

Co-op / Condo Tax-Revolt: Fireworks at Packed Meeting with Tax Commish

By [Frank Lovece](#)



NEW ONLINE March 25, 2011; updated 6:35 p.m. EDT — At a town-hall meeting yesterday, where New York City tax commissioner David Frankel tried to explain the unprecedented triple-digit leap in co-op / condo valuation in northeast Queens, tempers flared, questions went unanswered, the meeting's chairmanship was usurped, and a coalition of co-ops and condos vowed legal action, according to attendees.

"I just found it really surreal," **Bob Friedrich**, president of both the [Glen Oaks Village](#) co-op complex and co-op presidents' group the Presidents Co-op Council, said today of the meeting, held in conjunction with [Queens Community Board 7](#). "It was a sham."

Warren Schreiber, president of the 200-unit **Bay Terrace Cooperative Section 1**, echoed that characterization. "It was a pre-planned sham," he e-mailed Queens CB7 chairman **Gene Kely** this morning. "It's obvious that right from the very beginning, the strategy was to rubberstamp Frankel's presentation and provide the Department of Finance with the CB7 seal of approval."

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Since February, Friedrich, Schreiber and others have protested what they feel are unjustifiable valuation increases — and commensurate property-tax increases — in this year's annual Dept. of Finance valuation figures. Co-ops and condo in northeast Queens were hit with valuation increases of up to 146 percent, according to a board-group representative — compared to 6.56 percent overall in the city as 7.98 percent for co-ops and most condos.

Frankel's appearance came in part as his way to address accusations of stonewalling and a lack of transparency on what starting figures the DOF plugged into its formula.

Standing Room Only

The meeting — held at the Union Plaza Care Center nursing home in Flushing, Queens, where Queens CB7 regularly holds its regular meeting on the second Monday of every month — proved problematic from the start.

"Commissioner Frankel told me, 'We're gonna come out and be available to the shareholders, and have [the meeting] at the Community Board 7 facility,' says Geoffrey Mazel of [Hankin & Mazel](#), attorney for both the 1,024-unit [LeHavre on the Water](#) co-op in Whitestone, Queens, and the [Presidents Co-op Council](#). "When we got there, there were chairs for only 50 people. We saw 60-, 70-, 80-year-old people bringing in chairs from other floors. At least half the room, a couple hundred people, were standing. They knew it would be a big crowd," he says, citing an estimated 450-person turnout for a similar March 10 meeting that Frankel was unable to attend. "Frankel chose the venue," he said.

The commissioner's acting spokesperson, David Miller, says that's not so. "The venue was not chosen by the Dept. of Finance or Commissioner Frankel," he told *Habitat*.

"Community Board 7 was just the conduit for setting up the meeting," Friedrich says. "That's what Kely told me on the phone the day before the meeting. Then he declared it a Community Board 7 meeting at the meeting."

The various parties agreed to have CB7 member Arnold Wagner the meeting. Multiple accounts, however, say Kely, who did respond to requests for comment, took it over in an overbearing and bullying way.

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In the main part of the meeting Commissioner Frankel gave a Power Point presentation for approximately 90 minutes, said attendees. Frankel explained that property-valuation is a mathematical construct not influenced by city attempts to increase revenue, that his data comes from the annual the income/expense statements property owners must provide the city, and that from 2007 to 2011, the figures that are plugged into the formula — called "comparables," i.e., what comparable apartments can rent for — showed that

Queens co-ops declined in value by 12 percent while rentals went up 12 percent.

He said, according to attendees, that he agreed the property-tax system is inequitable, and insisted that Queens had been under-assessed in past years. "How it was possible that for 20 years the annual valuations prepared by the Dept. of Finance were wrong?" Friedrich wonders. "Then suddenly in 2011, when the city badly needs revenue, Commissioner Frankel discovers Eastern Queens has been undervalued by, in many cases, triple digits. I couldn't get an answer from him to this question: Has anybody been fired by Frankel for such serious mistakes over a 20-year period?"

"Co-ops and condos are required by state law to be valued as if they were rentals, so their hypothetical rental income should be the same as the rents reported by apartment buildings," DOF spokesperson Miller responded today. "Instead, co-ops and condos had lower incomes than rentals, an obvious sign they were under-assessed."

As he wound down, Frankel explained that he capped tax increases at 50 percent because he believed the city was indeed incorrect on 20 percent of the valuations, and that the cap would give the city time to adjust them.

He went on to take questions. However, attendees who found his Power Point presentation confusing or convoluted were prevented from asking for clarification as he spoke, attendees said.

"The Commissioner was making statements and failing to make provide documentation, substantiation or data to back up those the statements," said Friedrich. "So I politely asked him, 'Give us specifics. Tell us how the LeHavre co-op's valuation has increased 122 percent.' Then Kelly jumped up, which he did a few times during the meeting, and said, 'Bob, you must stop, I want the police to escort you from this meeting.'" One of the two officers approached Friedrich and touched him on the shoulder, which triggered the crowd shouting. Friedrich was not thrown out.

Kelly's authority to try to have done so, in any event, is unclear. Aside from the fact he was not the meetings agreed-upon chair, Mazell says, "I spoke to a member of the board, who told me it was a community service to have this meeting at Community Board 7, but that it was not a Community Board 7 meeting."

An unsigned e-mail today from Queens CB7 said, "The fourth Thursday of every month — except July, August and November — is for the District Service Cabinet meeting." The Queens CB7 website makes no mention of the term nor lists any such meetings on the March agenda, and the Board did respond to a request for clarification.

One thing seems certain: The contentious issue will not go away soon. "I think at this point," says Friedrich, "it's going to require a lawsuit."

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