NYC 9/11 Public Portal Document

THE NEW YORK TIMES, THURSDAY, OCTOBER 25, 2001

Battery Park City Landlords Are Giving Breaks to Tenants

By SUSAN SAULNY

In an effort to encourage tenants to stay in their apartments near ground zero, landlords in Battery Park City have begun to offer rent reductions, rent credits and other amenities to make the area battered by the World Trade Center attacks more attractive.

"We want to keep our residents," said Kevin P. Singleton, senior vice president of Rockrose Development, which is offering 20 percent cuts in rent at two of its buildings — 41 River Terrace and 22 River Terrace — and a 25 percent reduction at 33 Rector Place, all in Battery Park City. Rockrose has also given tenants one month of free rent and will allow those who want to break leases to do so until the end of the month, although they will have to forfeit security deposits.

"We believe our package of policies here is attractive," Mr. Singleton said.

But some tenants of Rockrose and other large property managers in Battery Park City say they no longer are comfortable there or should be better compensated for losing conveniences like mass transit, employers, schools and stores near the trade center complex.

Some are hiring lawyers or banding together to press their demands, like those sought by tenants in Gateway Plaza to be freed from their leases without penalty, to receive large rent reductions and the option of renegotiating long-term leases, and to have an independent environmental cleanup and assessment.

Late yesterday, LeFrak Organization, which owns Gateway Plaza, announced a package that included one month's free rent, new appliances, landscaping and the option of breaking a lease until March 31. Also, tenants in rent-stabilized apartments would save 10 percent. For those in other apartments, the rent would be reduced to 10 percent below the current market value.

Jack Lester, a lawyer for tenants of 100 John Street, 15 Park Row, 75-812 Nassau Street and the 1,700-unit Gateway Plaza, said negotiations were under way with landlords, and "we want to make every effort to resolve this peacefully."

Noting downtown is now peppered with vacant, unliveable buildings or empty lots, he said: "Tenants who remain become pioneers in that area and should be treated accordingly. Various landlords are at various stages of realizing this. Some are offering 10 percent reductions, some nothing. What I'd like to see is some uniformity which reflects the reality of the situation and treats people fairly instead of arbitrarily."

The owners acknowledge the hardships faced by tenants, but say there are limits to what they can offer. And they have yet to be told, many said, what government aid will be coming.

"We understand the position of the residents of Battery Park City," said Mr. Singleton, of Rockrose. "But we did not cause what happened and can't control what happens now, or how quickly it happens," he continued, referring to cleanup and access issues in the area. "We are experiencing intense and significant financial burdens as owners."

Gary Jacob, the executive vice president of Glenwood Management Corporation, which owns buildings in Battery Park City, said: "We're trying to do everything to keep our tenants as comfortable as possible."

Glenwood is offering a 20 percent rent reduction for the remainder of any lease, a school shuttle bus for children relocated to elementary schools outside of their immediate area and indoor play space.

Justin Dangler, a market analyst and Gateway tenant, is typical of many residents there. "I just want to break my lease and move on," he said.

For the buildings that are open, occupancy rates have fallen the closer they are to ground zero. Rockrose's occupancy rates are 50 to 70 percent, company officials said.

Meanwhile, many prospective tenants seem interested in the area, according to Heather Johnson, a broker for Acocella and Company. Most brokers' fees, which usually are paid by a tenant, have been absorbed by developers, she said.

"People who never thought they could live in Battery Park City — people who would have gone to the Lower East Side or the Village looking to pay $1,500 for something small — can afford nice luxury doorman buildings here now," she said. "Now they've heard the rents have dropped and a lot of landlords are getting desperate."

Ms. Johnson, who lives in Battery Park City herself, said "everyone just wants Battery Park City back to normal."

CITY_21MC100_011831595

NYC-WTC_000413841