

## **INTERVIEW: Deborah Beck**

**Rivercross resident Deborah Beck, who was removed from the Board of Directors of the Roosevelt Island Operating Corporation by Governor George Pataki as part of his final round of appointments just before leaving office in December, was interviewed by *The Main Street WIRE* on Monday, January 8. A condensed version of the interview was published in *The WIRE*'s issue of January 13, 2007. Following is the unabridged interview.**

**Deborah Beck:** One of the things that I've been reflecting on quite a bit during these days is how market conditions and the environment for development changes, and it changes radically, and so I think that, for some people on the Island, the vision that was the social-planning vision of the late 60s and perhaps into the early 70s – the end of the great society period – was a very positive social vision, and when Roosevelt Island was developed, it was developed in that spirit, but without any fiscal restraint. If you go back to the Moreland Commission Report, which describes the operations of the Urban Development Corporation (UDC), the developers of Roosevelt Island, you'll find that the problem was that Ed Logue could do whatever he envisioned. Everything was off-budget and nobody was controlling what he spent until suddenly... the wall was hit.

**Dick Lutz** (for *The WIRE*): The '70s?

**Beck:** There was bankruptcy amongst the contractors, there was a struggle to get the buildings completed, there was a struggle to occupy particularly this building (Rivercross), the last WIRE [Westview, Island House, Rivercross, Eastwood] building of the first four to be occupied. When we started to look for an alternative for our family, they were practically begging us to buy more than one apartment. My mother-in-law was elderly at the time and we felt it would be good if she lived nearby. We put a deposit on the apartment across the hall in December, and got a call in late April saying that somebody was interested in the apartment, and if we wanted to close on it for my mother-in-law...

**Lutz:** You'd better decide...

**Beck:** Yes. But she didn't want to leave her house, which is not unusual for elderly people. But that sort of thing gives you a very different flavor of housing in general in New York City at that time.

**Lutz:** The prices at Riverwalk are so much higher than, I mean, they were begging you to take it, and now people are essentially paying huge sums to get in for what people were getting into Rivercross for at the opposite end of the same scale.

**Beck:** Well, of course, one of the things you have to understand is that because the construction costs were so out of control, several things happened in Rivercross. One was that a lot of the construction work had to be redone – the boilers is one of the things that comes to mind. When we moved in it was already being discussed that there wasn't enough hot water and how we were going

to solve that problem – and certain things didn't work. The other piece that I think was extraordinary is that when the prospectus for this building was put forward, it stated that if, for some reason, you didn't want to keep your apartments, you would be fully reimbursed for the purchase price. And that was a program of five years, from the declaration of the co-op. So, when you put your mind to that, and you look at the hallway spaces, which are so large, and you think about the social notion that was behind this development, you can understand why people who live here think, "Can't you keep doing this? What's the matter, folks? This was the dream, this was the promise, lets keep up!" So I think that that's been a very difficult perception, and I think it's created part of the tension between RIOC and RIRA, although that tension was exacerbated in the 90s by the failed leadership at RIOC, and more recently aggravated by the leadership of RIRA until Matt Katz came back and hopefully Matt seems to be the person who wants to get things done and I'm hoping he will be able to accomplish a lot as the RIRA president.

**Lutz:** About Mitchell-Lama – how can we justify its disappearance, and what can we do about it?

### **RIOC Services**

**Beck:** Coming to this with both a social service and real-estate background, which I think is one of the reasons that I was ousted – we'll get into that later – I think the real problem of affordability today is two-fold: There are no rich subsidies for development, unless you consider the 80-20s or variations on that theme. There are no large sums of government money coming into New York for public housing. Public housing hasn't had any major infusion of cash in a couple of decades, and even their operation budget has been cut back, despite the fact that New York City has the best public housing in the country, bar none. I think the problem is a combination of failure of social policy, if you will, to provide that kind of subsidy and, more importantly, also a failure on the part of society to value the unskilled worker at a rate that will allow that person to at least live modestly but decently. I think the efforts now underway in Washington to deal with the issue of minimum wage will help a little bit. I don't think we have any illusions that it's going to make a huge difference, but I think that it's the beginning of recognition that the social needs of the society and the importance of maintaining the ability to aspire to self improvement, whether its within the same generation or the next generation – those promises seem to be much harder to meet these days in our country, and I think part of it is the global economy, but I think part of it also is an attitude on the part of society as a whole that we *did* that – you know, "been there, done that" – and now everybody should make as much money as we can and not worry too much about the folks who can't climb up the ladder. We have some really serious social problems, and Roosevelt Island reflects that. Roosevelt Island reflects the lack of subsidies for housing.

It also reflects the lack of commitment at RIOC to support all the social service programs on Roosevelt Island. There are certain people, for example, Steve Kaufman at the Youth Center, who have done a yeoman job as volunteers to keep that program alive, and RIOC has been giving some money to that program, but certainly not enough to support it in full. I know the different WIRE buildings have contributed to the Youth Center, and that support is essential going forward, whoever is going to be running the Youth Center.

One of my major frustrations at RIOC was a tension between some people who viewed RIOC as a

“development agency,” as a real-estate company, in effect, whose job it was to develop the Island. In my view, the proper concept when you are an “operating company” is to look at the broad spectrum of things that a community needs. Nobody’s coming here from lower Manhattan, from City Hall, to see what we need; nobody’s coming here from Albany to see what we need. We’ve been very fortunate in some of our elected representatives, certainly in the City Council, both with Gifford Miller and now Jessica Lappen, whom I think really has her heart here on Roosevelt Island, as does Pete Granis and [Grannis aide] Tony Morenzi, but I think it isn’t quite the same as if it were, say, a neighborhood of New York City, or a neighborhood of Albany. You’d be more in the mix, they’d be more accessible to you in the way of services, you’d have more options, more retail options, more dining options, more beverage options – more options. So that is a real difference of opinion, and it was expressed in all of the discussions about real estate and in the community response to many of the real-estate proposals, typically the marketing plan and the discussions of some of the retail establishments, or how we were going to organize retail. That really reflected the tension.

**Lutz:** You’re talking now about the tension between getting the best buck you can for the real estate and getting the right mix...

**Beck:** To look at yourself as a developer vs. as an organization that’s running a community that has multiple levels of need, including being able to have financial sustenance. I had a rather short spell on the RIOC Board... October of 2004 to the end of 2006. When I was asked if I would join the Board, about a year before it actually happened, I said that I would only do it if I could be an activist. I said I didn’t want to sit on my hands – that if they wanted an activist, I would be glad to do it because I felt I wanted to contribute to the community, but if they just wanted somebody to come to a meeting and say, “yeah, that’s great,” raise their hand and go home, then I was the wrong person. I said it right out, because I didn’t want to be in that role, and I think that, unfortunately, my desire to really be an activist was irritating.

**Lutz:** It was an irritation?

**Beck:** Yes, it was an irritation, but I’m not sorry I did it because I think some of the things that happened might not have happened without my being an irritant, and that gives me some satisfaction. There are many things that I would have liked to irritate for, if you will, that I couldn’t accomplish, and part of the frustration stems from the imposition of the Public Authorities Law without any understanding on anybody’s part as to what it meant. The law has many good things in it to assure that the public is well served, but the problem was that from the time that Public Authorities Law took effect on April 1 until this past October, the Board members weren’t trained in what it meant. In fact, nobody really knew what it meant. We’d ask questions and there was a vagueness; it would have served everybody better if that law had been implemented with a time period, where the regulations could be spelled out. Nothing is ever crystal clear when a new law is put in place, and I don’t mean to say we should have stalled about trying to address what was an egregious problem, but at the same time I think that when legislation that is so overwhelming in terms of how an operation is to go forward, when that is put in place, it’s terribly important that if the government is going to do it, they should do it in a way that makes it possible to abide by it, and be responsible in terms of your duties.

One thing that has really suffered terribly as a result of the imposition of the law is the retail issue. It stymied our ability to go out and deal directly with individual vendors to meet the community's needs. On the one hand, being fiscally responsible, there were certain financial constraints that had to be abided by. In other words, if you had a tenant who didn't pay the rent, and the bill was mounting up to \$100,000, then even if the community wanted the services provided by the vendor, if the fiscal responsibilities said that the organization couldn't sustain that, you had to say "goodbye." Well, if you said "goodbye" and then suddenly the Public Authorities Law is in place, you can't say "hello" to the next vendor, because of all the confusion. I had a meeting with the resident Board members and members of the Real Estate Committee at different times from last January onward to decide what we really wanted in terms of retail. Did we want to have a "mall-type" operator, or did we want a sort of small-town Main Street situation which might have a single operator, but it would be a single operator of stores that had that flavor. I think most everybody felt that small-town flavor was in the best interests of the community. On the other hand, there was also an awareness that RIOC wasn't capable of monitoring the various retailers, making sure they paid their rent, making sure they abided by the health regulations. There was no real capacity to supervise. Part of that may have been lack of adequate staff, but part of it was also lack of direction and leadership as to what people should be doing, and I think in some respects, the leaders we've had at RIOC since the beginning of the Pataki administration have not been community administrators. They've been *administrators*, lawyers or whatever, but they don't have the background you need if you want to run a residential community. So when you don't have that, and then you have Board members who don't bring that knowledge to the situation either, you have a situation ripe for the kind of aggravations that many on the island have expressed over the years, because they're expecting "X" and they're getting "B."

When I look at RIOC – now from the outside – I think its terribly important that the leadership include, and when I say the leadership I mean on the staff side, because decision-making is now bifurcated. Formerly, the commissioner of DHCR had the final say on everything, and with the Public Authorities Law now that's been split. The commissioner chairs Board meetings, but all the planning and day-to-day activities rest with the president of the corporation, which makes sense, because that person is local. On the other hand, it has to be someone who has the background, the community development background and skills, as well as the real-estate and financial background. It's a person with multiple skills that's needed to run the organization.

As an aside, we were really blessed in the last year or so to have Cathy Johnson with us. She was only here a few days a week, but she oversaw all the operations. Anybody who has walked around can see the many improvements that occurred during her watch. You may not like all the decisions that were made, but some of them, like the garbage cans, predated her arrival, nonetheless they're here, and they lock, and the guys who clean them out lock them when they're done so that you don't have the cans being used for dueling sessions. Cathy is a very modest person, you know, she never wanted to be in the forefront – but she was one of the most valuable assets at RIOC because of what she accomplished in such a short time. That really goes to the issue of competency of staff and qualifications of staff – if you have people who really know what they're doing, you don't need a million of them, you just need enough to get it done.

**Lutz:** How do you reconcile that with the fact that RIOC has been used as a reward for political friends?

**Beck:** One of the things that is a reality of political life is that politicians want to have something they can give to the people who support them, who volunteer their time and do whatever they do to support them, and that's the way politics operates. I think the problem with that for Roosevelt Island is that we needed a person with the qualifications I mentioned earlier. Commissioner Calogero recognized our need and sent her deputy, Cathy Johnson, here – at no cost to RIOC, by the way, she was a gift – to get the place tidied up – to get the street lights changed, to get the worst part of Good Shepherd Plaza fixed. If you think about the things that have happened – the hedges being clipped, the grass getting cut – Cathy was the one who, and, you know, she probably will kill me for saying this because I think she really wants to be in the background, she doesn't want accolades, but I think that, that was a gift from the commissioner to Roosevelt Island, and it was desperately needed.

**Lutz:** I have the feeling of it falling in the category not just of a gift, but as one step toward covering a very difficult situation. The commissioner is responsible for the Island, and I think there was a strong sense that things were just not under control here, and that she needed to put somebody here to get them under control – but Cathy Johnson did do some things like, for example, her “Ask Cathy” business on the RIOC website; there was some communication there that had been lacking before.

**Beck:** What would have really warmed my heart, for perhaps my lifetime, would have been for her to say at the end of her tenure in December “if anybody wants me here full time, I'd come in a minute,” because I think she had the right spirit, and understood what needed to be done. I'm sure there are people who will say, “Oh, what is she talking about?” but it was just so refreshing to me. For example, she was the one who made sure the Tram was up and operating by the end of the summer. Anyway, that's what we need, we need another Cathy. It will be very important, when the new commissioner is appointed, to have the resident Board members try to meet with that individual as soon as possible to talk about what they perceive as the needs of the Island. The remaining resident Board members have a pretty clean and clear idea of what's needed. And I hope they will take the opportunity to really assert themselves and spell that out.

One of the things that disappointed me was the lack of real coordination and commitment on the part of the resident Board members to work together for the benefit of the Island. We would meet together from time to time, but I think sometimes people would walk away and ask, “Why did you organize that meeting?” I think there is a need to bring those folks together to come to a consensus. One of the areas where we came to consensus is on the Main Street concept on the retail.

**Lutz:** What was that consensus?

**Beck:** It was not an on-the-record meeting. It was a meeting of just four Board members and that's not a public meeting, but the consensus was that we did not want this to be a mall. They didn't feel that that was an appropriate use of the retail, nor did we have any real sense that it would be a success.

**Lutz:** Once you say that, I just have to ask you: How did it happen that [real-estate consultant/salesman] Paul Mas was running off in that direction? Was he just not getting direction from the Board?

**Beck:** When I came on the Board in October of 2004, we had a deficit of over a million dollars, and we were scrambling. If you think we're not providing everything we should be now, it was even worse then. We were cutting out bone. Paul was already on board at that point. He was asked to look at our real estate to see what opportunities there were to enhance our revenues so we could have a better income stream, because that's what supports the Island. I think he did a very good job on the residential. What he was able to negotiate for us for Southtown buildings 5 through 9 is going to be extraordinarily beneficial. I think what he did for Eastwood was also very beneficial for the residents who are there now, and also in terms of the income stream for the Island. When I came on board, Octagon was already pretty much a done deal, but there was some question as to whether the developer was actually going to be able to achieve what he was trying to do, and then, lo and behold, he got the financing. And then, to Bruce Becker's credit, with no prodding from anyone, he did a green building. Whatever you might think of it, and the building that finally got build has been discussed ad nauseam, the reality is that its an environmentally sustainable building. If you go on Vernon Boulevard at night and see the Octagon lighted, it's a beautiful sight. Fortunately, the wings are in the grey distance. Apparently, there were certain requirements that forced back the footprint of his building in such a way that it had to go up, and in the meeting at the AIA [last month] Commissioner Judith Calogero reinforced that. She said she liked the gable top better, but an agency vetoed that.

**Lutz:** I want to get back to the question of the control over Paul Mas in some detail, but my memory of that is that the mansard roof was vetoed by the preservation people on the grounds that it was too much a copy of what had been in the Alexander Jackson Davis design, and that new elements must be very clearly new elements, and not an imitation. The height was attributed to a demand from RIOC for more income, so that it started out at six stories and ended up thirteen.

**Beck:** That predated my arrival; the only Octagon issue that I was privy to was the question as to whether Bruce Becker could pull it off. Also, whether we should allow underground parking under the tennis courts, which I felt should not happen because of Motorgate, and the need to keep Motorgate as occupied as possible.

**Lutz:** Let's jump back to the question of control, or guidance over Paul Mas, because I think that's been really very interesting, observing that over the past couple of years, during your term certainly.

**Beck:** Well he had a three-year contract that was renewable for three years that expired in November of 2006.

**Lutz:** So that would take him back to '03. I was not in on the executive sessions of RIOC, and was not informed as to all that happened in those situations, but I definitely got a sense that he was running off in directions of his own that were not necessarily the product of Board guidance, and there seemed to be a question of whether there was any kind of administrative guidance at all.

**Beck:** Well I think that the marketing plan, which of course got everybody terribly upset, was part of an effort to really see what we had, number one, to see what it might produce, number two, because we were in deficit – a million dollars of deficit at that point – Southtown had not been negotiated yet, Eastwood had not been negotiated yet, and as any broker will tell you, the hardest part of being a broker is getting control of sites, so that you will, if you are successful, earn a commission. And I think that the direction that the Board gave him, which was to see what it was, what could be done, was not a bad idea, to find out what could be done. But I think that the way it was handled...

**Lutz:** The RFIP [Request for Initial Proposals] process?

**Beck:** Yes, it had to be done that way because we had to do everything at arm's length, even before the Public Authorities law, but we wanted to just see whether people would be interested in any of these sites. Of course, the minute you do that, it opens up the Pandora's Box of. "Oh, my God, what if they do all these things?" I don't think there was ever any intention on the part of the Board to have a marketing plan for the whole Island and to go out into the marketplace with every piece of property. What we were really trying to find out was, what've we got? What can it produce? What do we need to sustain the Island? And we still don't know that – or at least when I left the Board, at my last meeting, we had no clear picture of how much revenue we had to generate in order to maintain the infrastructure of the Island. RIOC is responsible for the road, the sidewalks, the lighting, the spaces it occupies and that social service organizations control, RIOC's responsible now for all the retail in the WIRE buildings, Motorgate, the Tram, and the buses. The infrastructure requires financial support, and the community has the right to expect it will be supported and will be operated in as efficient a manner as possible. What has disappointed some members of the community is that decisions get made that seem counter-productive to that goal. And in some notable instances, that is unfortunately the case.

**Lutz:** I was surprised, when the RFIP process started, that we were talking about a big-box retailer – and I think a lot of people just really found that astounding.

**Beck:** What you have to understand about the RFIP process was, Paul looked at all the land that RIOC controlled, and in his mind, the space at the Tram is several acres. The fact that the steam plant was about to be abandoned by the hospitals, and that building was a RIOC property, that the size of the space could house a big-box retailer, or an entertainment or recreational facility, should it be desired. You know, when you ask somebody to go out and look at something, it doesn't mean you're going to *do* what they propose, it only means you want to have an idea of what you've got. Its like doing an inventory. What have you got? What are the possible uses. What might it generate? And when you're in a deficit position you surely want to know that. Then you sift through it. Once it was clear that we had solved our deficit problem, the urgency of looking for other sources of revenue from new developments fell by the wayside. In fact, I had a meeting of the real-estate advisory committee, and we decided that the only things we would focus on were the retail and Motorgate – that all the other sites, we would just put aside, and if at some time in the future we needed to address those issues for whatever reason, we would then address them. And that was the end of the marketing plan. And we were just going to deal with those two issues: retail and Motorgate.

**Lutz:** Well you've set my mind at ease to a certain extent, but alarm bells were set off in my mind...

**Beck:** I agree that it was badly handled. It wasn't explained right.

### **Communication**

**Lutz:** Let's talk about that for a minute. You say, "It wasn't explained right." Let's talk about that whole question of communication on the part of RIOC. Among other things, we had John Melia here for several years [as RIOC's public relations functionary] without producing much of anything – and, during that time, what people perceived as a relatively poor job on the part of RIOC in communicating its intent, its accomplishments, its questions, its care, its concern.

**Beck:** My perception mirrors yours. I'm certainly not going to defend RIOC on that score, but I think that what did happen was that ultimately a change for the better occurred. Was it the perfect solution? I wanted more transparency. I was chairing the Audit Committee at the time. I wanted the quarterly financials posted, as well as the annual report. Mary Beth Labate was the chair, and she agreed that we could post them. My view was that anyone in the community should be able to see our financial condition. I can understand as a public corporation wanting to use caution and good judgment in making sure that what is presented is accurate, because that really goes back to, harkens back to your comment in regard to the marketing plan – that was certainly not handled right.

**Lutz:** You have no dissent from me on that.

### **Retail**

**Beck:** And very good friends of mine lament the absence of a pizza parlor so they can buy a slice. But after the Public Authorities Law, it was clear we needed a broker representing RIOC. RIOC couldn't negotiate directly. Under the Public Authorities Law, everything has to be arm's length, so there has to be an independent broker representing RIOC so that the corporation gets the best possible outcome from the negotiations and nobody can do "favors" for anybody.

In New York City, retail brokerage is a separate sub-specialty. It seemed obvious to me that we needed a specialist, and I asked the staff to prepare an RFP [Request for Proposals] for a retail broker. Paul is terrific at what he normally does, which are these big deals for large-scale buildings. He tried his best, but it's like going to a foot surgeon because you need something done with your ear; it's a totally different specialty. His solution, which was not a bad one from a management point of view, was to bring in an outside manager for the whole retail strip. It wasn't a bad idea, because RIOC had proven itself incapable of renting out the space. I mean, remember all the empty stores? Those stores are still empty, and there are a few more. His notion, which was a big-scale notion, was not a bad notion, given the lack of capacity of RIOC to handle it. On the other hand, the vision of a small-town Main Street wasn't articulated early enough by the Board. There is a pressing need for an RFP – for retail brokers to come to Roosevelt Island and offer their services, and get going on it right away, and bring to RIOC and the real-estate advisory committee the potential vendors. That should be a priority in terms of meeting the needs of the community as a whole.

**Lutz:** There is actually another question or two right around there. We need to get to other matters, but, just before we do, a couple of quick things on the real-estate side. We had the example of the pizza parlor being terminated. The people who were running it claimed that they had no lease, claimed that they weren't able to invest in their place, they were wanting to pay their rent but did not want to pay rent on a property for which they had no lease, because if it were in fact going to be taken away from them, they would need those funds to start a new business elsewhere. They felt perfectly justified, at the very end, in withholding their rent. The way it happened seemed to be a lack of regard for the needs of the community, but also, to some extent, a kind of kick in the teeth to a retailer who had been here serving the Island for quite some time, and had a feeling of justification for not pouring rent into a property over which he had no control.

**Beck:** Well, first, let me say that his eviction was not a subject for the real-estate advisory committee. However, because we were looking at the possibility at bringing in an operator for all of the stores, it was our view that those vendors who wished to remain should remain current in their rent, even if they did not have a lease. This particular vendor chose to do it his own way, which was to withhold the rent for a very significant period of time. In the environment in which that happened, the view was that that individual was not going to be a responsible retailer going forward, that they would continue to perceive things in their own way, and not abide by the month-to-month operations if they were allowed to continue.

**Lutz:** So you feel the termination was justified?

**Beck:** I think that when a retailer withholds rent for a prolonged period of time, and I'm talking about several months here... the back rent was around one-hundred-thousand dollars, there is a perception of bad faith.

**Lutz:** The case he made was, that he was constantly trying to sit down with RIOC and talk about it, and talk about a lease and talk about how to solve the problem, and he could not get a response.

**Beck:** Well you know all of the Island's retailers, the service providers, who don't have leases and are current in their rents are continuing to operate. The pizza parlor operator just made a bad judgment in how he chose to handle the situation. Landlord-tenant relationships are always fraught with difficulties. It taints a relationship when you don't do your side – in this case, stay current in your rent payments. It was a gamble that that particular vendor took and he lost.

However, may I just say, I happen to love pizza. I want to go on record that there's nothing nicer when you come home and you don't have anything in the fridge for dinner, and you walk by the pizza parlor and you get a slice maybe with, without pepperoni, and you feel terrific, because now you can go home and you have a little dinner, put your feet up, and I miss that.

**Lutz:** Now it appears that, under the Public Authorities Accountability Law, you can't just go find somebody to sell pizza.

**Beck:** No, unfortunately not. Which is why I pressed, when I did, for an RFP to go out for a retail broker. And why I met with some of the resident Board members, including Alberteen Anderson,

who has been a member of the Real Estate Advisory Committee, and basically we came to consensus that we wanted this kind of retail, and we wanted somebody to accomplish it for us, and that an RFP was necessary. Unfortunately, one of the things that interfered with my pursuing that was my mother's illness and death. I would've pushed very hard to get that RFP out. I don't know whether it has gone out. I'm concerned, because there's this sense of urgency I have and the sense of urgency the community has about the pizza parlor, for example.

**Lutz:** And it is only an example of...

**Beck:** Yes, it doesn't seem that that urgency has been responded to by the staff at RIOC – I mean, what's it to them? They go home and they have pizza on their corner. I mean, that may be unfair, but I do think that on so many of the issues while I was on the Board, there was a lack of insight as to what the significance of some of the decisions would be on the residents.

### **Red Bus**

We don't have to discuss the Red Bus issue, but when I first came on the Board, the Red Bus was already about to be rerouted [in the winter of 2004-2005]. I think that was an abomination. I got a lot of misinformation from the staff at the time, saying that there was no other place for people in Southtown buildings 1 and 2 to get on the bus, only the new bus shelter across from the two buildings, and I said, "That's not true, we used to have a bus stop in front of Rivercross." It's one of the advantages of having lived here so long, you can remember how things used to be. It took me from October to February to get Herb and Sari to agree to get on a bus with me, and see that the route could be sustained and that there could be a stop there.

**Lutz:** Talk about that a little bit more, because that simple information-gathering technique – simply to experience what the resident experiences – which you intuitively went to, seemed not to be present.

**Beck:** No, certainly not in the first year. When we got Cathy Johnson as the Vice President for Operations, she understood what was needed. That's why it was a blessing that we had her, even for the short time that we did. I think that she certainly tried her darnedest to make things work. And I think one of the problems that we have now, that I hope that the RIOC staff and Board will figure out sooner rather than later, is the problem with the transportation – the Red Bus overcrowding during rush-hours. There's just no way around it. People are getting on and going the wrong way just to get a seat on the bus.

**Lutz:** It suggests that residents are a hell of a lot better at adapting than RIOC is at adapting at a situation. [*WIRE* intern] Matthew Russell has been doing a survey on the busses, as have a couple of other people, and he noticed that, this [Monday] morning, there was a 14-minute gap between buses at one point at Good Shepherd. At other times, buses were coming one minute apart, or zero minutes apart.

**Beck:** Were they full or half empty?

**Matthew Russell:** Well sometimes there would be five in a row, and the first two would be completely packed, and then next one would be half-full and the last two would be empty.

**Beck:** Maybe one of the things that has to be considered is not having any parking on Main Street from, say, 7:30 to 9:00, but provision would have to be made for the school buses.

### **Resident Participation**

I haven't really spent a lot of time thinking about it, but there may be ways, and there are two resident professionals, Frank Farance and Lilly Picchione, who could provide transportation expertise to RIOC. One of the things that is really regrettable is that because of that terrible rift that existed between RIRA and RIOC, and I use that hopefully in the past tense, that people with that kind of experience couldn't come to RIOC and have their knowledge imparted. I hope that it's not so deeply imbedded, that hostility, that cooperation can't go forward in the future. It really started in the era of Jerry Blue, such a hostile tug-of-war, that I think that it has really precluded knowledgeable people on the Island from allowing RIOC to benefit from what they know. That is terrible, in my view.

**Lutz:** They tried to offer.

**Beck:** I understand, but the problem is that if you have people who view each other with enormous suspicion, and possibly from both sides, it's very unlikely that an offer from over here to help is going to be perceived as an offer of help there. That's a terrible problem, that many resources that could have been brought to the table have been absent. There are a lot of people with a lot of knowledge on the Island – really, we've been very blessed with the residents' capacity, and it's too bad. On both sides – I don't think RIRA is exempt from this problem either, you know, at least it hadn't been. Hopefully it will improve as it goes forward in terms of seeing itself as a coach and helper to RIOC.

### **Ouster**

**Lutz:** You used the word "ousted" in describing your departure from the RIOC Board...

**Beck:** Well that's what it was.

**Lutz:** We've been holding off on that, but we need to get to it. How did that happen?

**Beck:** Well quite honestly, I'm not sure. I did know that there was an effort afoot to replace me in October, and – someone who shall remain unnamed but not on the Island – protected me from having that happen at that juncture, and thought they had solved the problem, but apparently whoever was after me succeeded, when the Governor made his last round of appointments in December. So I was replaced.

**Lutz:** Why would anybody be after you?

**Beck:** God Knows.

**Lutz:** Oh come on, you've got to have a theory.

**Beck:** The theory that I have is that when you're an activist, and you are trying to do what is best for the residents of Roosevelt, you can irritate people who really want to sit on their hands, not make decisions, because they think they're political hot potatoes, or because they don't want to take the time to do the work that would be required.

**Lutz:** Who would fall into that category?

**Beck:** I'm not going to name any names. But I do think that in the political season just passed, there was enormous inertia at RIOC.

**Lutz:** Because the administration was about to change?

**Beck:** That, and because the Public Authorities Law imposed inertia, because nobody knew, or at least claimed they didn't know, what to do now. I will say that I have never shied from controversy, and that because I wasn't on the RIOC Board for any personal aggrandizement or gain, I just went full speed ahead. And I think that that was an irritant.

**Lutz:** To?

**Beck:** To whomever, whomever ...

**Lutz:** Oh come on, name a name.

**Beck:** I'm not interested in name-calling. It happened, and it happened because somebody was irritated by me. There are things that I did where I stuck my neck out, and I'm not ashamed of that, I'm very happy I did it, because in some instances, it ended in something good.

**Lutz:** What happened specifically, did you get a letter? Did you get a call?

**Beck:** Oh, I got a three-liner from the Governor, saying, "We are nominating someone to replace you. Thank you for your service. Sincerely," I think it was signed George Pataki.

**Lutz:** That came when?

**Beck:** It came in late November, early December. But then at that point, it appeared it might be a mistake. But apparently it wasn't.

### **Serving on RIOC's Board**

**Lutz:** What's your advice for a resident asked to serve on the RIOC Board? Apart from doing the best you can, and apart from being activist on behalf of the Island, obviously if you don't want to be a rubber stamp, and you do want to be an activist to a certain extent, is there a way of threading your way through that political thicket?

**Beck:** Well I think that the political thicket, as you describe it, sometimes provides opportunities, so anyone serving on the RIOC Board would have to have a good knowledge base for action and a non-combative means of expression, so that when the opportunity struck, even if there was just a slight crack in the door, they could move in and say, "I know that this can be done because..." or, "I've had this experience in the past," or, "Here's a great solution to that problem," whatever it is. I think that there were people with very good knowledge bases among the residents on the Board. The key thing that is lacking, from my view, is a strong sense of community concern and identity, because, you know, somebody has to get in there and help the resident Board members to coalesce. I couldn't do it – I tried – but I think someone who could do that, it would benefit Roosevelt Island greatly. Because there are only eight members of the Board now. The open seat will be filled by the Commissioner of DHCR or his/her designee. It's unclear to me what John Mannix's status is. He has resigned, but I don't think he officially had his resignation accepted. So he may stay on, and he's the only one with in-depth knowledge of real-estate development on the Board at this point. But I think that he sees RIOC as a real-estate entity, so someone else knowledgeable has to provide the community organization focus on the Real Estate Advisory Committee.

### **Housing Affordability**

**Lutz:** It strikes me that your departure, not just as a Board member but as chair of the Real Estate Committee, threw a real monkey-wrench into the negotiations for Island House and Westview.

**Beck:** My last act, was to make sure that Paul Mas's contract was continued, explicitly for Westview and Island House. That was done from afar, as my mother was dying in Florida. I felt that was critical, and that it would have been a very mean-spirited thing for resident Board members, in particular, not to support that, no matter what they thought of Paul Mas. There were varying views but, for that particular job, he was going to be good. It would have been terrible to cut that off, because there was nobody else that could negotiate. I am pleased that was accomplished. Despite the retention of Paul Mas, there are some very basic questions that have to be answered so those deals can close. There has to be a will on the part of the Board to press for their resolution. One of the issues I raised at the last Board meeting I attended was the need for a clear understanding of the formula for affordability for the WIRE buildings, and how that will work out? Given the different kinds of ownership of the WIRE buildings, how, in a homeowners scenario, do you assure affordability, and how must you? Because when the GDP was originally designed, it was for the development of the WIRE buildings, and there's some question as to whether the GDP is a development plan, or an ongoing operational plan. I've tried to get an opinion from attorneys at DHCR about that, because if they don't give us the opinion, anybody else is going to have to go to them for an opinion anyway. But we never got that opinion as to what the requirements were for affordability.

**Lutz:** To understand this clearly, what we don't know, because nobody at DHCR has said this one way or the other, is whether the affordability of Rivercross, Island House, Westview and Eastwood are required, under the GDP to continue in the future in perpetuity, or can they terminate with the termination of the Mitchell-Lama obligation? Without having that answer...

**Beck:** That is the question. And that is the question I've been trying to get an answer to for the whole term I served on the Board, and I was stymied at every turn. Another question that needs to be answered, is, if there's going to be an affordability component, how to deal with the tax equivalency payments (TEP), how to deal with the ground rents, because if there is an affordability component, and there is a heavy tax equivalency payment imposed on Island House and Westview for example, then if the ground rent also is too high, those deals fall apart. If RIOC reduces the ground rent, then the question is how that reduction will impact the overall finances of Roosevelt Island.

**Lutz:** Do you think that the TEP and the ground rent have to be dealt with as a package?

**Beck:** Yes, but the affordability issue has another twist to it. Apparently, when the GDP was put forward, the WIRE buildings were treated as a unit – as if they were one, from the point of view of affordability. They were segregated by income types, but in terms of the formula for affordability, they were one entity. This has to be clarified so that each building knows what, if anything, they are required to do. And within that, how is RIOC supposed to deal with the issue of the ground rent, or an extension of the ground lease? And can that be done before there is a tax equivalency payment brought forth for the three buildings that remain? These are hot-potato issues. They have got to be addressed. And there's got to be a *will* to address these issues. The issue of affordability is a very serious one – you know, when you look at the efforts on the part of the mayor to create more affordable housing, when you look at Governor Spitzer's desire to do something about affordable housing, you have to say to yourself, "Well, what does that mean in terms of Mitchell-Lama?" What it means is that, while Mitchell-Lama was built as, quote, "affordable housing," it was legislated to come to an end in 20 years. There was a reason for that: Without the profit motive, it was going to become slum housing. Think about these slum clearance movements of the early 20<sup>th</sup> Century in the effort to build public housing, and now we have public housing in other parts of the country that had to be torn down because it wasn't maintained properly. What people don't realize, particularly if they're rental tenants, is that it costs a lot to maintain a building, and if you don't set aside money and do the necessary repairs as they come up, eventually the building begins to become very shabby. You'll have water penetration, elevators will stop working properly, doors won't lock, windows won't close, a whole host of bad things start to happen. So, in looking at the Mitchell-Lama building and saying "can we keep these in an affordable range, and can we also make sure of an infusion of capital to repair and maintain there has to be a subsidy for that. That's not so much a problem in Rivercross because it's been owner-occupied from the very beginning, has had residents committed to maintain the building because every owner wants the elevator to run, everyone wants their hot water to be hot. We have been very fortunate. But we also have, and this is something I wanted to talk about, an all-electric building, except for cooking, and under the Mitchell-Lama income guidelines, residents who have had to stretch hard to pay the maintenance.

**Lutz:** The folks at Island House and Westview have said that without privatization, their buildings won't have the funds, however they are owned, to...

**Beck:** No owner of rental housing wants to spend a penny more than they have to spend – it’s a business. There are very few private businesses that I know that go out of their way to spend money, and it would be my guess that if these buildings don’t convert to occupant-ownership, that will be tragic. I can’t imagine any new owner coming in there if they have to maintain an affordability formula that is counter-productive to having a profit stream. That’s the problem. That is, in a nutshell, why Mitchell-Lama was a good idea in the period in which it occurred: We needed the housing, it got built, it had a 20-year life. The only way to extend it is with another infusion of cash to fix the elevators, to fix the roof, to replace the windows, the carpeting in the hallways, the works. That doesn’t get done by magic. The capital investment has to be made to preserve the properties.

## **Energy**

**Lutz:** Let’s talk about energy, because I know you wanted to get there.

**Beck:** When we first started talking about abandoning the steam plant, I was concerned, because steam is a relatively efficient way to generate electricity, and we also weren’t looking at ways to upgrade the plant, and utilize it better. If the hospitals didn’t want it, RIOC might utilize it for Island-wide needs. I was reinforced in my thought by Willard Warren, who had been a member of the RIOC Board in the ’80s. He had a really good idea for using the plant, and wanted to see it implemented. I’ve never known Willard to be impractical. I would have been right there next to him, saying, “This is terrific, let’s do it.” So there’s that aspect that has been a disappointment, that we haven’t utilized something we have to enhance the delivery of power, especially to the all-electric WIRE buildings. There is resistance to such concepts. In Rivercross, when I was a member of the building’s board, I tried my darnedest to get energy efficiency actions put forward, and even in *this* building the politics of not making too many people unhappy overrode the practical economies of sub-metering. Everybody assumed that they would be gored by the cost, that their electricity bill would be higher than mine or yours.

**Lutz:** You’re talking about sub-metering?

**Beck:** Yes. It has a short payback. Everybody in the energy-efficiency world knows that saves anywhere between 15 and 30 percent of your electric bill, with a very short payback period. But people are resistant to change, and when we replaced the [Rivercross] roof we should have put in a green roof. It, too, would have saved money. The response was, “Oh, no.” So it’s very frustrating. When you’re in an operating cooperation like RIOC, and you’re on the Board, the assumption is that you can make policies that can make a difference – and so when the Southtown buildings 5 through 9 came into the pipeline for the final negotiations, I wanted green features in those buildings. I mean, Bruce Becker had done it without anybody asking him – true, he got a nice grant from the State to supplement the cost, and he got a lot of awards for it, nonetheless he did it, and I think that’s an asset to the occupants living in that building, or at least I hope it is. There are a number of policy decisions that RIOC could make, especially for the all-electric buildings, by requiring energy-efficient renovations and gaining financial support available through State agencies that give grants, whether it be for solar panels, green roof, co-generation or fuel cells, you name it, there are a number of things that could be done on the WIRE buildings that would be very beneficial.

**Lutz:** What would you like to see happen at the Steam Plant?

**Beck:** I would like to see a comprehensive plan for energy efficient delivery of electricity, particularly to the WIRE buildings, and to the hospitals, to the extent that they're willing to participate. If we don't do that, these buildings will be very costly to live in. But because of the connection to the State, DHCR in concert with the New York State Energy Resources Development Authority (NYSERDA), and perhaps the Department of Environmental Conservation, could conceivably provide seed money, and then low cost loans available in the marketplace. You need not reduce the RIOC income stream, which is needed to do the other things on the Island, but RIOC should be in the lead on these things. It is a question of leadership – either it's going to be business as usual, or somebody has to take the helm and provide leadership and be inspired. At Battery Park City, Jim Cahill was inspired. He inspired the Governor to have Battery Park City go green, and he did that over a decade ago. So I think that's really what's needed for RIOC – somebody to take this on in a leadership role, whether it's the chair of the Board, the president, or whoever is going to be the chair of the Real Estate Advisory Committee. You don't have to look too far down the road to see where electricity costs are going. In the current environment it's going to become essential for any level of affordability, including middle-income and upper-middle-income householders, if you want them to live in these four buildings, you're going to have to do something to mitigate those costs that are only going to go straight up. I would hope RIOC will do something about that, going forward.

The other thing that I think is important for the community to understand is the role that Motorgate plays on Roosevelt Island. It is a cash cow. It provides RIOC with about a million dollars a year, and maybe more now because there are more cars. About \$350,000 to \$400,000 of that is perceived to be overhead, but you know how that works. It supports the budget. The reality is, that's income for RIOC. A significant percentage of Motorgate is owned by the partners of Manhattan Park, who also benefit from the Motorgate income stream. Incidentally, I've tried every which way I know to get them to fix their elevators. The company managing the garage is very entrepreneurial; the manager, Roman, is a very entrepreneurial guy – he's made some proposals that may or may not make the most financial sense to RIOC, or they might be holding out for more money, I don't know, but there's been a kind of laissez-faire attitude there. I don't know what else to call it. If you recall how long it took to get the elevators fixed in Motorgate – there was no need for that delay. If you remember how long it took for the waterproofing to start in Motorgate – there was no reason for that delay. Water penetration is the most damaging thing to a piece of property known to man. Why would anybody in their right minds allow water penetration to go on unabated for years? But that's what happened there. I know when I started walking through a puddle on level 4 every time it rained – and then when I got on the Board, I would talk to Vinny, who was then the engineer, and I would say, "Why don't you just clean out the drain or fix the pipe?" It was spalling at that point; you then saw the rebar. Motorgate is a great asset to Roosevelt Island, and it has basically supported RIOC through its lean years.

**Lutz:** When you look at – here's several examples that you alluded to, maybe I'll name two – Motorgate and the failure to just take care of it, the steam plant and the failure to leverage the possibilities that it has offered, just take those two examples, there's a sense, and maybe you can confirm that this is the case or not, that new management comes into RIOC and what they want to do

is their own thing, they don't want to take care of the last guy's thing. They're more interested in something new that they can say, "We built that," or "We enabled that to happen," and so the sense is that there's a whole lot of eagerness to build a Southtown, let's say, that overrides the concern for taking care of what's already been done. The result is deterioration at Motorgate, deterioration of Main Street, deterioration of the sidewalks...

**Beck:** Are you talking about the infrastructure expenditure?

**Lutz:** Well it's not just the expenditure, but it's the willingness to pay attention.

**Beck:** There has to be a kind of shared vision. Having a group of resident Board members who communicate with one another to evolve a shared vision is terribly important. I think we certainly came close to that in the vision of what the retail should be like, for the Main Street stores, and, by the way, part of that vision was to be sure that some of the long-term vendors who are paying their rent and who provide services for the community that are needed, because a lot of people who use those services don't have a lot of choices, either financial or transportation-wise to go elsewhere for those things – and, you know, think of the Thrift Shop, which provides an enormous service to a number of families in the community – and things like that, wanting to retain some of these beneficial, not necessarily high-rent paying, but beneficial services. So that was another element of it, but I think that there has to be more of that, around a whole bunch of issues. I don't think the energy issue, particularly alternative energy sources for the WIRE buildings, has been a focus of the RIOC Board at all, and I think that there's just a limit as to how much a board member can do. You have to select the issues you move on, even if some of them are from before, and I think the issue of Southtown was really not something new. Many features of the deal had been formalized by earlier RIOC administrations. Finalizing the Southtown deal was something that had to be accomplished before we missed the market, and the deal is very sweet for RIOC, and thus it's a good deal for the community.

**Lutz:** You're talking about the overall deal, and particularly 5 through 9?

**Beck:** Yes. As for buildings 1 through 4, whoever negotiated that, well ... never mind.

**Lutz:** No, well don't say, "Never mind." What do you think?

**Beck:** With real-estate, everything is dependent on the market, but there are some times when the market isn't good. If you have a goal, it is perhaps beneficial not to give away the store and to just put the goal off for a while – because the market changes. That's the whole thing – understanding the market, the real-estate market. There is nobody, except for John Mannix, who understands the ups and downs of the real-estate market. I hope he stays on the Board, because somebody's got to understand that. But as long as Roosevelt Island can sustain itself, it shouldn't give away anything. And I think that actually impacts the marketing plan as well – because if you look at those sites, whether it's this incredible site that some people think belongs in the park, in Southpoint Park, and I'm not going to tell you my opinion of that, because, frankly, if Roosevelt Island was in financial extremis, and I was a Board member, I'd have to consider what to do with that site, if that was the only site we had left to parlay. But if we don't need to parlay it, why do so? Because it would be

wonderful to have that as open space, or to have something low there that would be a facility that would bring visitors to the Island and that would enhance and enrich the life of the residents. That's the whole point – to create another facility, not just for Roosevelt Island residents, but for the City. It requires a willingness to really put your shoulder to the wheel, and to press for things.

**Lutz:** Are unpaid volunteer Board members enough to get the board responsibilities accomplished? Should board members be paid, or is it workable if you have a board like the present Board and a really good staff?

**Beck:** Well a lot depends on what motivates people, and what encourages them to stretch when there are other things pulling for their time and energy. As I understand it, and again my source is Willard Warren, he was on the RIOC board for many years in the eighties I believe, he told me that there had been a payment per Board meeting for members of the board, which he and other members of the board chose to give up for the benefit of the island, thinking that that they did not want to financially benefit from their participation. It seems to me that at this juncture, if you have a really good knowledgeable staff and you have equally fine consultants, then Board members don't have to work so hard as to require compensation. The legal consultants that I've worked with during my term on the real-estate advisory committee, especially Jay Neveloff was terrifically helpful, and really an expert. There needs to be a counsel available with a strong real-estate background. With the right knowledgeable consultants, the right brokers, the right attorneys, the right community planners – Alex Garvin, for example, at one point I was talking to him about a year ago, and he had told me that he had come over and done a study of Roosevelt Island, and a proposal for the future of Roosevelt Island, and I said "Gee I'd love to come over and meet with you," and he said he had some of the materials, but it was so long ago. And it seems to me that if those kinds of activities took place, it's a pity that they're not available to Board members now. So I don't think that throwing money at Board members is the answer.

**Lutz:** So a paid Board is not necessary in your view?

**Beck:** I think that if you want a certain level of person who is extremely knowledgeable, and who has their own business and is working full time, and you want them to really put in some time and be very active, you might want to have a stipend for such a board member, but I don't know that you could do it without doing it across the board. It certainly didn't deter me but, of course, I'm semi-retired, so I had the time to put into something like this.

**Lutz:** What about the notion of an elected RIOC board, elected by islanders?

**Beck:** I don't think that that would solve the problem. I'll tell you why. The notion of knowledge-based competency doesn't get solved that way. The way that would have to work is if you had a really high-quality professional staff with enormous capacity in every area of the actions that were required to be done, whether its community development actions, real-estate development actions, whatever. The financial side of RIOC has expanded, and has a much greater capacity now to provide the kind of information that is needed on a day-to-day basis. Bringing in Carla Van de Walle, and now other members of that staff, should produce the kind of financial information that the board needs, and the internal audit which was initiated, it's a requirement of the Public Authorities Law

that there be an internal audit, and that also was dragging. With David Kraut's help as chair of the audit committee, I pushed to have that audit. And that might have been another...

**Lutz:** Irritant?

**Beck:** Who knows? But I feel it's critical that we have an audit of the internal finances of RIOC, sooner rather than later, that's important. What is needed to operate RIOC is professional community management expertise, operational expertise, real-estate expertise, of the highest order, and so I don't think that electing Board members necessarily does anything more than give the people on the Island a sense that the resident Board members are their choice.

**Lutz:** If you change the equation to, say, an elected board with the power to hire and fire the president of RIOC ...

**Beck:** They have that power now.

**Lutz:** In theory, but the board has never rejected a governor's choice for president.

**Beck:** But this is spelled out in the Public Authorities Law. While the Public Authorities Law gives the president of the organization more power, it creates a balance of power between the president and the chair, it also gives the Board members powers to remove the president which they may or may not choose to exercise. Now one of the awful problems of the RIOC board right now is that, except for Michael Shinozaki and Alberteen Anderson and Charlee Miller – whom I don't know, but I understand has a lot of financial background that should be very helpful, and I wish her the best – all the other Board member's terms have expired and they are there month-to-month tenants, unlikely to rock the boat.

**Lutz:** To put your foot down?

**Beck:** When you look at both Patrick Stewart and David Kraut, they were presidents of RIRA, elected by the community, and they are on the RIOC Board. There's nothing magical about any of these solutions, being appointed or elected, because what you're really seeking is competency, and a capacity to work together, to come to consensus on what is best for the Island. If the resident Board members do that, then there will be a greater support for Board actions on the part of the community. As I said, I tried my best, I hope everybody on the Board has the same aspiration.

**Lutz:** What other issues concern you?

**Beck:** When you talk about future development, we really don't have a good handle on what it's going to take to sustain the island until 2068 when the lease between the City and the State expires. It seems to me that discussion of future development has to be done in the context of what that financial need is going to be. Roosevelt Island, with its open spaces, developed areas, parkland, is very special to the City. It should be supported on an ongoing basis in that model, so long as the Island can take care of itself and support itself. You can never accurately project out costs for

decades, though 2068 [end of the lease] will probably seem like yesterday when we get there. Now, it's a long way away. So the question really is, how far out can you project and predict? And then you're guesstimating. But even if we had a financial projection of what our repair-maintenance and operational needs might be for ten years, and then just added an inflation figure going out, that would give both the RIOC Board and the community a greater sense of what might be needed, if anything, and give a basis for understanding why further development may be required.

**Lutz:** You're saying we need a long-term plan? Or a medium-term plan?

**Beck:** We need a financial projection of just keeping the island afloat. Whether it's bulkheading or road repair, we have to have an understanding of that. Then we can develop a business plan to meet that need, considering what development most people on the Island would like to see happen, which is not too much. I think about how Southpoint park, for example, is going to evolve. That's another issue I was involved in around the work discussions of the taking of Roosevelt Island land for the third water tunnel. As you may know from the Board meeting in which we discussed this, I suggested that DEC, as a quid pro quo for any benefit they get, make a major contribution to the park, with plantings or with whatever the RIOC Board thinks is the proper enhancement to the park. Right now, for Southpoint Park, all we have is money for phase one. It will look better, and it'll be sprinklerable and lightable, but it will take a lot more to complete it.

**Lutz:** It's a start...

**Beck:** It's a start. I think that the three chairs of RIOC, Mary Beth Labate, Debra Boatright, and Judith Calogero pressed for that very very hard. When we first started talking about it, I was concerned that RIOC was going to start putting money into the park when we were in deficit, and yet her, Labate's vision was enough to carry us to the point where we did have sufficient resources, so we could put in enough to get the City and the State to put money into that for the first phase. Sometimes bad times make you pull back, when you just have to think ahead.

One of the first issues I got involved with is the Youth Center. They had a City Council commitment of funds to renovate what was then the Lilies School, but the problem with their proposal was that it was going to use a part of RIOC's real estate that was potentially really valuable, and one of the issues that was pushing that was a purported need for a 30-year lease of the space, against the fact that the space in Eastwood was free, though without a lease. Herb Berman and I met with the representatives of the owners of Eastwood, and they committed to allow the Youth Center to remain there indefinitely – this was before Eastwood left Mitchell-Lama. Once that was resolved, it seemed to me that we should try to give them the top floor of the school, so they'd have additional space. They'd retain the existing space and have an expanded area, and renovate all of it. When that proposal was put forward, it was viewed as more of a compromise than the Youth Center was willing to accept, which is unfortunate because, according to Herb Berman, the money that had been set aside by [City Councilmember] Gifford Miller in the City's capital budget was still going to be available, even though he was no longer going to be Council Speaker. That's one of those terrible things that fell through the cracks. We should have gotten that money and compromised on what space would be used. It should have been accepted, the funds should have flowed, whatever lease term they needed they should have been given. It was a real disappointment that the people involved

didn't have the will to come to closure on that in a timely way. But the Youth Center provides and enormous service. With public purpose money in part, and contributions from the WIRE buildings, and whatever happens in terms of the leadership there, or whoever operates the Youth Center, that commitment of funds has to continue. The Island has to support the Youth Center. More importantly, the RIOC board has to start thinking about what will replace the lump-sum public-purpose funds when they are depleted. They should be replaced when the time comes, or sooner, so there's steady support. Gallery RIVAA, the Day Nursery, the Swimming Club – all the programs that get public-purpose grants and provide important services to members of the community. RIOC has to figure out how to continue to do this when those earmarked dollars run out.

**Lutz:** You'd like to see the RIOC Board address that problem?

**Beck:** Yes. At some point they must, certainly within the next few years. The same thing is true of the security issue, which is another issue that I had hoped to address. Right now, the WIRE buildings are paying more per square foot for Public Safety – more per unit than the new buildings. I think there has to be an arrangement going forward so that all buildings share the cost equally. With RIOC paying the difference, if any, so that lease terms spelling out these discrepancies are adhered to. We know what's needed. It's \$38 or \$40 a unit, but some of the buildings pay \$20. Why? You pay the same amount when you park on the street, shouldn't you pay an equal amount for security? That should also be addressed as RIOC goes forward.