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Rent strike looms in Gateway Plaza tenants vs. LeFraks



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LEGAL BATTLE Adding to lower Manhattan troubles is confrontation at Gateway Plaza, at south end of Battery Park City.

By ERIC HERMAN
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Tenants of Battery Park City's Gateway Plaza apartments are voting overwhelmingly for a rent strike — setting them on a legal collision course with one of New York's most powerful real estate families, the LeFraks.

Voting on the proposal ends Friday. But it looks certain to pass, according to a lawyer involved.

"The votes been running about two-to-one in favor of the rent strike," said Jack Lester, a lawyer for Gateway Plaza Tenants Association. "I don't think it's possible at this point that the rent strike will be defeated."

The six-building Gateway complex stands west of 1 World Financial Center on the edge of the Hudson River. About 5,000 people live in its 1,700 apartments. Rents average $2,000 a month for a one-bedroom apartment and $3,500 a month for a two-bedroom.

Like other residents of Battery Park City, Gateway tenants were barred from their apartments after Sept. 11, and some have yet to return.

The buildings suffered broken windows and damage from debris.

Fearing a wholesale exodus from the area, Battery Park City landlords have offered rent concessions. The Lefrak Organization, which owns Gateway, offered tenants occupying apartments with below-market rents a 10% rent reduction for one year — and 20% reductions for tenants paying market rents.

Lefrak also gave Gateway tenants the right to break their leases until March 31, 2002 without forfeiting security deposits.

The Association's executive committee supported Lefrak's offer two weeks ago, voting to accept it, Lester said. But since then, he added, "the grievances have been growing."

The tenants still have concerns about asbestos in their apartments and about tenants from one Gateway building that remains closed being denied first rights to move into vacant apartments in open buildings.

Richard LeFrak, president of the Lefrak Organization, called assertions about asbestos and tenant transfers "nonsense."

If the tenants go on rent strike, LeFrak said, "We'll send them nonpayment notices and then take them to court."

"I've already told them that if they're not happy they should leave. I've given them the opportunity to break their leases," LeFrak said.

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