

State Senator Thomas K. Duane

Congresswoman Carolyn B. Maloney

Council Member Daniel R. Garodnick

Assemblymember Brian Kavanagh

Via Facsimile and U.S. Mail

September 10, 2009

Deborah VanAmerongen
Commissioner
NYS Division of Housing and Community Renewal
Hampton Plaza
38-40 State Street
Albany, NY 12207

Dear Commissioner VanAmerongen:

We write to ask for your attention to new and pending applications for Major Capital Improvements (MCI) in Stuyvesant Town and Peter Cooper Village.

As you know, Tishman Speyer, and its predecessor MetLife, regularly have sought to pass along costs for MCIs to tenants of that community in recent years. These applications have been routinely approved by the Division of Housing and Community Renewal (DHCR), despite objections from the Stuyvesant Town Peter Cooper Village Tenants Association that, in some cases, were never addressed. In light of the sheer number of applications — as well as several new ones that recently were initiated — we ask that the DHCR conduct a top-to-bottom review of all past and pending applications to ensure their completeness and legitimacy.

The Following Past Applications Deserve your Attention:

- Rewiring in Peter Cooper Village (filed in 2000 for 21 buildings). At an average cost of \$38 per room per month, the Tenants Association objected to these MCIs on the grounds that the costs of the electrical rewiring were commingled with those of RCN's simultaneous cable installation, and that

MetLife was allowed to “double dip.” We have attached a description of the outstanding objections related to this MCI by Tenants Association President Al Doyle. DHCR approved the increase over the Tenants Association’s objection.

- Roofs in Stuyvesant Town (filed in 2004 for 20 buildings and in 2006 for 50 buildings). At an average cost of \$10 per room per month, the Tenants Association objected to charges for asbestos removal, and claimed that the landlord failed to maintain its required records on asbestos removal for at least 10 buildings. There were two rounds of applications for this MCI, and the DHCR approved round one. Tenants specifically objected in round two to charges at 19 and 21 Stuyvesant Oval, because the repairs followed a roof explosion on those sites. In addition, tenants asserted they had insufficient opportunity to respond to the application to the DHCR in round two because neither their attorney nor the tenants themselves had received a copy of the owner’s response to their answer. The tenants are still awaiting a decision from DHCR on the Petition for Administrative Review (PAR) they filed in April 2008 — sixteen months ago — on round two.
- Elevators in Stuyvesant Town (filed in 2005 for 20 buildings and in 2006 for 69 buildings). At an average cost of \$10 per room per month, the Tenants Association raised questions about missing permit verifications, invoices and statement of engineering costs, as well as miscellaneous line items. They observed that an upgrade was performed in the 1990s on all Stuyvesant Town elevators, which had not exceeded their useful life before the replacement. They also claimed that the elevator cars were charged to the tenants by two different companies. Again, there were two rounds of applications. Round one was approved by the DHCR over the objections of the Tenants Association. The tenants are awaiting a decision from DHCR on a PAR filed in June 2009 on round two.
- Intercoms in Stuyvesant Town (filed in 2008 for 89 buildings). At an average cost of \$6.50 per room per month, the Tenants Association recently answered Tishman Speyer’s MCI for intercoms. They questioned the functionality of the new door-opening mechanism, the method of counting rooms (in light of the frequent construction of pressurized walls in apartments), and the classification and terms of useful life for a communications system. They have raised legitimate questions regarding how the DHCR should evaluate a “communications system” as compared with an “intercom system.”

More Recent MCI Applications for your Review:

Recent local press reports and the research of our offices confirm that Tishman Speyer has recently submitted brand new MCI applications for water tanks, valves and plumbing; exterior common area doors (carriage room and service entrance doors); and resurfacing (repaving) of common areas. We expect that the Tenants Association will formally respond to these applications, but we wanted to highlight them for you here.

State Senator Tom Duane and Assemblymember Brian Kavanagh have requested from your agency a copy of the complete applications themselves, which they have not received in full. Though the DHCR did send a sample two-page section of the MCI application for resurfacing, water tanks and exterior doors for one building in Stuyvesant Town, and another MCI application for the new water tanks and related valves for one building in Peter Cooper Village as a courtesy, neither office has received a copy of a complete application. (Of course, tenants should be able to access this information themselves, without having to visit the DHCR's offices or those of the owner.)

As for water tanks and valves, tenants in Peter Cooper Village received notice about this MCI application starting in mid-August 2009. In order to assist us in determining the legitimacy of this application, we ask that you provide us with the following information: (1) the dates of and method for the replacement of water tanks; (2) the scope of work conducted on the "related valves" and the function and number of the valves replaced; (3) the material of the underground piping, the quantity replaced and the area affected — in terms more specific than "entire property;" and (4) the order work was performed on the water tanks, valves and underground piping.

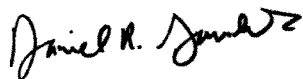
The tenants have not yet received notice of Tishman Speyer's applications for repaving, exterior doors, or water tanks and accessories in Stuyvesant Town. These applications will also require greater clarification. One concern immediately raised is the meaning and significance of "accessories." Moreover, regarding the repaving portion of the MCI application, please be aware that Tishman Speyer conducted considerable landscaping on the property over the past two years. This work was not done in conjunction with repaving work. As such, we want to be absolutely clear that Tishman Speyer is not seeking an MCI for landscaping.

Request for Review of all Past and Pending Applications, and Meeting:

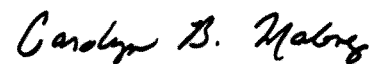
The DHCR has long been perceived in this community as a rubber stamp for MCI applications. Because state law today allows a landlord to permanently add MCI charges to rent bills, your careful investigation and evaluation of these applications is essential. We are concerned that there are several outstanding responses due to the Tenants Association from the DHCR that have not been addressed, in one case for nearly a year and a half. Accordingly, as noted above, we ask that the DHCR conduct a top-to-bottom review of past and pending applications. We also would like to meet with you to discuss the outstanding requests for information and answers from the Tenants Association, as well as the results of your review.

Thank you for your attention to this matter. Please follow up with Justine Almada in the office of Council Member Garodnick at 212-818-0580 to arrange a meeting or discuss any aspect of these requests. We look forward to reviewing the details of these applications.

Sincerely,



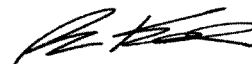
Daniel R. Garodnick
Council Member



Carolyn B. Maloney
Congress Member



Thomas K. Duane
New York State Senator



Brian Kavanagh
New York State Assemblymember



Alvin Doyle
President, Stuyvesant Town/Peter
Cooper Village Tenants Association

Enclosure

cc: George Hatzmann, Managing Director, Tishman Speyer

Subject: Peter Cooper Village re-wiring.

Summary of Missing Documentation
Peter Cooper Village Electrical Re-Wiring and RCN Cable Installation.

The Electrical Re-wiring of Peter Cooper Village and the RCN Cable Installation in Peter Cooper Village were performed simultaneously.

Both projects were performed by a single Electrical Contractor and were supervised by a single Engineering Firm.

On or about April 1998, Fred Geller Electrical, Inc. began a complete replacement of the Electrical Wiring of Peter Cooper Village's 21 buildings. At the same time, Fred Geller Electric also began a Cable Installation Project for TV, Telephone and Internet Service in Peter Cooper Village.

The Landlord (Metropolitan Life Insurance Co.) acknowledged that Fred Geller Electric (Contractor) and Goldman Copeland Associates (Engineer) simultaneously engaged in two tasks involving Peter Cooper Village. One task was the electrical re-wiring of Peter Cooper Village. The other task was the installation of TV Telephone and Internet Cabling. (RCN Installation)

Most of the electrical and cable work was overlapping and was performed at the same time.

Fred Geller Electric entered each individual apartment to perform both tasks. Individual work appointments were scheduled for each apartment. Apartments had to be prepared for the wiring, cables and device installation. Furniture was moved and closets cleaned out. Electrical wiring and devices, cable wiring and the Cable Network Interface Device were installed in each apartment simultaneously. After the installations were completed, the Apartment was restored to its original condition.

The nature of the Electric re-wiring and and Cable installation were interrelated and overlapping from the point where the cables and wiring entered each Peter Cooper Village Building to the point where the wiring and cable entered each apartment. The electrical wiring and RCN Cable traveled in parallel throughout each building to each apartment.

The Engineer, Goldman Copeland Associates inspected the installation of the electrical wiring and the installation of the RCN Cable. The Goldman Copeland "Field Reports and Comments", direct Fred Geller Electric to correct the deficiencies of the RCN Cable Installation as well as the Electric Wiring.

Missing Documentation

During the course of the MCI proceeding from the initial MCI Rent Increase Application until the issuance of the Petition for Administrative Review Decision, the following Documentation was requested from Met Life by the DHCR. These Documents were NEVER provided by Met Life.

- 1) Valid RCN Contract - Met Life submitted an "unsigned" Contract with a term of July 1 1997 thru June 30, 1998. This Contract does not indicate that RCN is to make payment to Fred Geller Electric.
- 2) Any evidence of RCN Payment from RCN to Geller

- 3) Time sheets or payroll records from Geller Electric indicating the allocation of worker time between the RCN installation and the Electrical re-wiring.
- 4) RCN Project Design Drawings or specifications filed with the NYC Bldg Dept.
- 5) RCN Project Design drawings or specifications filed with the NYC Bureau of Electric Control (BEC)
- 6) RCN Drawings, specifications, shop drawings or product data submitted (for review and approval) to Met Life or Met Life's Consulting Engineer.
- 7) Consulting Engineer's costs to review RCN drawings, specifications, shop drawings or product data for Met Life.
- 8) NYC Bldg Dept Permits, Inspections or Sign-offs for the RCN Work
- 9) NYC Bureau of Electric Control Permits, Inspections, Variances or sign-offs for the RCN Work
- 10) Separate supervision, inspection or Field Reports of the RCN Work (including Hub Room construction) by Met Life or the Met Life's Consulting Engineer.
- 11) Total Cost of RCN Installation in Peter Cooper Village..
- 12) Commercial Allocation of the MCI - Cost of electrical wiring to the professional apartments, the commercial spaces and the wiring costs to the RCN Hub Rooms.
- 13) Copies of Geller Electrics sub-contracts including modifications and change orders
- 14) Cost breakdowns of the various items of work. Items such as "apartment entries" accounted for major portions of the work and a cost breakdown would explain this work.
- 15) Commercial Offset for License Revenue paid to Met Life by RCN as a result of the prompt installation of the Cable. DHCR did not address this issue.

On March 13th, 2006, I submitted an Affidavit which contended that the cost of the RCN Cable Installation was included in the Electrical Wiring MCI.
Met Life's Attorney's challenged this affidavit on procedural grounds only.
Judge Wetzel and the Court of Appeals ignored this Affidavit.

I hope this is of some help to you and Peter
If you have any questions, please call.

Al