

FOR CONSIDERATION

August 23, 2001

TO: The Directors

FROM: Charles A. Gargano

SUBJECT: New York (New York County) – Lower East Side Tenement Museum Expansion Civic Project

REQUEST FOR: Civic Project Findings Pursuant to the UDC Act; Adoption of General Project Plan and Authorization to Hold Public Hearing(s) Pursuant to the UDC Act and Other Applicable Laws

General Project Plan

Project Summary

Developer: Lower East Side Tenement Museum ("the Museum" or "LESTM"), a not-for-profit corporation.

Contact: Ms. Ruth J. Abram
President
Lower East Side Tenement Museum
66 Allen Street
New York, New York 10003
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Proposed Site: The Lower East Side Tenement Museum's flagship tenement building located at 97 Orchard Street in the Lower East Side section of New York, New York, and the adjacent former tenement building ("the Expansion Parcel") located at 99 Orchard Street, New York, New York (collectively, the "Project Area").

Proposed Action: Adoption of Civic Project Findings pursuant to Section 10 of the UDC Act; adoption of the General Project Plan and authorization to hold public hearing(s) pursuant to Section 16 of the UDC Act and other applicable laws.

Project Number: 0652

Project Team: Project Manager Ann Hulka
Environmental Rachel Shatz
Affirmative Action Laverne Poole
Legal Joseph C. Petilio
Technical Joseph Macaluso

ESD Participation: Acquisition by eminent domain of those portions of the Project Area not owned by the Museum (i.e., the Expansion Parcel located at 99 Orchard Street). Following acquisition of the Expansion Parcel, ESD will convey fee title or a leasehold interest therein to the Museum. ESD also will serve as lead agency under SEQRA.

ESD Investment: None. The Memorandum of Understanding between ESD and the Museum provides that all ESDC out-of-pocket expenses, including site acquisition costs and outside legal fees, will be funded by the Museum.

Historical Background

The Lower East Side Tenement Museum is located at 97 Orchard Street and is seeking to expand its existing museum space to include 99 Orchard Street. Historical sources indicate that these two 5-story brick Italianate tenement buildings were built as a pair in 1863. Lucas Glockner along with two other gentlemen acquired 97, 99 and 95 Orchard Street from the Second Reformed Protestant Church. The properties were then divided amongst the three men with Mr. Glockner taking the property at 97 Orchard Street. Mr. Glockner, in fact, moved his own family from St. Marks Street to Orchard Street after completing construction.

Built as a pre-"Old Law" tenement building, the upper floors of 97 Orchard Street each housed 4 residential units and the lower floors contained the building's commercial space. An approximate 7,000 people from 20 countries lived in the building between 1863 and 1935. In 1935, when housing laws became more stringent, the landlord evicted all the tenants from the building. It remained sealed until the founding of the Lower East Side Tenement Museum in 1988 when several apartments were uncovered and found to contain furniture, foodstuff and other items left since 1935.

Four of the apartments were restored and returned to the living conditions of the tenants who had resided in the building in 1878, 1916, 1918 and 1935. One apartment was stabilized and left in a "ruin" state to interpret the history of housing reform and tenement architecture. In December, a sixth apartment c.1893 will be opened. In addition to the guided tours of these apartments, the Museum has assembled the nation's first archive and collection documenting the urban, immigrant/migranti and tenement experiences. It provides interactive and "living history" educational programs which reach more than 30,000 public, parochial and private school age children from the New York metropolitan area and beyond. The Museum offers teachers

numerous workshop programs touching on a variety of subjects including history, math, theater, etc. as well as English classes for more recent immigrants to the Lower East Side. Not only are City College student training as museum professionals at the Museum but museum professionals from around the world come to study its history-based community outreach and service programs, restoration philosophy and approach and creative use of history as a tool for citizenship.

The Museum's building at 97 Orchard Street, located in the Lower East Side Historic District, is the first homestead of urban, working class, poor and immigrant people to be preserved in the United States. It is also the first tenement to be listed on the National Register of Historic Properties, the first tenement to be designated a National Historic landmark, an Affiliated Area of the National Park Service and a Charter Property of the National Trust for Historic Preservation.

Last year more than 90,000 visitors toured the Museum, a steady increase in attendance from the approximate 5,000 visitors in 1989. Due to its limited size, many more visitors have had to be turned away. Access to the Museum's upper floors is difficult or impossible for approximately 15% of the visitors, who for various reasons, cannot negotiate the steep, narrow stairs. An affiliate of the National Park Service, the Museum anticipates accommodating a portion of the 5 million annual visitors from around the world who will follow the Immigrant Trail from the Statue of Liberty and Ellis Island to the Museum's carefully restored apartments. This partnership with the National Park Service cannot be realized within the current building structure. In order to meet these educational and cultural needs, the Museum has proposed expanding its current facility to include the property at 99 Orchard Street. This adjacent building was constructed at the same time as 97 Orchard Street and the two were built essentially as a pair.

The Expansion Project

The Museum has requested ESD to assist in the acquisition of the property located at 99 Orchard Street (the "Expansion Parcel") (Manhattan Tax Block 414, Lot 55) which is mid-block on Orchard Street between Broome and Delancey Streets (please see attached Site Location Map for further detail) to facilitate the necessary expansion and improvement of the Museum's facilities and programs. It is currently owned by third parties and is being renovated to provide 11 new dwelling units and ground floor retail/restaurant space.

Most of the buildings in the area immediately adjacent to the Expansion Parcel are 5- to 6-story brick buildings. The streets have a distinctly urban character and fire escapes are common to the facades of many of the residential buildings. Orchard Street itself, is a narrow brick street with local retail stores lining the sidewalks. On Sundays, between 8 AM and 6 PM, Orchard Street is closed to vehicular traffic and becomes a pedestrian mall. A majority of the businesses along Orchard Street are clothing and fabric stores. The area surrounding the Expansion Parcel is zoned C6-1 (general commercial districts outside a central business district) which, in Manhattan, includes such uses as corporate headquarters, large hotels, entertainment facilities, retail stores and some residential development in mixed use buildings. While the expansion proposal of the Museum would change the land use of the Expansion Parcel from

residential to institutional, such change would not require a change in zoning and would comply with the C6-1 regulations.

At the July meeting of the ESD Board of Directors, a Memorandum of Understanding ("MOU") between ESD and the Lower East Side Tenement Museum was authorized and subsequently executed by both parties. The MOU provided that ESD will consider exercising its statutory power of eminent domain as necessary to gain legal title to those portions of the Project Area not yet owned by the Museum - i.e., the Expansion Parcel located at 99 Orchard Street. ESD, upon acquiring 99 Orchard Street, will sell or lease this site to the Museum. The end result of ESD's acquisition and conveyance of the Expansion Parcel will be to provide the Museum with the ability to expand its operations and programs, better meet its operational needs and thus best serve the general public

With the acquisition of the Expansion Parcel, the Museum will be able to expand its facilities to meet the demands of its growing audience. It is anticipated that the current 90,000 annual visitors will more than double. Such increase in tourism will be of great economic benefit to local merchants and residents. Additionally, such expansion will help to preserve the historic flavor of the Project Area as well as the Lower East Side Historic District in which the Project is located. The Museum will be able to implement improvements such as the construction of a new elevator to the rear of the building to make the museum wheelchair accessible.

The proposed expansion plan as currently envisioned by the Museum and which will be reviewed against guidelines under the Americans with Disabilities Act, calls for the following:

- FLOOR Cellar: State of the art storage for its artifacts and other materials, critical for museum accreditation.
- FLOOR Basement: Theater for the Immigrant Theater Project to showcase the work of immigrant artists. This space is also intended to accommodate community meeting and social needs.
- FLOOR 1: Exhibition Gallery to showcase artistic talents of immigrants past and present.
- FLOOR 2: Classrooms which will be used to increase the internship program which currently cannot accommodate the program demand. This space will also be used for the Museum's English classes and other educational programs.
- FLOOR 3: The Museum's "dinner-in-a-tenement kitchen" program will be doubled from its current capacity of 30 to 60.
- FLOORS 4 & 5: Installation of four historic apartments which will be restored to interpret immigrant life both before and after 97 Orchard Street dates (1863-1935). Cuban and Puerto Rican families in the area during the Civil War; Free African families (1820's) and later

immigrants and migrants from China, Mexico and Bangladesh will be represented. Some of the apartments will be specifically designed for children and adults with special needs and "do touch" spaces will make it possible for hearing and sight impaired visitors to have an enriched experience. Beside each historic apartment, there will be staging rooms to be used by school and other groups to participate in activities related to the historic apartment such as "moving in" which has the participants using a 1900 Sears and Roebuck catalog to furnish their homes on an immigrant budget and then to arrange the furniture to accommodate ten family members in a 325 square foot space.

The Museum will pay all out-of-pocket costs and expenses incurred by ESD in connection with the proposed Project, including appraisal fees, condemnation awards and settlements, consultant fees, outside legal fees, relocation expenses (if any), etc. Additionally, the Museum will indemnify ESD, its directors, officers and employees, and hold them harmless from any and all claims or other liabilities arising from or relating to the Project.

It is expected that the Project will be developed and constructed in accordance with both the New York City Zoning Resolution and New York City Building and Fire Code.

Project Costs and Financing Sources

Financing Uses:

Acquisition:	\$ 1,350,000	(based on January, 2001 valuation)
Renovation:	2,338,000	(based on Bovis McGovern estimate)
ESD Out of Pocket Expenses:	<u>300,000</u>	(\$25,000 delivered with execution of MOU)
TOTAL COSTS:	<u>\$ 3,988,000</u>	

Financing Sources:

Committed:

NYC Dept. of Cultural Affairs:	\$ 2,000,000	(Grant)
LESTM:	100,000	(Annual Funds)
Trustees' Commitment:	250,000	(Condition of Membership-Capital Campaign)
Trustee Guarantees	200,000	(2 at \$100,000 each)
Save America's Treasures:	250,000	(Grant)
National Trust for Historic Preservation:	350,000	(Loan)
Public Land Trust:	100,000	(Loan)
Amalgamated Bank:	<u>738,000</u>	(Loan)
TOTAL ALL SOURCES:	<u>\$ 3,988,000</u>	

Any increases resulting from changes in proposed renovation plans, escalations in renovation costs, acquisition price and/or tenant relocation will be borne by the Museum. The Museum will be undertaking a Capital Campaign beginning in September, 2001 which targets raising \$25,000,000 in contributions. Condemnation proceedings will not go forward until the Museum can assure the Corporation that sufficient funds will be available prior to acquisition of title.

Environmental Review

ESD will be the lead agency and conduct the necessary environmental review of the proposed Museum expansion pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. This review will be coordinated with the appropriate involved agencies. The Directors will be requested to make a SEQRA determination of significance prior to taking any final action regarding the Project.

Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. The Museum shall use its best efforts to: (i) achieve not less than 15% Minority/Women-owned Business Enterprise contractor and/or subcontractor participation during the development of the Project, which includes the pre-construction and construction phases; and (ii) employ Minority Persons and women for any employment opportunities created in connection with the Project.

Requested Actions

The Directors are requested to: a) adopt Civic Project findings pursuant to Section 10 of the UDC Act; b) adopt the General Project Plan; and c) authorize public hearings as required under Section 16 of the UDC Act and other applicable laws.

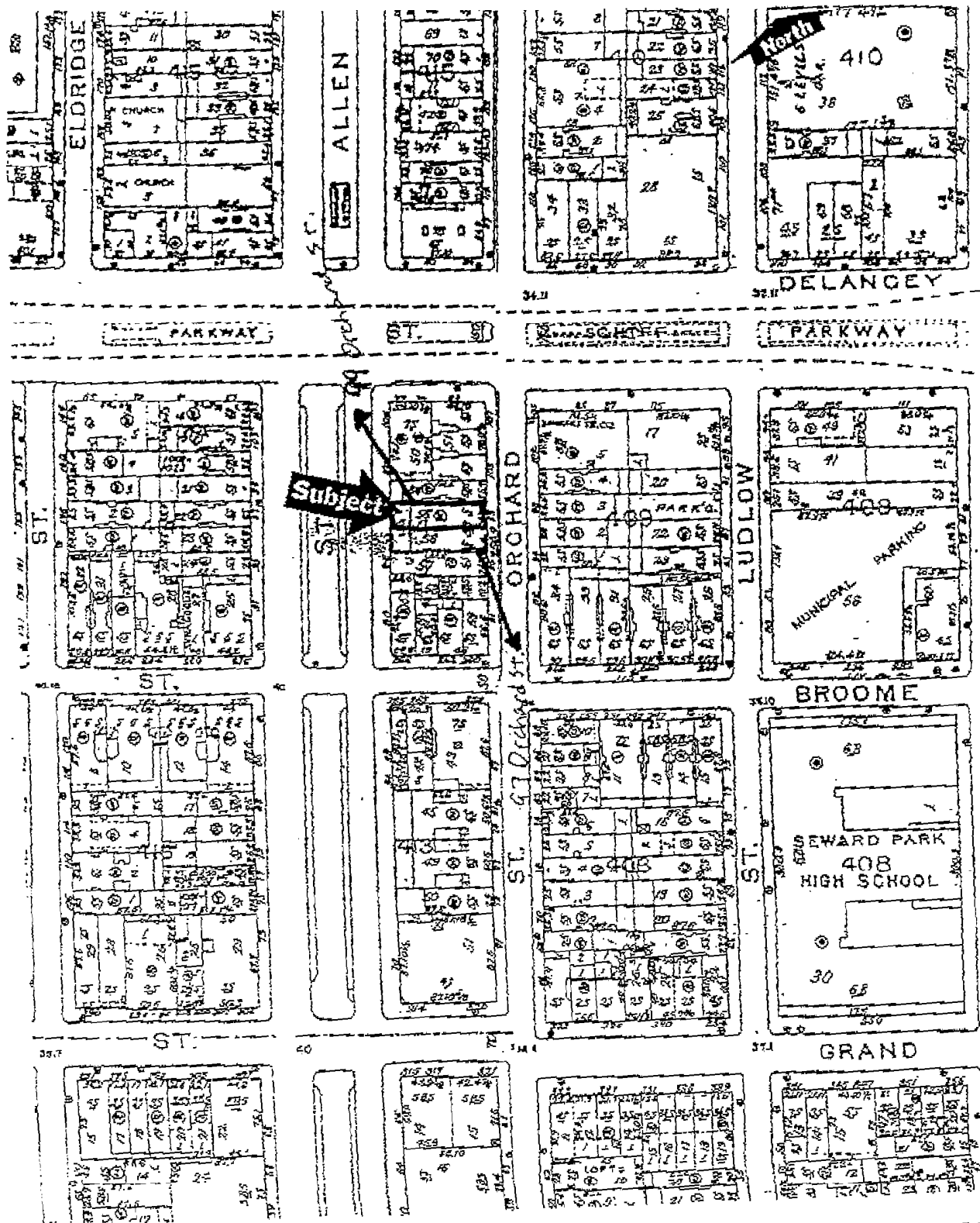
Recommendation

Based on the foregoing, I recommend approval of the requested actions.

Attachment

Site Location Map
Resolutions

SITE LOCATION MAP



99 Orchard Street, New York

August 23, 2001

New York (New York County) - Lower East Side Tenement Museum Expansion Civic Project - Project Findings Pursuant to the UDC Act; Adoption of the General Project Plan; and Authorization to Hold Public Hearings Pursuant to the UDC Act and Other Applicable Laws.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Lower East Side Tenement Museum Expansion Civic Project ("the "Project"), the Corporation hereby finds pursuant to Sections 10(d) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"):

- (1) that there exists in the area in which the Project is to be located a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;
- (2) that the Project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;
- (3) that the Project will be leased to or owned by the State or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be, made for the payment of the costs of acquisition, construction, operation and upkeep of the Project; and
- (4) that the plans and specifications assure or will assure adequate light, air, sanitation and fire protection;

and be it further

RESOLVED, that the Corporation does hereby adopt, for the purposes of the public hearing required by Section 16 of the New York State Urban Development Corporation Act, as amended (the "Act"), and as may be appropriate pursuant to other applicable laws, with respect to Project, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and the Chief Executive Officer of the Corporation, or his designee, may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the proposed Plan shall not be final until action is taken by the Directors as provided in the Act and until such time as all requirements of applicable laws in connection therewith shall have been satisfied; and be it further

RESOLVED, that the President and Chief Executive Officer, or his designee, is hereby authorized to take such action as he or she deems necessary or appropriate in connection with the holding of the hearing required pursuant to Section 16 of the Act (which hearing may be held simultaneously with one or more hearing which may be held pursuant to other applicable laws, including but not limited to the Eminent Domain Procedure Law), including without limitation, the providing, filing or making available of copies of the Plan or a digest thereof, the fixing of a date for such hearing, the publication of a notice relating to the Plan and such hearing in accordance with the procedures heretofore approved by the Corporation with respect to similar hearings, and the making of a report or reports to the Directors on such hearings, written comments received, and any local governmental recommendations respecting the Plan; and be it further

RESOLVED, that the President and Chief Executive Officer, or authorized designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation, to execute and deliver all documents and to take all such actions as may be considered necessary or appropriate to effectuate the foregoing.

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