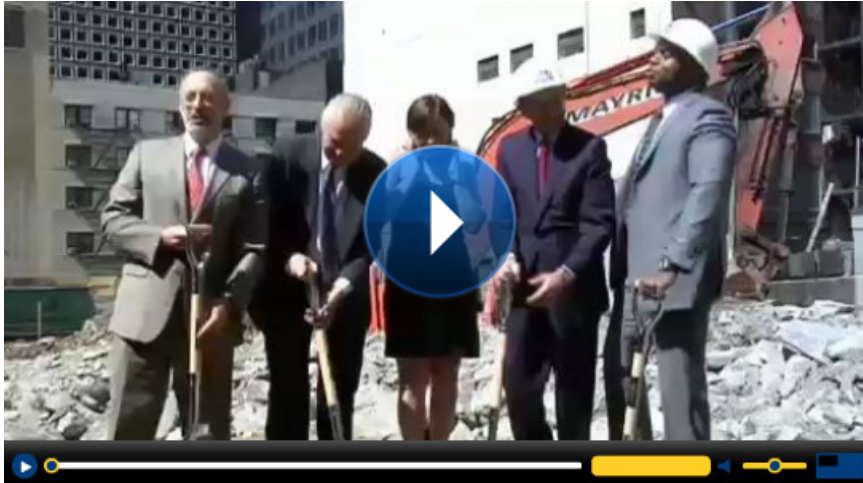




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Two New Midtown Schools To Not Drain The Public's Waller

By Lindsey Christ



Two Midtown schools are getting a brand new facility, and taxpayers do not have to foot the bill, thanks to a record public-private partnership that was nearly dead on arrival. NY1's Education reporter Lindsey Christ filed the following report.

City officials said Friday that a win-win-win-win deal was made for residents, developers, students, and taxpayers. The city will get a new state-of-the-art building for two public schools and taxpayers will not pay a dime of the \$175 million construction cost. It is a rare deal that makes everyone happy, but officials said it was extremely hard to pull off.

"This project almost died endless numbers of times and everyone had to do a lot of work and be very creative," said Manhattan Senator Liz Krueger.

"The path that brought us here today had more near death experiences than an episode of 'Grey's Anatomy,'" said Manhattan Assemblyman Jonathan Bing.

The deal was brokered by the Educational Construction Fund, an office of the DOE that oversaw the building of more than a dozen schools during the 1970s and was revived just a couple of years ago.

"The Educational Construction Fund model which worked so well in the 1970s and was only dusted off again in the last few years holds a lot of promises for public-private partnerships, and meeting our

school capacity needs in the most fiscally-responsible way," said Manhattan Councilman Dan Gardonick.

In this case, the DOE gave a developer a 75-year lease on a plot of land where two school buildings stood on East 57th Street. The developer will put up new school buildings, plus 120,000-square-feet of retail space and a residential tower with 350 apartments.

The school construction is being funded through tax-exempt bonds backed by the federal stimulus plan. The developer will pay off those bonds over the next 30 years, using revenue from the retail and residential spaces.

"To do this, to be able to leverage air rights and get incredible buildings for free, even in good times that's good. In bad times, it's absolutely essential," said Schools Chancellor Joel Klein.

Such a feat will be very hard to repeat. It took a neighborhood with high property value to lure the developer and the major tenant, Whole Foods. In a district where half of the public elementary schools had kindergarten waitlists, elected officials say they all felt the pressure to make sure this project went through.