yorkers feel they're getting the runaround when it comes to fixing the subways. City Council Speaker **Corey Johnson** is among them. Last week he accused the Metropolitan Transportation Authority—controlled by **Gov. Andrew Cuomo**—of “moving the goalposts” on the city regarding the funding of repairs to the decrepit transit system. At issue is Johnson's endorsement in the spring of a proposal by Cuomo and his MTA chairman, **Joseph Lhota**, to force the city to bankroll half of Lhota's \$836 million Subway Action Plan, an emergency measure launched in the summer of 2017 amid a spate of subway delays and breakdowns.

Johnson now contends a key premise of that agreement is being violated as Cuomo and the MTA seek more city money to undertake New York City Transit President **Andrew Byford's** Fast Forward Plan, a roughly 10-year, \$40 billion modernization of the subway and bus system. “I was told it was a one-time payment,” the speaker lamented at a Sept. 26 news conference. “That's what Joe Lhota and the MTA said: ‘It's a one-time thing. Give us this money and we're going to fix the subways.’”

Johnson qualified his remark by acknowledging that the city will participate in funding the MTA's five-year capital plan, as it traditionally does. But the next such plan begins in 2020, and neither Byford nor his forlorn customers are in a mood to wait, given that the action plan has failed to improve the subways' on-time rate. And Fast Forward will require a massive increase in capital funding. So Johnson reiterated calls for a new revenue stream for the transit system: congestion pricing, a tax increase on millionaires or both.

That message was aimed at an audience of one: Cuomo—the only person with the clout to get Albany lawmakers to approve those programs. In other words, Johnson wants Cuomo to spend his political capital in exchange for the city's cash. Riders, meanwhile, are left straphanging. —**WILL BREDDERMAN**



**HE SAID/HE SAID:**  
Lhota and Johnson are at odds over MTA funding.

### Stream diversion

Manhattan-based satellite and online radio company SiriusXM purchased Oakland, Calif.-based internet radio service Pandora in an all-stock deal worth \$3.5 billion. SiriusXM spent \$480 million last year for 20% of Pandora.

### A skinnier profile

Weight Watchers International is re-branding itself as WW, which the company says is a “marque” that doesn't actually stand for anything and reflects its expansion into health and wellness.

### Changing Kors

Michael Kors Holdings is buying Italian high-fashion company Versace for \$2.2 billion. Versace CEO Jonathan Akeroyd and chief designer Donatella Versace will stay on. In addition, Kors will change its name to Capri Holdings.

### Levy failure

A Supreme Court justice in Manhattan ruled that a lawsuit against the state alleging a city property-tax bias against low-income and minority homeowners can proceed. Coalition Tax Equity Now New York filed the lawsuit last year.

### For Ward, march

Former Port Authority Executive Director Christopher Ward left his post overseeing AECOM's New York metro design and consulting services business. No reason was given for his exit from the engineering and construction firm, which he joined in 2015.

### DATA POINT

#### MORTGAGE PUBLISHER HSH

**HAS FOUND THAT CITY DWELLERS NEED TO MAKE \$103,235 PER YEAR TO AFFORD THE PRINCIPAL, INTEREST, TAXES AND INSURANCE ON A MEDIAN-PRICED HOME.**

### The eye of the storm

Richard Parsons, the former Time Warner chairman and CEO, was named interim chairman of CBS and will search for a successor to Les Moonves.

### Cadillac peels out

General Motors' Cadillac headquarters is hightailing it back to Detroit to be closer to GM's design and engineering hub. New York state awarded the car brand \$1 million in February to renovate its 30 Hudson St. digs but never handed over the money.

### All hail

Yellow- and green-taxi ride-hailing app Waave, which launched in Manhattan in late August, expanded its two-year pilot program to all five boroughs. Riders ordering cabs on smartphones receive up-front prices for their trips.

### A way to fill space

Real estate investor Tishman Speyer will enter the coworking space provider business when it launches its Studio

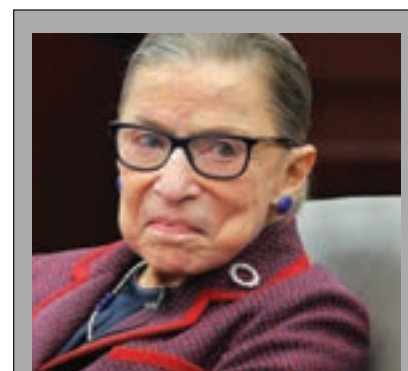
brand Nov. 1. The first location will be in Tishman's 600 Fifth Ave.

### Journalism lives

New York magazine and various donors will support the launch later this year of The City, an online news outlet led by former *Daily News* editor Jere Hester.

### No more taking a haircut

Gov. Andrew Cuomo signed a bill that makes it a misdemeanor not to pay for services at barbershops, beauty shops and salons. Service theft from these businesses had not been subject to criminal prosecution. —**CHRIS KOBIELLA**



### Seeking to honor 'Notorious RBG'

Brooklyn Borough President Eric Adams created a petition on change.org asking Mayor Bill de Blasio to name the Brooklyn Municipal Building after U.S. Supreme Court Justice Ruth Bader Ginsburg, who grew up in Flatbush.

# Understanding New York Nonprofits

**W**orking with New York nonprofits requires insight on the national and local economy, tax laws, best practices, market trends and donor relations.

For a deeper look at the current state of New York nonprofits, Crain's turned to Andrea S. Kantor, senior vice president and group head for education and not-for-profit lending at IDB Bank.



**Andrea S. Kantor**  
Senior Vice President  
& Head of Education and  
Not-For-Profit Banking

**Q Crain's: The economy has been strong both nationally and in the state of New York for several years. Broadly speaking, how are nonprofits faring in this environment?**

**A Kantor:** While there are some common factors, each nonprofit segment faces its own complexities. For example, the demands on social service agencies are high since some government contracts do not cover the total cost of delivering services. Social services agencies in New York State must contend with state rate-setting rules that discourage the accumulation of rainy-day funds, which provide a stronger foundation for sustainability. New York City's contract approval and registration process often slows reimbursements and strains cash flow for even the most stable nonprofit agencies.

Independent schools and private universities have unique challenges. Generally, tuition only covers a portion of the costs, so fundraising plays an important role in supporting operating costs, upgrading facilities to remain competitive and funding growth.

Museums often rely heavily on fundraising to supplement admission fees and membership to support operating expenses. Other organizations have benefited from owning and selling their property amidst higher real estate values. This allows them to strengthen their financial profile and sustainability by purchasing or leasing an affordable space and setting aside their realized real estate profit as an endowment.

Though interest rates are starting to rise, historically low rates in recent years have helped nonprofits in all segments to lock in lower fixed borrowing costs in order to purchase and renovate property to support programmatic growth.

**Q Crain's: Donors are increasingly interested in both short- and long-term outcomes. How can organizations respond to that demand for accountability?**

**A Kantor:** Measuring impact and outcomes is a growing trend. Twenty-first century foundations and philanthropists look at the return on their investment in terms of return to the nonprofit's mission. Government funders are increasingly requesting this information as well. While previous generations of donors at all levels funded the activities of an organization, such as serving 1,000 people, donors today want to know the impact of their donation—how were those 1,000 people positively affected?

Organizations need to develop internal systems and guidelines to measure the outcomes of their programs. They should also develop a compelling narrative to convey both the importance of their mission and the efficacy of their programs—in order to differentiate themselves to donors, by telling the story of how they are making a positive difference in the community.

**Q Crain's: How are recent changes in tax law affecting nonprofits?**

**A Kantor:** Charitable donations were at an all-time high in 2017. However, the new federal tax law will result in fewer people itemizing for 2018, which is widely expected to reduce donations starting this year. Lower donations will affect all nonprofits that rely on fundraising to support any portion of their operations, including social service agencies, independent schools, universities, museums and performing arts centers, hospitals and medical research charities.

We're seeing nonprofits in all segments borrow for acquisitions and renovation of property, or to bridge capital campaign pledges or provide working capital. At IDB, we are also seeing transactions on both a tax-exempt and on a taxable basis, with some uptick in taxable loans for smaller transactions due to banks' lower corporate tax rate.

**Q Crain's: Tell us about a nonprofit organization you helped through a challenge. What was the issue, and how was it solved?**

**A Kantor:** In order to maximize their new reimbursement rates, a few of IDB's social service agency clients missed financial covenants because of the need to spend down in a rate-setting year. We were able to waive the covenant breach because of our industry experience and deep understanding of the client's operations.

It is important in structuring a new loan transaction with a client to understand the client's operations, needs and preferences. There may be an unusual pattern to its operations and cash flow, or timing of incoming funds that will be used for repayment. There may be a special project that will ultimately generate additional cash flow but will drain resources in the interim,

or other variables to consider. We take these factors and others into consideration when working with our clients to structure a loan that meets their needs.

**Q Crain's: Talented, engaged board members are key to a nonprofit's success. How should organizations onboard and orient new board members to encourage engagement and productivity?**

**A Kantor:** Board recruitment is an important process, and every organization is unique in its needs. The more successful boards we have worked with take a holistic approach and consider what skills and experience they need to add to their board, such as financial expertise, programmatic experience, strategic planning, or fundraising ability and contacts.

Managing expectations is key to a successful board member relationship, and organizations should be candid about the time commitment and fundraising requirements. As such, many boards have a written agreement that includes these requirements and term limits. Asking the board for input on how they would like to be engaged can provide useful insight. If the organization is facing a particular challenge, be transparent. Inviting staff to make presentations at meetings is an important way to keep the board informed and engaged. Make the board aware of an issue and seek their advice. Often, they will come up with a resolution or a referral to a helpful resource. Engaging and leveraging board members in this way can play an important role in an organization's success. ■

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## CHARLIE COPELAND GOLDMAN COPELAND

**W**hen clients need to install air conditioning in landmarked buildings, such as Carnegie Hall, or investigate problems with the city's aging infrastructure, they call Charlie Copeland.

He's the head of engineering consulting firm Goldman Copeland—fondly called Goco. For 50 years, he has specialized in the behind-the-scenes mechanics that keep New York's buildings operating in the modern world.

### How did Goco come to specialize in energy innovation?

I'm a mechanical electrical engineer, so I mostly work on infrastructure. I did the country's largest energy program for the city of New York in the days of Mayor Koch. That involved designing strategies to save energy—such as changing lighting, HVAC and so forth—in almost all public buildings. I designed one of the early thermal solar collectors to capture heat and to heat water. In the past 15 or so years, we've done audits to reduce energy consumption for close to 50 million square feet of buildings.

### Do you worry about climate change?

I do. The new codes are very stringent, though. We used to calculate 2.5 watts of energy per square foot for older buildings; now code mandates 1 watt per square foot. All of our computers and appliances are Energy Star-compliant now. A lot of chillers in buildings we see today are working at less capacity than they did 10 to 15 years ago. But we can always do more.

### How do you upgrade old buildings without affecting their integrity?

When they designed Grand Central Terminal in 1913, they left large columns that were pretty much empty and rooms in the attic that were meant to house early ventilation equipment. To put in air conditioning, we ran ductwork down the columns. I engaged the architect to create grilles on them about 15 feet up that look like they've been there from the beginning. I hid the generator where FDR's special elevator to the Waldorf Astoria was. I was there recently during a train delay—there must have been 50,000 people waiting. I was happy I'd put in a robust AC system.

### Steam explosions cause a lot of damages. What triggers them?

We don't know yet what caused the Flatiron explosion. I was the expert on the 2007 steam explosion in Midtown. The cause of that was a condensation-induced water hammer—similar to the banging in steam-heated apartments but exacerbated by extremely high pressure and condensation inside pipes. The steam system in Manhattan is quite efficient—about two times more efficient than what we get from our grids. It generates electricity and, as a byproduct, steam. People don't understand this: It makes our high-rises possible. Lots of good things about the steam system affect the beauty of buildings in New York.

### Do you worry we'll see more explosions?

We have a lot of rain here now; the climate has shifted. When I walk on the streets, I notice that many of the grates that collect stormwater are full. Cool water running into the steam system is not a great thing.

### You also do work on Broadway. Did you make the snow possible in *Frozen*?

When we were designing the infrastructure for the St. James Theatre, they weren't yet up to discussing how they would create snow. So I oversized the cooling tower and piping infrastructure—wisely, it turned out. There are a million LEDs set backstage, and even though they are LEDs, that's a lot of them, and they have to be kept cool. Just for the stage, there are 35 tons of air conditioning. ■

“I was with 50,000 people stuck in Grand Central during a train delay. I was happy I'd put in a robust AC”

## DOSSIER

**WHO HE IS** President and CEO, Goldman Copeland

**REVENUE** More than \$14 million

**EMPLOYEES** 60

**GREW UP** Upper West Side

**RESIDES** Hastings-on-Hudson

**EDUCATION** Bachelor's in mechanical engineering, Missouri University of Science and Technology; master's in mechanical engineering, City College of New York

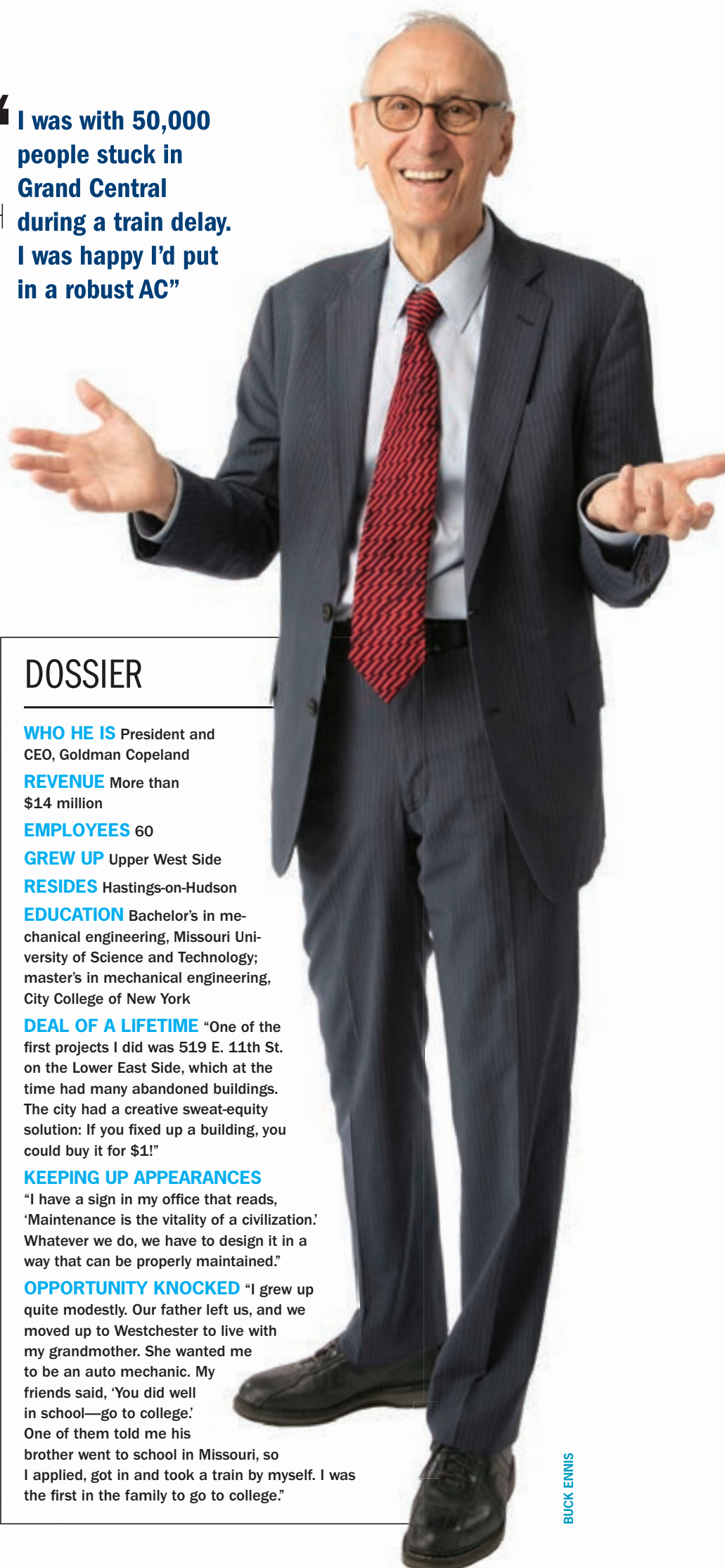
**DEAL OF A LIFETIME** “One of the first projects I did was 519 E. 11th St. on the Lower East Side, which at the time had many abandoned buildings. The city had a creative sweat-equity solution: If you fixed up a building, you could buy it for \$1!”

### KEEPING UP APPEARANCES

“I have a sign in my office that reads, ‘Maintenance is the vitality of a civilization.’ Whatever we do, we have to design it in a way that can be properly maintained.”

### OPPORTUNITY KNOCKED

“I grew up quite modestly. Our father left us, and we moved up to Westchester to live with my grandmother. She wanted me to be an auto mechanic. My friends said, ‘You did well in school—go to college.’ One of them told me his brother went to school in Missouri, so I applied, got in and took a train by myself. I was the first in the family to go to college.”



BUCK ENNIS

## Lead bills paint landlords into a corner

Antipoisoning legislation threatens to raise rents, not necessarily improve safety **BY JOE ANUTA**

**L**andlords face a major fight as the City Council and the mayor's office agreed last week that lead-paint laws are in need of an update. The council held a hearing on more than two dozen bills with little idea of what they would cost or whether they would work.

Lead exposure can lead to developmental delays in children, and while the number of kids testing positive has fallen around 90% since strict laws were enacted in 2004 and continues to decline, there were still 4,200 cases last year. Council Speaker Corey Johnson wants to get that number to zero.

"I believe it is a failure and a tragedy that children are still affected in a devastating way, potentially for the rest of their lives," he said at the hearing.

High lead levels in children today almost always stem from exposure to old paint in private apartments in low-income areas. Public housing, where about 7% of New Yorkers live, accounts for 3% of cases but grabbed headlines when its leaders were caught lying about inspections. That prompted the council bills, nearly half of which have nothing to do with paint. Instead, they seek to regulate water and soil, which evidence suggests are not significant pathways for contamination.

"Before the council runs off in 45 directions, it first needs to get a grasp on what the problem is," said Matthew Chachère, an expert on lead laws and an attorney with the Northern Manhattan Improvement Corp., a nonprofit serving the poor.

The council is not entirely to blame. It began asking the Health and Housing Preservation and Development departments for lead-contamination data in May, when most of the bills were introduced. The agencies turned over a trove of numbers just 72 hours before the hearing, at which they ducked basic requests. Maria Torres-Springer, head of the housing agency, said she did not know how many violations the city had issued landlords for failing to annually inspect apartments where children live for lead hazards. The answer was clearly zero, which is the crux of the disagreement about how to eradicate the problem.

### Audits recommended

Chachère believes the city can do so by auditing landlords and issuing violations

to ensure they are doing the annual reports and fixing lead hazards on painted surfaces rubbed by windows and doors, as required once a unit is vacant. Torres-Springer, however, deemed this "chasing paperwork," and a spokesman said owners of small buildings have trouble producing the documents, in part because they can't get in their tenants' apartments.

As such, going after them would be time-consuming and might not improve safety.

The agencies say their practices are better and the reason cases have continued to fall. They ask tenants to call 311 to trigger an inspection, betting they will flag violations beyond lead hazards. The development agency already investigates everything from water problems to rodents and checks for

paint hazards in every instance. These initiatives have resulted in 300,000 complaint-driven violations since 2004 and \$40 million worth of work.

The council is proposing to lower the blood-level threshold that triggers an inspection, a bill the de Blasio administration supports. Owners doing construction in buildings presumed to have lead paint also will likely be hit with stricter regulations, although there is disagreement about how to ensure that workers use safe practices and prevent exposure to lead dust.

City Hall pushed back against bills that would effectively require that all lead paint be removed rather than simply kept away from kids. The Health Department and landlord groups said this would be costly, leading to higher rents. ■



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**BARRACK** spoke at the Republican National Convention in 2016.

# Activist hedge fund puts Trump ally in its crosshairs

Firm headed by Tom Barrack draws shareholder's ire

It hasn't been a good year for most real estate firms. Slowly rising interest rates are the problem; they translate into higher operating costs, and that's trouble in a business where nearly everyone plays with borrowed money.

Amid the general malaise, a kerfuffle is brewing over the Manhattan real estate investment trust Northstar Realty Europe Corp. The firm is of interest because its largest shareholder, with an 11% stake, is Colony Capital, a big real estate investment firm chaired by Thomas Barrack, one of President Donald Trump's most outspoken supporters in the business com-



**AARON ELSTEIN**

munity. Barrack addressed the 2016 Republican National Convention, and he was chairman of Trump's inaugural committee. Last year he tried to buy the Weinstein Co. after Harvey Weinstein's scandal, but the studio filed for bankruptcy.

Barrack's Colony Capital is having a bad year, posting more than \$160 million in losses in the first half and cutting its dividend by more than 50%. Management has described its problems as hiccups related to two mergers last year. Fortunately for Colony, it can make money from Northstar Realty Europe in a way other shareholders can't: by collecting fees for man-

aging Northstar's day-to-day operations.

That cozy arrangement is an "obvious" conflict of interest, according to Senvest Management, a New York hedge fund that's Northstar's second-largest shareholder. In a letter to Northstar last week, the hedge fund accused Colony of essentially gouging the company and demanded the board take action. Senvest observed that the REIT trades at a 40% discount to its net asset value of \$20.95 per share, and it said one reason is that the firm spends a lot on management fees—\$14 million last year, which is a hefty chunk of dough for Colony, which earned \$105 million in rental revenue and posted \$31 million in losses last year.

"Even if [the company]

were to eliminate all internal expenses, the management fee alone would ... still [be] well above" the rate paid by peers, Senvest said. Senvest essentially wants Northstar to disappear. It thinks the office properties should be sold to take

advantage of the red-hot market. But it wants those sales to be done over many months; if the properties are sold too quickly, Colony is in line for an even higher fee.

Northstar Realty Europe declined to comment. ■

## ROAD TO NOWHERE

Elon Musk's long and diverse résumé has a new entry: defendant in an SEC fraud lawsuit. Two takeaways:

**1** This may be the Securities and Exchange Commission's highest-profile case since it sued Goldman Sachs in 2010 for misleading investors about a junk mortgage security. Goldman paid a record \$550 million, and the agency could seek a bigger sum from Musk, who has vowed to fight.

**2** The feds are looking to bar Musk from running a publicly traded company, the same punishment given Theranos founder Elizabeth Holmes. With a stock price down 31% from its 2017 peak, a looming cash crunch and massive production problems, shareholders have invested great faith in Musk's "genius." Tesla may not survive without him.

BUCK ENNIS, GETTY IMAGES

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Pictured: Michael Barbaro, Host and Editor of *The Daily* at *The New York Times*; 40 Under 40 Class of 2018.



# When it comes to supertalls, height is not the problem

Zoning, design must let new towers enrich city's skyline **BY JOHN CETRA**

**A** debate now simmers in New York City about supertall buildings and whether zoning changes are needed to either reduce heights or limit the empty floors, or voids, that some developers use to make towers taller in order to gain better views for occupants.

These concerns are misplaced. City zoning is strong, viable and effective. What we need instead are more creative design ideas from the architects, urban planners and developers responsible for New York's tallest buildings. Some key points:

**Skyscrapers have context.** Like all city buildings, tall structures need to respond to their neighborhoods. Too often we see simple glass boxes superimposed onto Manhattan's rich urban fabric rather than local expression growing thoughtfully out of it. This approach is changing now, and the current thinking is that buildings can and must respond better to their surrounding environments.

**Height and bulk are not the same.** Especially as supertalls become more prevalent, thoughtful design becomes more important. The supertall is an efficient use of infrastructure and land, and can enhance its environment if carefully planned and executed well. For example, taller and more slender towers can minimize shading and other effects on surrounding areas.

The building 1 Madison, completed in 2014, helped spark this discussion. Critics applauded its siting and specifically its form, which helped limit the size of shadows cast across the adjacent Madison Square Park. In this case, a lower, wider building meeting all zoning rules could have been built, but it would have permanently shaded a large part of the park. Instead, the new, slender tower was credited with inspiring a new generation of high-rise solutions.

**Zoning can allow for innovation, enrichment and expression.** In New York City, zoning regulations are very specific, and getting variances is time-consuming. For this reason, developers and architects

often stick with simple development formulas known to maximize floor area but not much else. This is no longer good enough. With a deeper understanding of zoning, creative project teams can find ample room for tremendous innovation within the constraints imposed by these rules.

As an example, the new apartment tower ARO, at 242 W. 53rd St., incorporates a tower-podium form and a layered exterior that helps shape the 765-foot building's bulk in interesting and contextual ways rather than simple geometric setbacks. Yet it still meets all the zoning requirements for Midtown.

**Diverse shapes and expressions are the essence of Manhattan.** The pluralism and energetic diversity of the city come alive in the skyline and along our street-scapes. Yet we need more innovation and enhanced, expressive architecture.

As a rule, New Yorkers like buildings with an attitude and tend to frown upon texture-free, flat glass surfaces. New, sinuous forms, Jenga-like masses and rich materials such as terra-cotta reflect the sunlight in enticing ways. The towers come alive, glowing and changing personality by day and night.

This is what sets New York apart from other cities, which have the kind of sterile 9-to-5 downtown environments we associate with many newer urban areas. The difference between casting a (literal) shadow over our cityscape and making a neighborhood come to life is huge. Decisions on buildings stay with us for decades. We have to get them right. ■

*John Cetra is founder of Manhattan-based architecture firm CetraRuddy and a fellow of the American Institute of Architects.*



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# Landlords, tell tenants the truth about rent regulation

Policy's defenders and local media ignore crucial facts



GREG DAVID

**LAST WEEK** the Housing Rights Initiative reported that more than 10,000 building permits filed with the city had falsely claimed there were no rent-regulated units in those properties.

The group had earlier ousted Jared Kushner's family business for the offense and now showed that it is widespread.

The next day Comptroller Scott Stringer released a report finding that since 2005, New York City has lost 1 million apartments renting for \$900 or less. He rallied with housing advocates demanding that the state repeal all the 1990s rules allowing landlords to deregulate apartments.

Stringer later corrected the number to 425,000 units, citing a math error. But it is no coincidence that these two events occurred the week after the Democratic primary ousted six of the eight members of the Independent

Democratic Conference and raised hopes that the Democrats would take control of the state Senate in the November election. Call it the opening shot in the battle over rent control. "It will be fun," one insider emailed me last week. It was meant sarcastically.

The key elements in this issue are politics and the media.

The liberalization of rent regulations in the 1990s—especially vacancy decontrol—was led by then-Senate Majority Leader Joe Bruno with the help of fellow Republican Gov. George Pataki.

They succeeded because they threatened the Democratic Assembly with simply allowing rent regulation to expire if it didn't agree to reforms. The Republicans were heavily funded by real estate interests.

When the Democrats regained the governorship, the Republican state Senate continued to defend the 1990s reforms. When their hold weakened, real estate interests funded the Independent Democratic Conference to bolster the GOP and preserve vacancy decon-

control, especially after Gov. Andrew Cuomo abandoned real estate in his leftward shift. Well, that approach is kaput.

Meanwhile, the local media reports only one side of the issue. *The New York Times* is the clearest example of this, but all general-interest outlets are guilty of doing the same thing.

Consider this contrast: A *Times* reporter in California wrote about efforts to impose rent regulations throughout that state. The article included this crucial sentence: "Economists across the ideological spectrum have found that rent control protects entrenched tenants but raises prices for future renters, a point that landlords will almost certainly emphasize." I have never seen such a sentence in a *Times* story about rent regulation in New York or in virtually any other outlet except *Crain's* and publications covering only real estate.



The elements are linked because real estate interests have primarily played an insider game on this issue rather than attempting to make the case that rent regulation is about winners and losers, that the losers include lots of ordinary people and that it harms everyone by distorting the housing market.

I have no idea what strategy real estate interests will employ in the next few months, but it should be obvious the insider approach has self-destructed. ■

GREG DAVID writes a regular column for [CrainsNewYork.com](http://CrainsNewYork.com).

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## FROM OUR READERS

# Agency's plan for cleaner air is actually postponing it

**"CAN SANITATION GO GREEN?"** (published Sept. 17)

noted that electric trucks can be part of the future of the waste-collection industry—starting now. Unfortunately, beyond resisting renewable natural gas for its own fleet, the Department of Sanitation is unwittingly delaying New York City's ability to benefit from electric trucks for commercial waste collection.

For haulers in the private sector, with a fleet one-third the size of Sanitation's, electric trucks offer a real opportunity to go beyond the city's 2020 mandate for using cleaner diesel engines. Our industry consortium's working group on electric trucks is talking with manufacturers and the New York

State Energy Research and Development Authority about launching a demonstration project before a potential scale-up to widespread deployment.

But the biggest obstacle isn't technical or financial; it's political. Sanitation's misguided attempt to restructure the commercial waste industry is freezing investments in the infrastructure and technology needed to put electric trucks on the road.

Waste-service companies now face the threat of not surviving the city's proposed system of exclusive franchises that will limit choice and competition. Without that threat, electric trucks could be collecting commercial waste

and recyclables within two years.

For now we remain stuck in the wait-and-see limbo created by a bad decision based on interest-group politics.

**KENDALL CHRISTIANSEN**  
Executive director  
New Yorkers for Responsible Waste Management

## VACANCY DEBATE

**YOUR ANALOGY** of the savanna is an excellent one for the retail rental market ("Pols ponder commercial rent control, aka survival of the weakest," editorial, Sept. 17). Commercial rent control is the wrong solution to a complex issue. The current situation has been decades in the making, so it will take more than a few years to remedy.

Three factors have

contributed to the city's high retail vacancy rate.

**A change from traditional rent/sales metrics.** All-in rent was once expected to be from 8% to 12% of a store's sales. In the past 20 years, this metric had gone up to the high teens and even up to 50%. This bubble had to burst eventually.

**Amazon.** Online shopping has decimated stores. Neighbors complain about the demise of their local retailer yet shop (and shop) online. When they do, they're part of the problem.

**Ownership structure.** Owners finance their buildings with debt and/or equity partners who often set minimum-rent requirements. It's a way to ensure the property can meet the debt service

(or equity returns) promised to others. The agreements may or may not have ways to allow for lower rents in the case of a downturn, but it's an arduous process and one that can result in "chasing the market down" because there are not enough other spaces renting to document the new, lower market rent.  
**TERRI GUMULA**  
Manhattan

## HANDS OFF BENNIES

**RE "THINK TANK** pushes plans to get city out of debt" ([CrainsNewYork.com](http://CrainsNewYork.com)):

I am a Port Authority retiree with medical benefits picked up by the Port. That was a benefit guaranteed by my employment. These think tank people would object to my reaching into their

401(k)s and cutting their income in retirement but have no problem with reducing my medical benefits. Hypocrites.

Retirees worked long and hard for their benefits. In many cases, the city is contractually obligated to provide them; in others, morally obligated. Reduce bennies for new hires? No problem. But for long-term employees and retirees? No.

If the city pays down its debts to reduce the interest on what it owes, there will be plenty of money to pay its other obligations, including the cost of new schools and libraries, out of pocket and not by borrowing.

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# The future of New York infrastructure



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New York's commuters experience daily delays, but it will cost \$19 billion in the first five years to fix the Metropolitan Transportation Authority's infrastructure and \$1.6 billion to renovate the James A. Farley Post Office Building into a new Pennsylvania Station. Infrastructure, it seems, is on everyone's mind—for its price and its potential to improve New Yorkers' quality of life. It has been a standard talking point in election campaigns over the past several years, from Staten Island to Albany and back down again to Washington, D.C.

President Donald Trump made it a cornerstone of his campaign for the White House but has yet to fund any major initiatives like the Gateway Tunnel under the Hudson River. In his bid for a third term, Gov. Andrew Cuomo points to projects like the replacement of the Tappan Zee Bridge and the opening of the Second Avenue subway as positive changes effected over the course of his tenure in office and reasons to vote for him yet again. Cynthia Nixon, his opponent in the recent Democratic gubernatorial primary, accused him of using the MTA as an ATM. Mayor Bill DiBlasio has his share of transit woes and victories, too. He increased ferry service around the city, but Hurricane Sandy remediation is far from complete. Hot spots seem to mark every level of government.

Crain's Custom has assembled a team of experts in infrastructure to analyze the current landscape and provide insight into the city's future, which clearly depends on healthy infrastructure projects and maintenance.

## Our experts include:

**Louis J. Coletti**, president and CEO of the Building Trades Employers' Association, vice chairman and former president of the New York Building Congress and a member of the advisory board of the New York University Schack Real Estate School of Construction Management

**Denise M. Richardson**, executive director of the General Contractors Association of New York, a trade association that represents public works contractors

**Sanjay Mody**, special counsel in the New York office of Windels Marx Lane & Mittendorf LLP with expertise in infrastructure finance and policy, real estate and public-private partnerships

Louis J. Coletti, president and CEO, Building Trades Employers' Association



*"The public sector needs to change certain statutes to allow the use of private funds in more infrastructure projects. The government just does not have the financial resources to rebuild the region's infrastructure and the longer we wait to fund these projects, the more our infrastructure deteriorates."*



buses, water systems, airports and schools. Let's prioritize signaling systems over the Hyperloop (a proposed ultra high speed mode of transportation developed by Tesla that moves pods of passengers or freight through a sealed tube, sometimes called a vactrain).

**Coletti:** The two most important infrastructure projects in this region are Gateway and the BQE because of their importance in moving people and goods. The lack of federal funding for these projects is unconscionable.

**Crain's:** There is a great deal of discussion in the industry about design-build as a way of building more efficiently in New York because of the way all design and construction services are contracted by a single entity, called the design builder. What are the key elements that make this process efficient?

**Crain's:** What are the most important infrastructure projects underway in the region currently and what projects are missing that you would like to see?

**Richardson:** New tunnel capacity under the Hudson River is the most important infrastructure project in the region, followed by rehabilitation of the existing tunnels, as well as those under the East River. It is a grave dereliction of the public sector's collective responsibility that six years after Hurricane Sandy, we are still not close to building this critical project.

**Mody:** Gateway Tunnel is the single most important infrastructure project in the U.S. The failure of one of the existing tunnels would have extraordinary adverse impacts on our regional and national economy so funding and completion are critical. As for "missing projects" I think responsible decision-makers need to focus equally on deferred maintenance and reinvesting in our existing infrastructure—our subway and

**Richardson:** Design-build saves costs by integrating the designer and constructor into one team. It saves time over design-build where a project owner first engages a design team, then solicits construction bids then starts construction. A clear and fixed scope from the owner is key, as is shared responsibility for unanticipated developments. Otherwise potential benefits and savings from design-build will not be achieved.

**Coletti:** Most important is that the owner, design professional and contractor all work together with a clear understanding of the scope. This kind of collaboration from the start is the best way to generate cost savings as opposed to traditional design-bid-build.

**Crain's:** The construction industry has a very high rate of business failure. What are the challenges for new firms and what are the challenges for all firms in building a track record for success?

**Richardson:** Ability to manage cash flow. New firms need enough cash to cover the lag between buying materials, paying workers, completing the work and getting paid, and surviving the three to five years it takes to be profitable. Knowing how to operate a business and understanding contracts is as important as knowing how to execute the work the business performs. They have to know that while contract terms imply payment within 30 days, the reality is much closer to 90 or 120 days. Business owners have to open up shop with adequate financial reserves to manage that time frame, then begin to invest back in the business as it begins to be profitable.

**Coletti:** Financial institutions know construction is very high risk and are often reluctant to provide financing or do so with very high borrowing costs. In the public sector here, regulatory requirements like penalties for delays and late payments or New York's 240 Scaffold Law and its insurance costs add to the cost of construction, but financial institutions feel these reduce the risk for them.

**Crain's:** What can the public sector do to facilitate more private investment in our infrastructure?

**Richardson:** Public sector contracts are notoriously adversarial and shift all risk to the contracting team irrespective of the regulatory burdens placed on contractors. The contracts also include social requirements such as community benefit or subcontracting requirements that impact construction efficiency, project cost and schedule, and revenue generation. Private investors seek projects that maximize their rate of return. This equation is incompatible with how the public sector builds. The track record of P3 projects (public-private

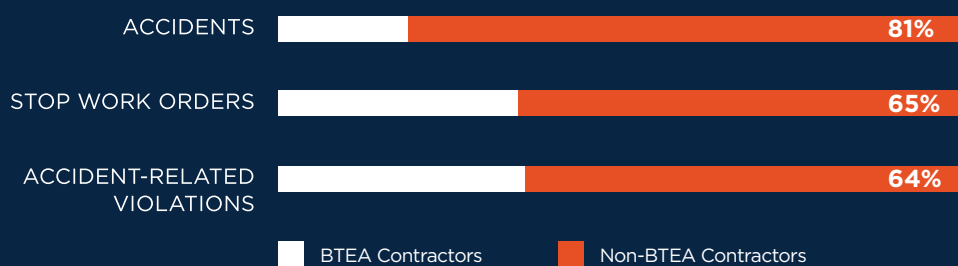


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Denise M. Richardson, executive director, General Contractors Association of New York



*"The far West Side needs a whole new subway line. Massive residential development in Astoria and Long Island City makes developing Sunnyside Yard highly impractical, especially with Flushing and Willets Point poised for development, too. Transit capacity needs to come first; it cannot be an afterthought."*



partnerships) in the U.S. is decidedly mixed. There will not be an expansion of P3 projects until the public sector becomes more willing to allow the private sector to build projects within guidelines that actually allow for cost saving efficiencies.

**Coletti:** The public sector needs to change certain statutes to allow the use of private funds in more infrastructure projects. The government just does not have the financial resources to rebuild the region's infrastructure and the longer we wait to fund these projects, the more our infrastructure deteriorates. Ultimately it will restrict the economic growth and vitality of the region.

**Mody:** Rebuilding infrastructure should not be a public vs. private zero sum game. Properly structured hybrid public-private approaches take advantage of available private capital, transfer risks from the public to the private sector, and capitalize on private sector innovations. New York and New Jersey should enact P3 enabling legislation. At the same time, the public sector must continue to play a leading role; private investment alone won't solve our problems.

**Crain's:** The Farley Post Office is funded with a combination of public and private funds, the replacement for the Tappan Zee Bridge is all public money. Which is the best way to approach the huge budgets, privately or with public money raised by issuing bonds, imposing tolls or using other methods like congestion pricing?

**Richardson:** There is no "one size fits all." The new Tappan Zee was built using public funds including Thruway revenues. Private sector management and investment makes sense at the Farley Post Office conversion because it has significant revenue generating retail and commercial space, with the potential for adjacent commercial development. Likewise LaGuardia Airport. But the Goethals Bridge replacement is a hybrid. The private sector made the initial investment that will be repaid by both Goethals toll revenue and Port Authority funds payable over many years.

**Coletti:** There is a strong need for continued public and public/private investment. We need to be creative about generating the revenue required to finance both whether it be by issuing bonds, or imposing tolls or congestion pricing strategies. There is no free lunch to finance the infrastructure projects that are needed to continue the region's remarkable economic growth.

**Mody:** Beyond public funding, our tool kit should include value capture, tolls, ground leases, public-private partnerships and more, and the approach used for a specific project should be based on an assessment of whether a particular tool will achieve the desired outcome. It makes little sense

to consider private investment when an infrastructure project won't generate cash flows to repay investors (e.g., the subway). But we should explore the menu of private options where opportunities exist for private sector to invest and receive a return on its capital.

**Crain's:** Fixing and maintaining the MTA, renovating Farley Post Office into a new Penn Station and upgrading Amtrak will cost billions of dollars. Why are these infrastructure projects so important to the economy of the city, state and region and what can be done to streamline them?

**Richardson:** New York City's economy represents 10% of U.S. GDP. On a daily basis, the MTA network carries over 8 million riders. Penn Station is used by 600,000 people a day, more than any other station in North America. There is a definite tradeoff between public inconvenience, the time it takes to construct a project and cost. Streamlining these projects requires better coordination within the public sector's managing organizations so that the entities responsible for design, construction and operations are all aligned in terms of the project's scope and requirements, avoiding the need for construction changes and last-minute scope changes that delay final acceptance.

**Crain's:** In Europe, the popular high-speed train system, the TGV, has been wildly successful. The Munich subway and the Eurostar are other successful public projects that deliver high returns to the riding public. Could New York get the same results with projects like the Gateway Tunnel under the Hudson River? What are the Europeans doing differently?

**Richardson:** Europeans approach these projects as a partnership between the engineering and contracting teams. In the U.S., schedules and budgets are politicized and

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often deliberately low-balled by public sector owners and officials to gain support. Resulting “cost overruns” make the public sour on much needed projects which contributes to America’s inability to build projects we need to remain competitive.

**Mody:** I’m a big admirer of the European rail systems but it would not be productive to try to simply imitate them. Our geographies, governance models and financing approaches are radically different. But Europeans understand tunnel construction very well, and they have a history of private investment in infrastructure. We can draw lessons from both European and Asian projects as we consider all sources of funding for the Gateway Tunnel, the single most important infrastructure project in the U.S.

**Crain’s: Atlantic Yards and the whole redevelopment of Downtown Brooklyn have been deemed very successful and Hudson Yards is on its way to completion. Sunnyside Yard in Queens is being eyed by planners as the next blank canvas. How can the city continue to build these dense complexes without more improvements to transit, like the extension of the No. 7 subway line?**

**Richardson:** It can’t. One subway station at 34th Street and 11th Avenue is not enough to serve Hudson Yards; a second one planned for 10th Avenue should have gone forward but did not. The far West Side needs a whole new subway line. Massive residential development in Astoria and Long Island City makes developing Sunnyside Yard highly impractical, especially with Flushing and Willets Point poised for development, too. Transit capacity needs to come first; it cannot be an afterthought.

**Coletti:** Without the improvement of the No. 7 subway line there probably would be

Sanjay Mody, special counsel, New York Office, Windels Marx



*“Beyond public funding, our tool kit should include value capture, tolls, ground leases, public-private partnerships and more, and the approach used for a specific project should be based on an assessment of whether a particular tool will achieve the desired outcome.”*



no Hudson Yards or it would be vastly reduced in scope. The same can be said for Atlantic Yards, and it is the major challenge with Sunnyside Yard if its success is to be measured in the same scale as the previous projects mentioned. The importance of investment in transportation and infrastructure cannot be underestimated.

**Mody:** I’m not sure enough consideration has been given in the past to how large-scale developments impact our existing infrastructure—not only transportation but also schools. Large-scale development should be accompanied by a private commitment to fund infrastructure. We could use incremental tax revenues or base zoning approvals on an agreement to subsidize the cost of subway station development like at 1 Vanderbilt. Good models are Battery Park City or Brooklyn Bridge Park, where revenues from long-term ground leases help fund public priorities like affordable housing, parks and resiliency projects.

**Crain’s: Should New York City be doing more to utilize its waterways?**

**Richardson:** Increased use of commuter ferries has fostered housing development and relieved pressure on the MTA network. Freight movement could likewise benefit but an issue there will be availability of adjacent land-based facilities for loading and unloading as the “last mile(s)” to the freight’s destination will be by truck. There will be tension between factions using waterways for recreational purposes and those using them for residential and commercial development. Passenger ferry service will be the most efficient use of the waterways as long as there is a growing, stable ridership with a solid revenue base.

**Crain’s: Identify an infrastructure project you regard as a success story and why. Could it have been done differently?**

**Richardson:** The Third Water Tunnel construction represents a success story that has largely been overlooked but is perhaps the city’s most important infrastructure investment. The first two water tunnels became operational in 1916 and 1937 respectively and have operated continuously since their original openings. The Third Water Tunnel will ensure that the city will have sufficient water as each tunnel is rehabilitated and all three tunnels will provide the city with adequate capacity to handle future population growth and demand.

**Mody:** Brooklyn Bridge Park—a project close to my heart. It has a lot of things that make a great infrastructure project—the public sector responding to decades of local, community advocacy, repurposing an under-utilized area for a new, cherished amenity and developing an innovative financing model to meet ongoing maintenance and operations. The years of debates over what to build and how to build it have resulted in a truly world class project that has inspired other new, waterfront parks around the U.S. and the world. ■



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Ranked by number of New York-area lawyers

SETTING THE BAR

In just three years, **Kirkland & Ellis** has grown massively. The company, ranked 12th on the 2015 *Crain's* list of New York's largest law firms, has increased its local lawyer count by 61% to climb into the No. 4 spot. Much of that growth has come in its corporate and securities practice, where Kirkland's attorney count has nearly doubled in three years. The 110-year-old firm's expansion in this area is by design, said Peter Zeughauser, who chairs the Zeughauser Group legal consultancy.

"There aren't many firms like Kirkland that are so focused on strategy," Zeughauser said. "Their strategy is three-pronged: private equity, complex litigation and restructuring. New York is the heart of these industries, and Kirkland has built a lot of momentum by having everyone row in the same direction. They've been able to substantially outperform the market in terms of revenue and profit."

Kirkland's revenue grew by 19.4% last year, according to *The American Lawyer*, a particularly remarkable increase, given that it was previously \$2.7 billion. Zeughauser has heard that a growth rate exceeding 25% is in the cards for this year. The firm declined to comment on whether that prediction will hold, but any further expansion beyond the \$3 billion threshold will put Kirkland's performance beyond the reach of most competitors.

"There are very large firms pulling in \$800 million to \$1 billion in revenue, and it'll be almost impossible for them to catch Kirkland," Zeughauser said. "Is that going to cause firms to consider merging to be competitive? The answer is yes. Firms are realizing that the bell is tolling."

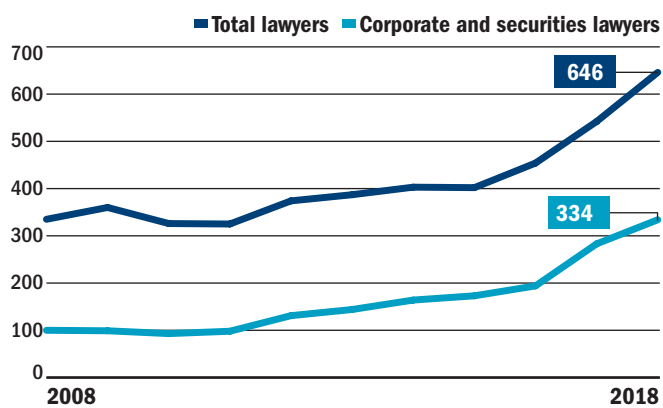
Also stoking speculation of potential mergers is Kirkland's record of hiring top private-equity partners away from its rivals. In the wake of such departures, firms have needed to make their own hires and pay big sums to try to match previous productivity. With new partners earning seven figures, there's a danger of stoking resentment from those making one-thirtieth of that.

"It creates two different kinds of partners," Zeughauser added. "You don't have a culture of all partners thinking they're equals who can perform at the same level."

— GERALD SCHIFMAN

GOTHAM GAINS

Since 2011, Kirkland & Ellis' local lawyer count has doubled as the firm's corporate and securities practice has more than tripled.



SOURCE: *Crain's* research

**\$190K**

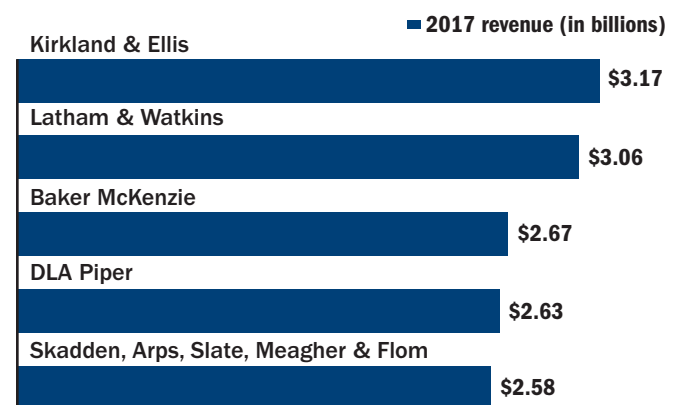
SALARY for first-year associates at nearly all firms on *Crain's* list, the effect of an industrywide \$10,000 bump

**\$4.7M**

PROFITS per equity partner at Kirkland last year, the third-highest rate in the country and a 14.7% increase from the previous year

CASE KINGS

Latham & Watkins was the country's biggest revenue-generating law firm for three years running, a streak that ended when Kirkland & Ellis overtook the firm in 2017.



SOURCE: *The American Lawyer*

2018 LAWYER BREAKDOWN, BY PRACTICE AREA

RANK	FIRM/ SENIOR PARTNER(S) IN NEW YORK <sup>1</sup>	NY-AREA LAWYERS 2018/ <sup>2</sup> 2017 <sup>3</sup>		2018 LAWYER BREAKDOWN													FIRMWIDE LAWYERS 2018/ <sup>2</sup> 2017 <sup>3</sup>		
		PARTNERS <sup>4</sup>	ASSOCIATES <sup>2</sup> OF COUNSEL <sup>5</sup>	BANKING / COMMERCE	BANKRUPTCY	CORPORATE / SECURITIES	ENTERTAINMENT	EXEC. COMP. / BENEFITS	HEALTH CARE	INTELLECTUAL PROPERTY	LABOR / EMPLOYMENT	LITIGATION	REAL ESTATE	TAX	TRUSTS / ESTATES	OTHER			
1	<b>Paul Weiss Rifkind Wharton &amp; Garrison</b> 1285 Sixth Ave.; 212-373-3000 paulweiss.com Brad S. Karp	835	808	120	715	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,012	1,000
2	<b>Davis Polk &amp; Wardwell</b> 450 Lexington Ave.; 212-450-4000 davispolk.com Thomas J. Reid	763	762	111	589	63	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,052	1,050
3	<b>Skadden Arps Slate Meagher &amp; Flom and Affiliates</b> 4 Times Square; 212-735-3000 skadden.com Eric J. Friedman	725	709	145	494	86	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,806	1,767
4	<b>Kirkland &amp; Ellis</b> 601 Lexington Ave.; 212-446-4800 kirkland.com David Fox	646	571	223	423		69	334	18	80	5	84	26	28	2		2,492	2,208	
5	<b>Sullivan &amp; Cromwell</b> 125 Broad St.; 212-558-4000 sullcrom.com Joseph C. Shenker	638	624	113	450	75	59	35	123	21	2	5	10	256	25	30	19	929	916
6	<b>Weil, Gotshal &amp; Manges</b> 767 Fifth Ave.; 212-310-8000 weil.com Barry M. Wolf	603	554	127	450	26	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,173	1,138
7	<b>Simpson Thacher &amp; Bartlett<sup>6</sup></b> 425 Lexington Ave.; 212-455-2000 stblaw.com William R. Dougherty	594	595	118	417	59	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	959	954
8	<b>Cravath, Swaine &amp; Moore</b> 825 Eighth Ave.; 212-474-1000 cravath.com Faiza J. Saeed	564	522	79	483	2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	597	550

RANK	FIRM/ SENIOR PARTNER(S) IN NEW YORK <sup>1</sup>	2018 LAWYER BREAKDOWN, BY PRACTICE AREA																FIRMWIDE LAWYERS 2018/ <sup>2</sup> 2017 <sup>3</sup>
		2018 LAWYER BREAKDOWN																
		NY-AREA LAWYERS 2018/ <sup>2</sup> 2017 <sup>3</sup>	PARTNERS <sup>4</sup>	ASSOCIATES <sup>2</sup> OF COUNSEL <sup>5</sup>	BANKING / COMMERCE	BANKRUPTCY	CORPORATE / SECURITIES	ENTERTAINMENT	EXEC. COMP. / BENEFITS	HEALTH CARE	INTELLECTUAL PROPERTY	LABOR / EMPLOYMENT	LITIGATION	REAL ESTATE TAX	TRUSTS / ESTATES	OTHER		
9	<b>Cleary Gottlieb Steen &amp; Hamilton</b> <sup>7</sup> 1 Liberty Plaza; 212-225-2000 clearygottlieb.com Michael A. Gerstenzang	555 557	88	445	22	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,285 1,268	
10	<b>Latham &amp; Watkins</b> 885 Third Ave.; 212-906-1200 lw.com Michèle O. Penzer	499 469	121	352	26	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,801 2,588	
11	<b>White &amp; Case</b> 1221 Sixth Ave.; 212-819-8200 whitecase.com Eliza McDougall, Hugh Verrier	468 408	114	329	25	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,160 2,039	
12	<b>Willkie Farr &amp; Gallagher</b> 787 Seventh Ave.; 212-728-8000 willkie.com Thomas M. Cerabino, Steven J. Gartner	450 439	116	300	34	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	760 740	
13	<b>Sidley Austin</b> 787 Seventh Ave.; 212-839-5300 sidley.com Samir A. Gandhi	436 431	143	236	57	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,108 2,032	
14	<b>Debevoise &amp; Plimpton</b> 919 Third Ave.; 212-909-6000 debevoise.com Michael W. Blair	435 485	96	289	45	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	649 631	
15	<b>Milbank Tweed Hadley &amp; McCloy</b> <sup>8</sup> 28 Liberty St.; 212-530-5000 milbank.com Scott A. Edelman	424 400	89	315	20	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	756 n/d	
16	<b>Fried Frank Harris Shriver &amp; Jacobson</b> 1 New York Plaza; 212-859-8000 friedfrank.com David J. Greenwald	408 395	100	270	38	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	577 554	
17	<b>Shearman &amp; Sterling</b> 599 Lexington Ave.; 212-848-4000 shearman.com David Beveridge	401 381	85	275	41	57	9	132	✓	13	✓	4	84	15	9	4	74	926 890
18	<b>Ropes &amp; Gray</b> 1211 Sixth Ave.; 212-596-9000 ropesgray.com Eva Carman	386 352	73	293	20	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,405 1,315	
19	<b>Gibson, Dunn &amp; Crutcher</b> 200 Park Ave.; 212-351-4000 gibsondunn.com Mark A. Kirsch, Andrew Lance	361 349	93	204	24	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,307 1,369	
20	<b>Proskauer</b> <sup>9</sup> 11 Times Square; 212-969-3000 proskauer.com Joseph M. Leccese	350 367	140	188	22	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	723 741	
21	<b>Paul Hastings</b> 200 Park Ave.; 212-318-6000 paulhastings.com Seth M. Zachary, Greg Nitzkowski	339 298	80	163	30	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,037 983	
22	<b>Schulte Roth &amp; Zabel</b> 919 Third Ave.; 212-756-2000 srz.com Paul N. Roth	338 340	80	205	53	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	370 372	
23	<b>Kramer Levin Naftalis &amp; Frankel</b> 1177 Sixth Ave.; 212-715-9100 kramerlevin.com Paul S. Pearlman	321 308	96	182	43	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	388 372	
24	<b>Cahill Gordon &amp; Reindel</b> 80 Pine St.; 212-701-3000 cahill.com William M. Hartnett	320 273	63	227	30	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	338 291	
25	<b>Wachtell Lipton Rosen &amp; Katz</b> 51 W. 52nd St.; 212-403-1000 wlrk.com Edward D. Herlihy, Daniel A. Neff	293 273	80	162	51		26	116	12				101	5	13	5	15	293 273

New York area includes New York City and Nassau, Suffolk and Westchester counties in New York, and Bergen, Essex, Hudson and Union counties in New Jersey. Crain's New York Business uses staff research, extensive surveys and the most current references available to produce its lists, but there is no guarantee that the listings are complete. To qualify for this list, firms must have an office in the New York area. All firms in the top 25 have New York-area offices in Manhattan. If lawyers practice in more than one area in the breakdown by practice area, they are counted once under their predominant area. ✓ indicates the firm has lawyers in this practice area, but the breakdown is unavailable. n/d-Not disclosed. 1-May indicate managing partner or other title. 2-As of Sept. 1; includes first-year associates starting this fall and winter who were hired on or before Sept. 1. 3-As of Dec. 31, unless otherwise noted. May not include deferred associates starting in 2018. 4-As of Sept. 1. 5-As of Sept. 1; includes counsel and special counsel. 6-2017 figures are as of Sept. 1. 7-2018 numbers are dated from Dec. 31, 2017, and 2017 numbers are dated from Dec. 31, 2016. 8-2017 figure is a Crain's estimate. 9-Head counts are as of Aug. 1. Research: Gerald Schiffman

FOR ALL CRAIN'S LISTS, VISIT CRAINSNEWYORK.COM/LISTS.





**REIG OF REVEL TRANSIT** wants commuters to be able to transfer from a shared moped to the 7 train.

# UPSIDE OF THE L-POCALYPSE

Alternative-transportation advocates look to capitalize on the L-train shutdown

BY MATTHEW FLAMM

In the past few months, shared electric-battery-powered scooters have swept the country, with their operators persuading officials in Austin, Santa Monica and San Francisco to launch pilot programs. New York, however, with its tougher regulatory environment, seemed the last place the e-scooters would find a home.

But shared-scooter companies looking to enter the nation's biggest market may be in luck, and not just because some of them have enlisted lobbyists experienced in clearing a path with local authorities. They are coming in at what could be a moment of unprecedented experimentation.

That's what some observers view as the upside to the L-line shutdown, which will begin in April, stretch 15 months and leave 225,000 commuters without their usual ride between Brooklyn and Manhattan.

"Ever since I got wind the L train was going to be shut down, I believed it was a perfect opportunity for the city and the state to reimagine what transportation could look like," said Rafael Espinal, a Brooklyn city councilman, who is working on a bill to legalize the scooters. "It's a marker point driving the conversation."

West Coast-based startups Bird and Lime—each with more than \$400 million in financing—have been meeting with city officials about entering New York. In addition, Lyft has launched its own scooter, and Uber is working on one.

## 'Big moment'

It's not just scooters that are part of that conversation. Pedal-assist e-bikes, which became legal just a few months ago, will play a central role in helping commuters as part of Citi Bike's response to the L

been working with the City Council on legalizing scooters.

New approaches in "human scale mobility," White said, could help New Yorkers "weather not just this crisis but the general crisis of the subways falling apart. All commuters are looking for other options right now. If they all defect to Uber and Lyft, we're in big trouble."

These so-called micromobility modes aren't limited to scooters and bicycles. For instance, Bushwick-based shared electric-moped startup Revel Transit is looking to expand its home operating zone next year so that users will be able to park in Long Island City and hop on the 7 train to Manhattan.

"This is much more than a complement to the L train," said Frank Reig, Revel's co-founder and chief executive, who sees the startup as primarily enabling travel within Brooklyn and Queens. "But we want to help where we can."

In addition, the startup Bandwagon Taxishare, whose app enables pooled rides for yellow cabs, is scheduled to meet with the Taxi and Limousine Commission about helping fill up cabs for the three-person-minimum high-occupancy vehicle lanes on the Williamsburg Bridge. Another company

**"ALL COMMUTERS ARE LOOKING FOR OTHER OPTIONS RIGHT NOW. IF THEY ALL DEFECT TO UBER AND LYFT, WE'RE IN BIG TROUBLE"**

shutdown. The company has the exclusive right to operate along the L corridor, but other bike-share players, questioning whether Citi Bike can handle all the demand, say they can help too.

"This is a big moment for New York City," said Paul Steely White, executive director of the advocacy group Transportation Alternatives, which has

is selling subscriptions to a luxury van called The New L, which will take Brooklynites to Manhattan every morning. Ride-pool service Via will offer a subscription plan.

Indeed, only 1% to 2% of commuters are expected to choose bicycles as an alternative to the L. To accommodate everyone else, the mitigation plan from the Metropolitan Transportation Authority and the Department of Transportation calls for beefing up other subway lines, drastically increasing bus service and adding a ferry route.

But critics say the enhanced bus service could result in gridlock, and Mayor Bill de Blasio is pushing an all-hands-on-deck approach. New bike-lane infrastructure is in the works on both sides of the Williamsburg Bridge, including in parts of Bushwick and along streets leading to the North Williamsburg ferry landing.

Some entrepreneurs say the sped-up adoption of new transportation options could bring more competition and investment.

"You have such a serious issue with such serious money involved on the investment side and the economic-implication side," said Tom Glendenning, founder of Manhattan-based consulting firm E3Think, which has stakes in bike-sharing operations in Hoboken, N.J., and New Rochelle. "The best and the brightest are going to be trying to solve it."

### Alternative routes

Citi Bike will install its own kind of shuttle, adding 1,000 pedal-assist e-bikes on both sides of the Williamsburg Bridge. The bikes, which boost human pedaling power with an electric battery, make it easy to climb hills—or the on-ramps to bridges—and are considered the most promising alternative mode for displaced commuters.

Citi Bike, whose parent company, Motivate, is in the process of being acquired by Lyft, is adding 1,250 standard bicycles and 2,500 docks in Manhattan below 59th Street and in Williamsburg.

But not everyone believes Citi Bike can handle the expected demand on its own, or that it should necessarily retain its exclusivity in the midst of an emergency. Archrival Jump Bikes—recently acquired by Uber—is operating in the Bronx and on Staten Island as part of the city's dockless-bike-share pilot program. The Brooklyn-based company says that, as a pioneer of pedal-assist bikes with

**SUN SAYS**  
Lime's scooters are safe, affordable and convenient.



BUCK ENNIS, GETTY IMAGES

## RENTERS BEWARE

**THE IMPENDING L** shutdown has been cited as a factor in the decreasing residential asking rents along the line in Brooklyn—which have dipped by an average of \$250 in Williamsburg since 2016.

Now commercial landlords are bracing to take a hit. Owners of retail spaces, already buffeted by the surge in online shopping, have begun to offer discounts and incentives in a bid to lure merchants despite the prospect of fewer shoppers.

Peter Schubert, a broker with Brooklyn-focused firm TerraCRG, pointed to a landlord he represents, who is floating a 15% discount for a deal in Williamsburg. (Schubert wouldn't disclose the retailer, but he said it is a food-related company.) The rental break will last as long as the L tunnel is under repair, then return to market rates when it reopens, in 2020.

"The landlord proactively came out and said, 'We're going to give you this break,' and it is a meaningful number," Schubert said. "It was unprompted, so you can tell that the tunnel shutdown is something that owners are certainly aware of—and hearing about from tenants."

Perhaps coincidentally, 15% is also roughly the expected decrease in visitors to the neighborhood that many real estate experts predict will result from the tunnel shutdown.

"About 85% of the foot traffic in places like Williamsburg are driven by people who live in Brooklyn and tourists who are staying in the borough," said Peter Levitan, principal of retail brokerage firm Levitan. But he nonetheless predicted the overall impact on the retail market will be modest, pointing to several major brands that have committed to spaces despite the risks brought about by the lack of subway service.

"There's been so much new commercial and residential development in Williamsburg and Bushwick," Levitan said. "It will add to the population in these neighborhoods, and that increase will outweigh the loss of visitation caused by the L train."

BEDFORD AVENUE

a well-oiled supply chain, it could play a key role in making more of them available.

One thousand e-bikes "is a drop in the bucket," said Ryan Rzepecki, Jump's founder. "This is going to be a very significant disruption that needs very large-scale solutions. Is Motivate's [plan] really sufficient to meet this challenge? We're able to contribute and be part of the solution."

## "THIS IS GOING TO BE A VERY SIGNIFICANT DISRUPTION THAT NEEDS VERY LARGE-SCALE SOLUTIONS"

Though highly regarded in the bike-share world, Rzepecki and other e-bike operators, such as Lime, face an uphill climb in gaining entrance to the Manhattan-to-Brooklyn market. Apart from its contract with the city, Citi Bike runs the largest and best-utilized bike-share operation in the country. It has won kudos for its rapid response to competition in the past year with the introduction of both a dockless model and an e-bike system.

Still, Rzepecki, who is leading Uber's development of a scooter, is not alone in questioning whether Citi Bike's exclusive contract is in the city's best interest.

"We have to find replacement modes for 225,000 people, which is the daily ridership of the L train and also the population of Pittsburgh," said Sarah Kaufman, associate director of the NYU Rudin Center for Transportation. "Citi Bike is fantastic, but users may not be coming from or going where Citi Bike docks are available, so we should also leave space for other modes, like Jump Bikes and e-scooters."

The Department of Transportation, however, is in no hurry to fix what it doesn't think is broken. Asked if other players could have a role in providing bicycles, a spokeswoman for the agency pointed to the Citi Bike expansion taking place, which will reach into Bushwick.

The scooter services also have their work cut out for them. Executives

from Bird and Lime have made recent pilgrimages to the city to share that their devices are fundamentally safe, will complement the transit system and will help employees get to work.

Users tend to take shorter trips on the scooters than they do on e-bikes—about 1½ miles versus nearly 3 miles, according to two operators—which makes the scooters better for getting from one subway line to another than for going over bridges. The companies, however, say they can help with both.

Companies also point to a more diverse ridership for their scooters. San Francisco-based transportation researcher Regina Clewlow says that shared scooters have so far turned out to be about equally popular with both genders, whereas men make up about three-quarters of shared-bicycle users. The difference may have something to do with women's being able to ride a scooter while wearing a dress and heels.

"The scooter has affordability, convenience, accessibility," said Toby Sun, chief executive of Lime. "Between the scooter and the e-bike, you have a solution for a bunch of use cases."

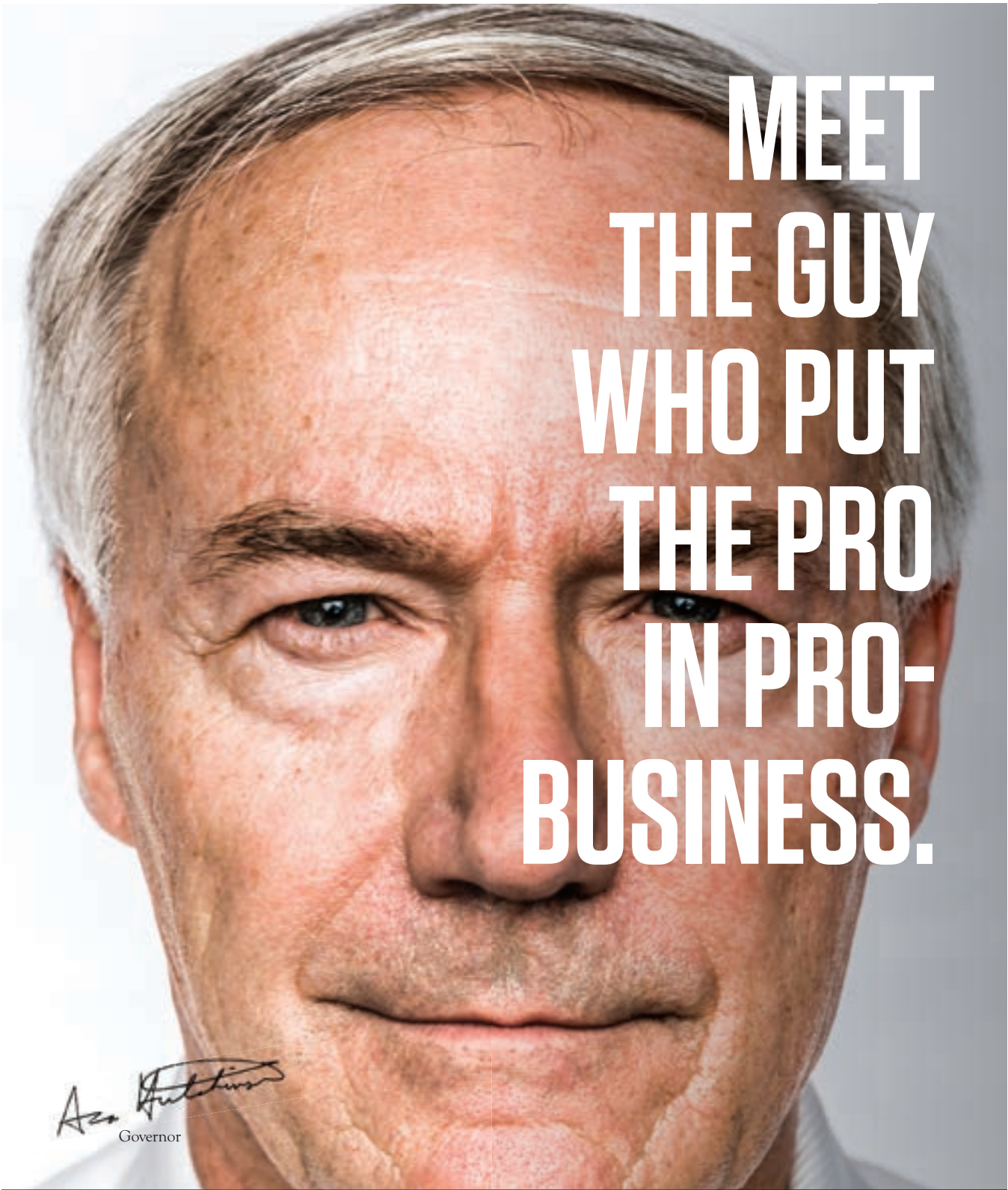
So far the city is insisting that the state first needs to assess the scooters' legal status, a position at odds with legal experts at Transportation Alternatives and the scooter startups. They say that the City Council can decide which vehicles are allowed on roads.

### An eye toward safety

The city also is concerned with safety and with keeping streets and sidewalks clear of obstacles. Two scooter users have died—one after a crash with an SUV; the other under unknown circumstances. Emergency room visits around the country have spiked as scooter use has grown.

Transportation advocates believe, however, that when it comes to injuries and deaths, the problem is cars, not bicycles or scooters, and the solution is to add more protected bike lanes.

"We are always looking to expand transportation options for New Yorkers," a spokesman for the mayor said. "We will closely review any proposed legislation with an eye toward keeping people safe on our crowded streets." ■



# MEET THE GUY WHO PUT THE PRO IN PRO- BUSINESS.

*Asa Hutchinson*  
Governor

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## PUBLIC & LEGAL NOTICES

NOTICE OF QUALIFICATION of Asentiv Manhattan, LLC. Authority filed with Secy. of State of NY (SSNY) on 6/1/18. Office loc: NY County. LLC formed in CA on 3/20/17. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 25 Broadway, 9th Fl, NY, NY 10004. Cert. of LLC filed with Secy. of State of CA loc: 3888 Petaluma Hill Rd, Santa Rosa, CA 95404. Purpose: Any lawful activity.

Notice of Qualification of 303 WEST 42ND STREET REALTY, L.L.C. Appl. for Auth. filed with Secy. of State of NY (SSNY) on 09/07/18. Office location: NY County. LLC formed in Delaware (DE) on 09/04/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, 300 W. 43rd St., Ste. 400, NY, NY 10036. DE addr. of LLC: c/o Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with State of DE, Secy. of State, Div. of Corps., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of ParkSlope Capital LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 08/21/18. Office location: NY County. LLC formed in Delaware (DE) on 08/20/18. 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 DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. #4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE OF FORMATION of MODEL CITIZEN, LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on 5/7/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 3813 13th Ave, 3rd FL, BK, NY 11218.

Notice of Qualification of PAPER BOATS, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 08/06/18. Office location: NY County. LLC formed in Delaware (DE) on 08/02/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, 520 W. 28th St., Unit 1, NY, NY 10001. DE addr. of LLC: c/o Corporation Service Co., 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 ARE-NY REGION NO. 2, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 08/31/18. Office location: NY County. LLC formed in Delaware (DE) on 08/29/18. 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 Secy. of State of State of DE, 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity

NOTICE OF FORMATION OF RUE SAINT PAUL LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on 6/19/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 1967 Wehrle Drive, Suite 1 #086, Buffalo, NY 14221. Purpose: any lawful act.

NOTICE OF FORMATION OF Harbinger LSI GL NY, LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on 8/21/18. Office location: NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The address to which the SSNY shall mail a copy of any process against the LLC served upon him is: Joe Lucas, 200 Lexington Ave, Ste 601, NY, NY 10016. The principal business address of the LLC is: 200 Lexington Ave, Ste 601, NY, NY 10016. Purpose: any lawful act or activity.

Notice of Formation of HOLY MACHINE LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 08/07/18. 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. Purpose: Any lawful activity.

Notice of Formation of CARNEGIE RE-PURCHASE LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 09/07/18. 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.

Food Sitch, LLC Arts. of Org. filed w/ SSNY on 9/1/17 Off. in NY Co. SSNY desig. as agt. of LLC whom process may be served. SSNY shall mail process to Steven Beltre, 244 Madison Ave, NY, NY 10016. The reg. agt. is Steven Beltre at same address. Purpose: any lawful activity.

Application for Authority of EGM E&R Heating & Cooling LLC filed with the Secy. of State of NY (SSNY) on 8/24/18. Formed in NJ 7/23/18. Office Loc.: NY County. SSNY is designated as agent of LLC upon whom process against it may be served. The address SSNY shall mail copy of process to and the office address in NJ is Michael Espinosa, 326 Hackensack St., Carlstadt, NJ 07072. Cert. of formation filed with Elizabeth Maher Muoio, State Treas., 33 W. State St., Trenton, NJ 08608. Purpose: Any lawful activity.

NOTICE OF FORMATION of Booth 3629 White Plains Holdings LLC. Art. of Org. filed with the Secy of State of NY (SSNY) on 8/8/18. Office location: New York County. SSNY has been desig. as agent upon whom process against it may be served. SSNY shall mail copy of process to: 111 8TH AVENUE NY, NY 10011. Reg. Agent: National Registered Agents, Inc., 111 8th Ave, NY, NY 10011.. Purpose: any lawful purpose.

Notice of Qualification of EVERSLEIGH LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 08/31/18. Office location: NY County. LLC formed in Delaware (DE) on 05/22/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Ivan A. Sacks, Esq., Withers Bergman LLP, 430 Park Ave., 10th Fl., NY, NY 10022. DE addr. of LLC: c/o Corporation Service Co., 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. - Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE OF FORMATION OF OXD-1450 BWAY LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on 7/18/2018. 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: 18 W 23rd Street, Ground Floor, New York NY 10010.

Notice is hereby given that a license, serial number 1313383 for full On-Premises License, beer and wine has been applied for by Upper East Kitchen LLC d/b/a York Avenue Kitchen to sell beer and wine for on-premises beer and wine consumption at retail in a restaurant under the Alcoholic Beverage Control Law at 1453 York Avenue aka 445 East 77th Street, New York, New York, 10075 New York County for on-premises consumption.

NOTICE OF FORMATION of 85 Quay Street Holder, LLC. Art. of Org. filed with the Secy of State of NY (SSNY) on 7/11/18. Office location: New York County. SSNY has been desig. as agent upon whom process against it may be served. The address to which the SSNY shall mail a copy to is: The LLC, 256 West 116th Street, New York, NY 10026 Purpose: Any lawful act.

Notice of formation of 63 Greene Street 2B Holding LLC Arts. of Org. filed with the Sect'y of State of NY (SSNY) on 10/17/2017. Office location, County of New York. SSNY has been designated as agent of the LLC upon whom process against it may be served. SSNY shall mail process to: c/o Hayward Richard Pressman, Esq., 19 East 88th St., Ste. 6F, NY, NY 10128. Purpose: any lawful act

Notice of Formation of MARQUAND & APLEY, LLC. Arts of Org filed with Secy. Of State of NY (SSNY) on 6/14/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to: 300 E. 33rd St., Apt. 3K, New York, NY 10011. Purpose: any lawful act.

Notice of Qualification of Macquarie Core Solar HoldCo, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 08/21/18. Office location: NY County. LLC formed in Delaware (DE) on 06/28/18. 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: CSC, 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corp., John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Formation of 50 BOND STREET FOUR LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 09/14/18. 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 DMSimon CPA LLC, Attn: Debra M. Simon, 800 B Lake St., Ramsey, NJ 07446. Purpose: Any lawful activity.

Notice of Formation of 50 BOND STREET THREE LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 09/14/18. 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 DMSimon CPA LLC, Attn: Debra M. Simon, 800 B Lake St., Ramsey, NJ 07446. Purpose: Any lawful activity

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**Stacy Tessler Lindau, MD, MAPP**

Professor, The University of Chicago  
Founder and Chief Information Officer, NowPow  
Director, WomanLab



### Panel Discussion: Working together to move the needle on health outcomes



**Susan Beane, MD**  
VP & Medical Director  
Healthfirst



**Marilyn A. Fraser, MD**  
Chief Executive Officer  
Arthur Ashe Institute for  
Urban Health



**Niyum Gandhi**  
EVP & Chief Population  
Health Officer  
Mount Sinai Health System



**Marc N. Gourevitch, MD, MPH**  
Chair, Department of  
Population Health  
NYU Langone Health

### Panel Discussion: Innovative models in population health



**Dave Chokshi, MD, MSc, FACP**  
Chief Population Health Officer  
NYC Health + Hospitals



**Manmeet Kaur**  
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**CRAIN'S**  
NEW YORK BUSINESS

## NEW IN TOWN

### ■ Bourke Street Bakery 15 E. 28th St.

A Sydney-based bakery chain opened its first location outside of Australia. It offers counter service, has 50 seats and makes everything from scratch.

### ■ Naadam

#### 392 Bleecker St.

The online Mongolian cashmere brand opened a shop in Greenwich Village.

### ■ SJP by Sarah

#### Jessica Parker

#### 93 South St.

The actress, whose *Sex and the City* character often wore high-end designer stilettos, is selling her own shoe and handbag designs near South Street Seaport.

### ■ Teresa Tarmey

#### 177 Duane St.

The London-based laser facial specialist with a celebrity clientele opened a spa in TriBeCa with three treatment rooms.

## MOVES AND EXPANSIONS

### ■ BA&SH

#### 257 Elizabeth St.

The Parisian womenswear label now operates a second Manhattan shop, in Nolita.

### ■ Hollis Taggart

#### 521 W. 26th St.

The contemporary art gallery is opening a third location, at High Line Nine, a complex of galleries under the elevated park in Chelsea.

### ■ Pizza Rollio

#### 437 E. Ninth St.

This fast-casual eatery, which offers its signature dish of superthin-crust pizza cut in strips, then rolled with fresh arugula and sprouts, has opened a third location, in the East Village.

## STOCK TRANSACTIONS

### ■ Michael Kors Holdings (KORS-N)

Chairman Michael Kors sold 179,920 shares of com-

mon stock at prices around \$74 Sept. 18 in transactions worth \$13,245,544. He now holds 4,352,934 shares.

### ■ Revlon Inc. (REV-N)

Board member E. Scott Beattie sold 20,000 shares of common stock Sept. 18 for \$23.24 per share in a transaction worth \$464,740. He now holds 73,458 shares.

### ■ Steven Madden Ltd. (SHOO-O)

Director Richard Randall sold 1,000 shares of common stock Sept. 18 for \$58.06 per share in a transaction worth \$58,060. He now holds 24,070 shares.

## REAL ESTATE

### RETAIL

■ Belcampo signed a lease for 10,500 square feet at **10 Hudson Yards**. The organic-meat company plans to open its first location outside of California. Developers The Related Cos. and Oxford Properties

Group handled the lease in-house. It was unclear if the tenant had a broker.

■ Pronovias agreed to take 10,035 square feet for 10 years at **45 E. 58th St.** The Spanish wedding gown designer plans to open its second location, in Midtown East. Ripco Real Estate handled the lease for the landlord, 480 Park Ave. Corp. Crown Retail Services represented the tenant.

■ Union Square Play and Kellogg's NYC together signed for 7,000 square feet at **36 E. 18th St.** The brands have partnered to open a play space and café with an entrance on Union Square. The landlord, ABS

Partners Real Estate, was represented by an in-house team. ABS Partners Real Estate also handled the deal for the tenant. The asking rent was not disclosed.

### COMMERCIAL

■ Spaces signed a deal for 99,000 square feet at **787 11th Ave.** The coworking-space provider owned by IWG now leases two floors of the 8-story building. The asking rent was in the high \$70s per square foot. CBRE represented the owners, The Georgetown Co. and Pershing Square Capital Management, and the tenant.

■ Mason Tenders District Council Welfare Fund

agreed to extend its lease for 40,000 square feet for an additional 10 years at **520 Eighth Ave.** The owner, GFP Real Estate, and the tenant were self-represented. The asking rent was \$48 per square foot.

■ Broadcast Music inked a 16-year lease for 61,390 square feet at **7 World Trade Center**. The music-rights manager converted its sublease into a direct deal after spending nine years in the building. The owner, Silverstein Properties, was represented in-house. The tenant was represented by Colliers International. The asking rent was in the \$80s per square foot.

- YOONA HA

## \* GET YOUR NEWS ON THE RECORD

To submit company openings, moves or real estate deals, or to receive further information, email [FTR@CrainsNewYork.com](mailto:FTR@CrainsNewYork.com).

For the Record is a listing to help businesspeople in New York find opportunities, potential new clients and updates on customers. Bankruptcy filings from the eastern and southern districts of New York are listed alphabetically. Stock transactions are insider transactions at New York companies obtained from Thomson Reuters and listed by size. Real estate listings are in order of square footage.

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LAKHANI and his tutors charge students from \$260 to \$1,000 an hour.

## Helping students apply themselves

A former commodities trader finds his calling as an elite **college and SAT coach**

**W**hen Hafeez Lakhani was a South Florida teenager in the 1990s, he worked to perfect his SAT scores and pinned his hopes on getting into Harvard or Yale. He knew little about the latter other than that it represented an idea of excellence—and that *The Simpsons*' character Montgomery Burns graduated from there.

Today Lakhani and his staff of 11 coaches advise teenagers to take an entirely different approach to the college application process.

"It's not about checking boxes; it's about what's interesting to you? Where are the kernels of passion, and how do we help those seeds blossom?" Lakhani said.

To that end, he likes to start working with students long before senior year—the summer before 10th grade is perfect, he said. Test prep is only one aspect of the process; academic and character development are cultivated along with problem-solving skills to improve SAT scores.

Developing interests and experiences independent of the application makes for candidates who can speak authentically about their passions and how they've developed them, Lakhani said. It makes the process itself worthwhile, rather than just a means to an end, he added.

Lakhani started his career as a commodities trader at Morgan Stanley. But four years later he decided to become a writer. To pay the bills, he worked as an SAT tutor, and soon writing took a back seat. Collegiate coaching, he felt, was his true calling. In 2010 he hung out his shingle as Lakhani Coaching; by 2013 he had more work than he could handle.

"After the first few sessions, I saw something different in their eyes," said a mother of twins who are clients. "They were not panicked or stressed. They were getting connected to themselves."

Lakhani Coaching's hourly rates range from \$260 to \$1,000. A basic package runs \$12,000, but only about 5% of clients choose that option—10% spend from \$100,000 to \$200,000 through high school.

"I do have some guilt about the cost because I come from a middle-class background," Lakhani said. Last year he accepted his first low-income student. His eventual goal is to work with an equal number of scholarship and fee-paying students—right now there are 50 fee-paying clients.

Middle-class kids, he concedes, are left to rely on Kaplan courses and the Fiske Guides. But he hopes to reach them another way: He's writing a book. — KIM VELSEY

**"It's not about checking boxes, but where are the kernels of passion?"**

### HAFEEZ LAKHANI

**BORN** Hyderabad, India

**GREW UP** Pembroke Pines, Fla.

**RESIDES** Fort Greene

**EDUCATION** Bachelor's in economics and math, Yale University

**2017 REVENUE** \$1.4 million; doubling annually in recent years

**NICE WORK** His staff of three full-time and eight part-time employees includes a professional opera singer, a doctor, a scientist and an artist.

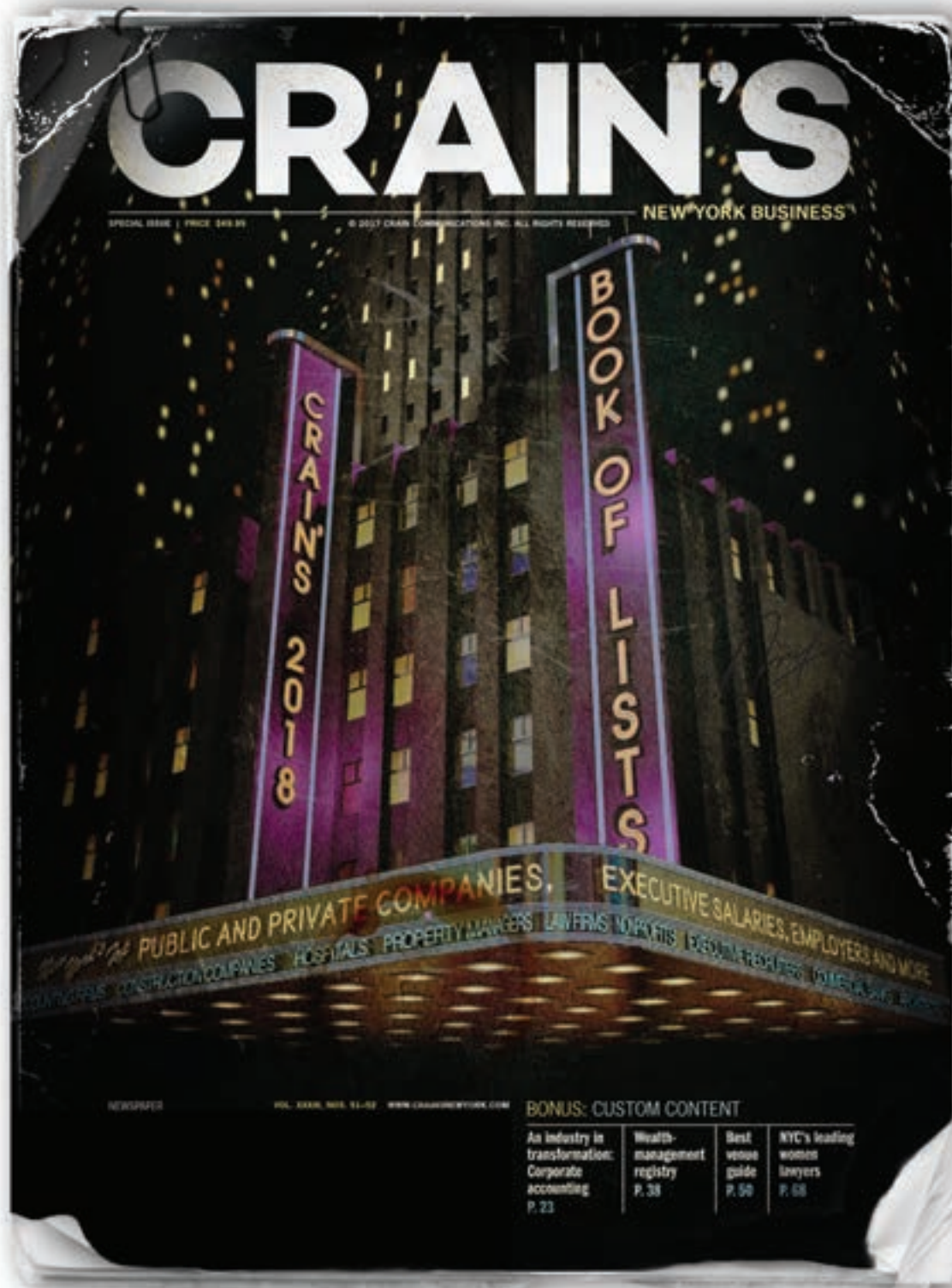
**ART APPRECIATION** After their landlord sold their building, Lakhani Coaching and a fine-arts gallery teamed up to share an office on the Upper East Side.

**EVERYTHING IS POSSIBLE**

To motivate students, Lakhani, a non-native English speaker, shares the scores from his first SAT: math, 720, and verbal, 470, out of 1600. It took him four tries and two years to achieve a perfect SAT score.

Battered, tattered, beat-up, dog-eared, ripped, clipped, folded, frayed, devoured, digested, tagged, taped,

# TREASURED



In offices and meetings throughout the New York business community, the *Crain's* Book of Lists is used and referred to again. And again. And again. So the cover may not hold up, but an ad inside the **Crain's 2019 Book of Lists puts you in the right place and the best position, all year long.** This indispensable resource is scoured thoroughly and repeatedly by thousands of the New York business community's movers and shakers.

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