

# CRAIN'S

NEW YORK BUSINESS®

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## A SOLUTION FOR **DYEING**

Coloring cotton is a dirty business, but  
**Michael Harari** of ColorZen says he has a fix  
for fashion's pollution problem

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NEWSPAPER



## ON THE COVER

PHOTO: BUCK ENNIS

FROM THE NEWSROOM | BRENDAN O'CONNOR | MANAGING EDITOR

# Staying above water



**TWICE EACH YEAR** a group of business insiders meet with our editorial staff to discuss the challenges confronting the city. Many of the people in the room are lobbyists representing both individual businesses and entire industries, and a big reason why they come here is to make sure

the concerns of their clients are on our radar.

At our gathering last week, topics ranged from the specific (the inanity of installing speed humps on traffic-choked streets) to the overarching (how can the city better prepare its workforce for the emerging tech economy?). We run the meetings “on background,” meaning whatever is said can be used in our reporting, but no comments will be attributed to anyone without consent. It essentially lets folks feel free to speak their minds without worrying about ruffling the feathers of the politicians they might be complaining about (not that they ever would, of course).

Given the scope of the challenges facing business owners, from rising rents and increased labor costs to chronic congestion and byzantine regulations, it's little wonder that these get-togethers tend to focus on what's wrong with the city rather than what's right. In hopes of lightening the tone, I decided to wrap up the meeting by asking if anyone had any good news to share. Despite the general optimism spurred by the surging economy, not a single person chimed in.

This made me think of a *Crain's* event earlier in the week: a business forum featuring a group of leading female entrepreneurs (see page 10). One of the panelists, Sarah LaFleur, founder and CEO of women's fashion brand MM.LaFleur, compared the experience of running a business to swimming toward an unknown island. You might not always know if you'll ever get there or what you'll find if you do, she said. But the one thing you do know is “you have to keep swimming.”



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### CORRECTION

A hemp wick is good for lighting pipes. Its purpose was misstated in “Tools for Toking,” published June 11.

## NOMINATE NOW



DEADLINE: JULY 3

### CRAIN'S FASTEST-GROWING COMPANIES

Each year *Crain's* recognizes the New York-area companies with the highest three-year growth rate. Public and private companies with at least \$10 million in revenue are eligible to apply.

To nominate a company, go to [CrainsNewYork.com/Fast50](http://CrainsNewYork.com/Fast50).

# AGENDA

JUNE 18, 2018

## City's suit for climate-change cash is case of de Blasio passing the buck

**M**ayor Bill de Blasio is infamous in environmental circles for having the mayoral motorcade routinely schlep him from Gracie Mansion to Brooklyn for a workout at his favorite YMCA. The SUVs' 11-mile journey spews out greenhouse gases that cause global warming, a phenomenon that is forcing the city to spend billions of dollars preparing for severe weather. To recover some of the costs of climate change, the mayor—who opposed congestion pricing as a means of reducing unnecessary driving—is suing the fossil-fuel companies whose products he buys to power his trips to the gym, and that every New Yorker uses in countless other ways.

The legal rationale for the taxpayer-funded lawsuit against BP, Chevron, ConocoPhillips, Exxon Mobil and Royal Dutch Shell is that their fuel, when used as directed, causes harm. The first public arguments in the federal lawsuit, last week in a Manhattan courtroom, concerned whether the city's legal theory is even valid. But let's set aside that technicality. In terms of common sense, this is a case of passing the buck.

It has long been known that burning fossil fuel is harmful on a number of levels. Some business interests that profit from their use—and many of the politicians they support—have tried to discredit the science, just as tobacco companies for years denied that smoking was dangerous. Governments ultimately won a huge settlement from cigarette makers, but a key difference from the mayor's fossil-fuel lawsuit is that Big Tobacco secretly made its products addictive—a quality that had nothing to do with their advertised purpose and no benefit for users. Smokers crave nicotine, but no one longs for gasoline. De Blasio might find his urge to exercise at the

## The mayor travels 11 miles by car for his morning workouts, but that's not energy companies' fault



Park Slope Y uncontrollable, but it is not energy companies' fault that he uses their products to get there. Taking the subway would add no carbon to the atmosphere because the trains are running anyway.

Evidence has emerged that some fuel-company scientists learned several decades ago about the greenhouse effect and told their employers, who kept it quiet. But it wasn't long until the broader scientific community knew about climate change, and its causes were widely understood by the mid-2000s. Given the magnitude of the threat to our way of life, the response of government and society at large has been woeful. De Blasio voted against congestion pricing in 2008; a decade later we still don't have it. He has taken other steps to limit emissions but generally wants monied interests to take the blame and foot the bill. His lawsuit reflects that attitude. In a crisis, leaders should get all hands on deck, not point fingers. — THE EDITORS

**FINE PRINT** The Yankees are having a great season, but their namesake restaurant in Midtown won't see the end of it. The New York Yankees Steakhouse will close Sept. 8 after five years in business, according to a filing last week with the state Department of Labor. Fans enjoyed the memorabilia-laden walls, and Zagat called the joint's "solid" steaks a "grand slam" for folks who could fork over \$45 for a rib eye.

### 25 WORDS OR LESS

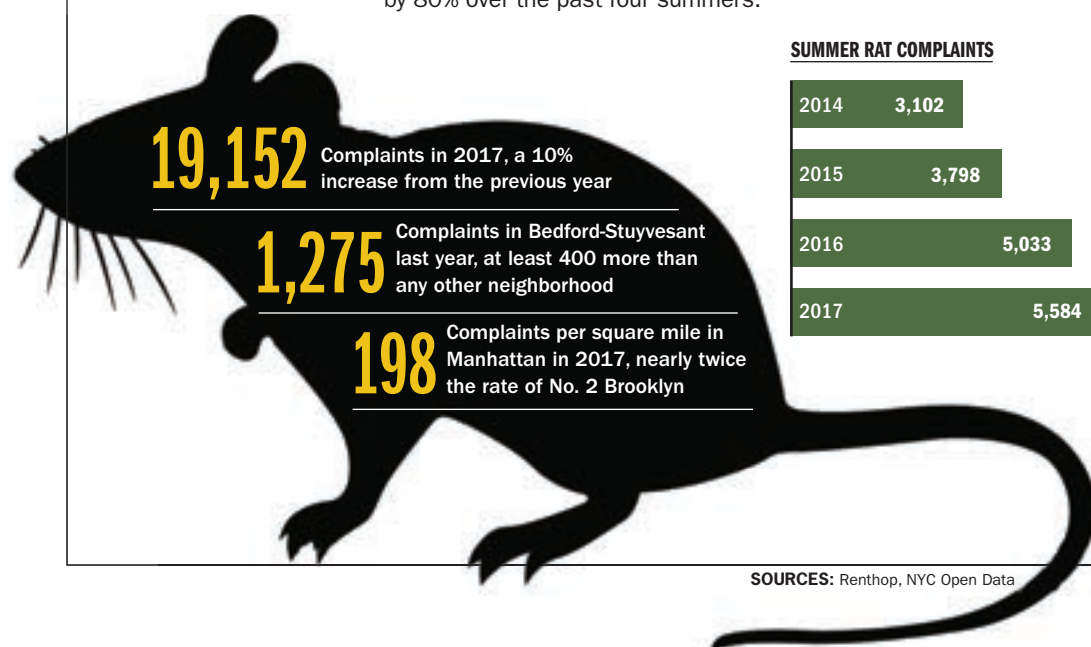
**"For 50 bucks and a bottle of Jim Beam, my fantasy baseball buddies and I could have come back with something much better"**

— Borough President James Oddo on the Staten Island Yankees' decision to call themselves the Pizza Rats for select games this season

BY GERALD SCHIFMAN

## RAT RACE

**SUMMER, THE FAVORITE SEASON** of many residents and rodents, begins this week. Complaints about rats in the city have risen by 80% over the past four summers.



SOURCES: Renthop, NYC Open Data

STATS AND THE CITY

ISTOCK, GETTY IMAGES

## How to spend hundreds of millions without really trying

**A**MID THE BACKSLAPPING and progressive pep rallies Mayor **Bill de Blasio** and City Council Speaker **Corey Johnson** held to celebrate the city's new \$89 billion budget, one man went unthanked: President **Donald Trump**.

That was hardly a surprise, given the Democrats' deep antipathy for Trump and constant flaunting of their left-of-center credentials. But it was the federal tax reform the president signed last year that allowed the council to add several hundred million dollars of spending on liberal priorities, such as discounted MetroCards for the poor and summer jobs programs, while increasing the size of de Blasio's April spending plan by only \$90 million.

How was that possible? According to a council source, the city saw an astounding \$4.3 billion in unanticipated tax revenues for the fiscal year ending June 30, thanks mainly to a bull market on Wall Street and corporations bringing home overseas earnings under the federal law's repatriation provisions. Because the city cannot legally run a surplus, it paid for debt service and other expenditures that it had planned to pay for during the upcoming year. This liberated money in next year's spending plan, which the council approved Thursday.

Only \$225 million of the one-time infusion of unexpected cash was allocated to the city's reserves. Budget watchdogs argued that the city should have saved much more of it or put it toward the pension system, which faces massive future obligations to retirees. "When you have a windfall like this, it should be placed in trust or used to pay down long-term liabilities," said **Maria Doulis**, vice president of the Citizens Budget Commission.

Mayor **Michael Bloomberg** did that in the mid-2000s, but he tapped the surplus when the Great Recession sent tax revenue plummeting. The economic expansion that followed has allowed de Blasio to build up reserves again—not enough to please budget hawks but more than Gov. **Andrew Cuomo** has (see page 12). - **WILL BREDDERMAN**



**GLAD-HANDING:** De Blasio and Johnson left Trump out of their celebration.

### Given the boot

Nine West Holdings, which filed for Chapter 11 bankruptcy protection in April, sold its brands Nine West and Bandolino to Authentic Brands Group for \$340 million in a court auction.

### Youth at work

The city provided 109,137 internships, mentorships and jobs in fiscal 2018, the mayor's office reported. The six-figure total is roughly 75% higher than fiscal 2015's tally, when the Center for Youth Employment was first established.

### Dog days

The experiential art piece *Hot Dog Bus*, a Volkswagen Microbus transformed into a yellow blob, is serving free hot dogs in Brooklyn Bridge Park through Aug. 26. It is stationed at Pier 1 on Saturdays and Pier 5 on Sundays from noon to 6 p.m. Wieners are limited to one per customer.

### Fire at a Good diner

The Maspeth diner featured in Martin Scorsese's classic mobster movie *Goodfellas* was destroyed in a fire last week. Known decades ago as Clinton Diner, the restaurant was renamed the Goodfellas Diner following the film's success. The owners say they are planning to rebuild it.

### Cheers to Mets fans

The inaugural New York Beer Fest comes to Citi Field July 21. All-you-

### DATA POINT

**AFTER ETSY ANNOUNCED LAST WEEK THAT IT WOULD RAISE ITS CUT OF SALES TO 5%, FROM 3.5%, ON JULY 16, ITS STOCK SOARED 35%, TO \$44.78 PER SHARE, FROM \$32.99.**

can-drink general-admission tickets allow patrons to sample offerings from 80 craft breweries during either noon or 6 p.m. sessions. Food costs extra.

### Raising the bar

Law firm Milbank, Tweed, Hadley & McCloy raised starting salaries for law school graduates to \$190,000, from \$180,000. Associates will receive raises between 4.8% and 6.4% in their first eight years.

### Authorities at the authority

Federal and local investigators raided a New York City Housing Authority warehouse last week as part of a criminal probe. Documents were seized from the Long Island City office's fifth floor, which focuses on lead paint and asbestos inspections.

### Takeout takeaway

A court upheld New York's Styrofoam ban, allowing the city to begin enforcing it Jan. 1. The Restaurant Action Alliance had filed suit, claiming that the

polystyrene plates and containers used by takeout establishments could be recycled. Small businesses are free to file for exemptions to the law.

### Box-office bonanza

Manhattan-based movie-ticket subscription service MoviePass has garnered more than 3 million members. The company's dramatic growth in less than a year is attributed to its lowering its membership price to \$9.95 a month from \$50 a month. - **CHRIS KOBIELLA**



### Rats and bats

In a bid to boost attendance, the minor league Staten Island Yankees will play five Saturday night home games this month and next as the Pizza Rats, wearing uniforms reflecting the temporary name change. The moniker pays tribute to a viral video of a rodent dragging a slice down a subway staircase.

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THE ALLIANCE OF AREA BUSINESS PUBLICATIONS

# AT&T buying Time Warner: a boneheaded move?

Megamerger passed legal muster, but experts question if it makes business sense

BY MATTHEW FLAMM

Executives at AT&T and Time Warner were popping open the Champagne last week after scoring an unqualified victory in their battle with the Justice Department over their \$85.4 billion merger. But while Judge Richard Leon, who wrote the 172-page decision, blessed the deal, some investors, analysts and experts did not.

“This kind of merger might be legal under the antitrust laws,” said Eli Noam, a professor of finance and economics at Columbia Business School, “but does it make a lot of business sense?”

Noam is skeptical for several reasons, starting with AT&T’s purview as an engineering and network systems company, which he doesn’t believe gives the telecommunications giant a natural affinity with a company rooted in show business. He is not convinced there are benefits in owning HBO shows such as *Game of Thrones* and *Westworld* or the sports, news and entertainment programming that comes with TNT and CNN.

AT&T has said it will be able to create products around that content and mine the data it gains from its distribution platforms, including DirecTV and its wireless networks, to better serve advertisers and viewers.

But Noam maintains that AT&T isn’t gaining that much, considering the price it’s paying.

“It is true that by owning some content they can differentiate themselves from other distribution platforms, but I think that argument gets overstated,” he said. HBO, for instance, might be better off doing business with “the highest bidder,” he said.

“That could be AT&T, but it could be somebody else,” Noam said. “You’d have to have some real synergies to show that one plus one equals three. And it’s not clear to me this is going to happen.”

## Chorus of critics

Noam is not the only one pouring cold water on the deal, which the two companies completed Friday. In the days following the government’s defeat, the price of AT&T’s shares fell as much as 6% over worries about its added debt—which influential analyst Craig Moffett cited when he downgraded the stock to a sell rating. The combined company will owe an “astounding” \$249 billion, he wrote, counting post-retirement obligations and other costs.

Moffett doesn’t see AT&T gaining significant savings from having Time Warner under its roof or using its data to make more money from advertisers. He also doesn’t believe the programmer is big enough to move the needle on a company as vast as AT&T, which had \$161 billion in revenue last year, compared with \$31 billion for Time Warner.

“Time Warner is but a small bucket with which one might bail out a sinking ship,” he wrote.

Clearly the media and telecommunications landscape is going through dramatic changes, which drove Randall Stephenson and Jeffrey Bewkes, the CEOs of AT&T and Time Warner, respectively, to seek a deal in the first place. Netflix, Hulu and Amazon are pouring billions of dollars into developing shows and encouraging pay-TV viewers to drop their cable or satellite subscriptions. Digital giants Facebook and Google are vacuuming up advertising dollars not just from other digital players but also from television.

It’s understandable, experts say, that AT&T and

Time Warner would look for ways to marry programming with data. But the combined company will be late to the game.

“Integration might help them improve a bit at producing the right things and attracting audiences, but if you compare this to what Google, Netflix and Amazon know about their customers, there’s no comparison whatsoever,” said Nicholas Economides, an economics professor at New York University’s Stern School of Business. “If somebody is 10 miles ahead of you in a marathon, the probability you will overtake them is negligible.”

## Half full

Despite their skepticism, some observers think AT&T is heading in the right direction.

“We believe most of the benefits could have been obtained from signing a distribution agreement for the content,” said Allan Nichols, a senior stock analyst at Morningstar. Nonetheless, he has a “fair value estimate” of \$40 per share on AT&T’s stock, which was trading at around \$34 before the court victory. “We do think its shares are undervalued,” he said, adding that Time Warner is “a high quality company.”

The merger will not be the last.



The day after winning approval, Comcast made a \$65 billion cash offer for the assets of 21st Century Fox, hoping to beat out Disney, which has offered \$52.4 billion in stock. Other possible mergers include CBS and Viacom.

Noam noted the public has seen this movie before, whether it was CBS and Viacom in 1999 or Time Warner and AOL. Regardless of the timing, he thinks these mergers don’t make sense, and it doesn’t matter how antitrust arguments fare in court.

“It’s not clear to me we’re not in some kind of merger mania that will reverse itself in time,” Noam said. “Not because of Washington, but because of Wall Street.” ■

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## Business district finds most of its trash could be put to good use

Union Square will deploy food-waste bins to keep organics out of landfills **BY WILL BREDDERMAN**

One of the city's biggest business improvement districts aims to stop feeding garbage dumps.

The Union Square Partnership expects to roll out a prototype in October of a streetside composting bin for pedestrians' food scraps, then launch a full-blown pilot project of the containers next year. The organic-waste receptacles will be just one consequence of a study it conducted with students at Columbia University's Earth Institute that found roughly 85% of the refuse in the dozens of trash cans in and around Union Square Park could be recycled or repurposed.

Uneaten edibles make up a little more than 15% of the trash in the organization's baskets and compactors, the report found, and they can be particularly burdensome to collect, said Monica Munn, the group's director of economic development. Compostable castoffs not only weigh down bags, but they also attract bugs and rats.

"For a lot of reasons we want to get that out of there and send it to a more useful end," Munn said. "That's such a ripe opportunity, so to speak."

Munn and her team have already

begun reaching out to businesses to get them to cut back on plastic—particularly straws, utensils and food containers—which makes up about a quarter of the waste stream. But such efforts will be blunted if the commercial district's 344,000 daily visitors have only traditional garbage cans.

"You have your lovely compostable bowl, but there's nowhere for you to put it," Munn said. "So you end up just landfilling it."

The Union Square Partnership spends more than \$1 million a year on sanitation, supplementing regular city pickups with contracted services from the company StreetPlus.

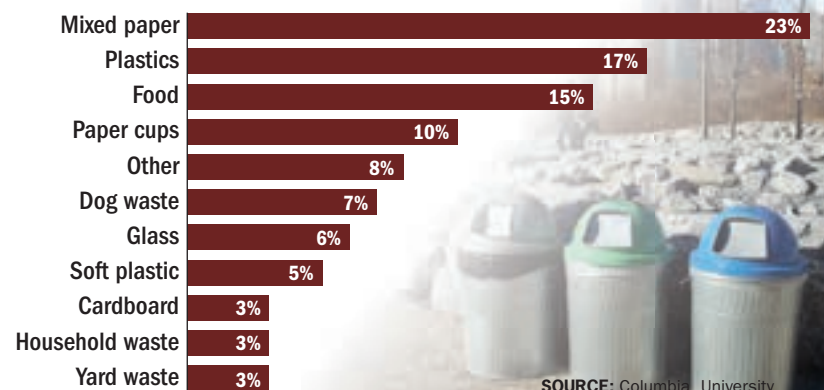
### A New York City first

The group will study models from around the world before choosing its organics collectors, Munn said. A streetside initiative has not been tried here, although San Francisco and Boulder, Colo., among other cities, have programs in operation.

Munn said the bins should be secure, attractive and inexpensive. The economic development director suggested the program could become a model, like the solar-powered Bigbelly

### QUALITY TRASH

A breakdown of what gets tossed in Union Square Park waste bins



compactors, for other business improvement districts citywide.

"We want to get people energized and empowered when they're throwing out their trash," she said.

The proposal won immediate plaudits from environmentalists. The Natural Resources Defense Council, which has its offices just outside the catchment area, praised it as a private-sector complement to recent city efforts to facilitate proper disposal of organic waste. It urged the BID to advise people to throw not only their lunch leftovers

in the new bins, but also food waste from home—and to let locals take back some of the resulting fertilizer.

The advocacy group warned that success depends on conspicuous signage, education campaigns and traditional trash bins to prevent contamination of the compost by other trash.

"Composting is very, very important, so they're focusing on a critical issue," said Eric Goldstein, the NRDC's New York City environment director. "Getting public participation is obviously a critical first step." ■

## New player betting taxis have hit bottom

Unknown investors pay \$22 million for 131 medallions **BY MATTHEW FLAMM**

This town may have a new "Taxi King," or at least one in the making. But nobody really knows the potential potentate's identity or business plan, other than that it's an investment group that keeps its cards close to the vest.

The investors—linked by sources to Marblegate Asset Management, a Greenwich, Conn.-based hedge fund—won an auction last week in Queens for 131 taxi medallions that once belonged to deposed "Taxi King" Evgeny Freidman. The price: \$170,000 plus about \$12,000 in fees apiece.

Marblegate had purchased 46 of Freidman's foreclosed placards in September. All told, the hedge fund is believed to now have 181 medallions, including four picked up at a smaller sale.

Industry insiders expect the company to lease the medallions, which produce roughly \$1,100 a month each, providing a 7% annual return. Beyond that, who is behind Marblegate and its intentions are a mystery. Though hedge funds and private-equity investors are often secretive, the situation troubles some industry veterans.

Medallions "are public assets in a way," said Matthew Daus, a partner in the law firm Windels Marx and a former Taxi and Limousine Commission chairman who has been tracking Marblegate's actions. "It would be great to know who these mysterious folks are and what their plans are for the industry. A big player has an influence on the industry. [Freidman] had an influence, whether good or bad. There's a certain responsibility here."

Marblegate did not return calls.

**“It would be great to know who these mysterious folks are”**

The hedge fund was not the only mysterious presence at last week's auction. While Marblegate, using the name Nardo Acquisitions, had made its \$22.3 million bid the previous week as a stalking horse—a practice used in foreclosure auctions to set a floor—an additional eight medallions from Freidman's



**KING NO MORE:** A big chunk of Freidman's former taxi portfolio was sold.

decimated portfolio were not included. Court documents show the bankruptcy trustee agreed to sell those eight to a group calling itself Latka LLC.

That package had a floor of \$2 million—\$250,000 per medallion. At the June 14 auction in Flushing, no bidders topped either floor. Marblegate won the 131, and Latka kept the eight.

Industry insiders were unable to determine who was behind Latka, which was apparently named for the Andy Kaufman character Latka Gravas in the 1970s sitcom *Taxi*.

The price of medallions is a sensitive topic in the taxi industry, which has seen the value of the small metal plaques plunge by 80% from their high point of around \$1 million four years ago. The devaluation, caused by competition from Uber and other e-hail operators, forced many owner-drivers into

personal bankruptcy as lenders refused to refinance loans. Two medallion owners were among the six drivers who took their own life in recent months. The deaths have rocked the industry.

Taxi industry veterans are hoping the tide will turn. Bills to restrict e-hail operators' growth are under discussion in the City Council. Uber and Lyft's role in worsening congestion, along with sympathy for the plight of owner-drivers, has improved the chances of passing some kind of restrictions.

Andrew Murstein, president of taxi lender Medallion Financial, sees the hedge fund's entry as a good sign. "Funds like Marblegate put a ton of effort into understanding the current and projected revenues in the industry," he said. "They are betting that Uber loses \$5 billion a year and has to raise prices and a City Council bill will pass." ■

## The real story of the city's public-housing demise BY WILL BREDDERMAN

### THE ISSUE

**1** Mayor **Bill de Blasio** (right) and the New York City Housing Authority signed a consent decree this month with U.S. Attorney **Geoffrey Berman's** office. In it, the administration admitted that the authority had misrepresented conditions in many of its 326 developments to the Department of Housing and Urban Development since 2011 in order to continue to receive subsidies. In the process, it exposed some of its 400,000 residents to lead. Under the agreement, the city will fund \$2 billion in capital costs at the public-housing agency in the next nine years and allow a federal monitor to oversee its operations.



### THE PLAYERS

**2** De Blasio was quick to parry blame, noting that the pattern of falsification dated to Mayor **Michael Bloomberg's** reign. But that means little to the feds, to say nothing of the 19 children with confirmed lead poisoning and the hundreds of thousands of tenants subjected to mold, cold, roaches, rats and malfunctioning elevators. City taxpayers will have to swallow the costs of the authority's incompetent and dishonest management.

There are some upsides for the mayor. The consent decree prompted Gov. **Andrew Cuomo** to suspend his April executive order demanding a state monitor. It also urged him to release \$550 million in state funds earmarked for the agency and allow design-build bidding to streamline projects. And the situation gives the mayor leverage to seek concessions from Teamsters Local 237, which handles NYCHA maintenance. The union's contract expired last month.

### YEAH, BUT...

**3** While \$2 billion sounds like a lot, the system's repair backlog is roughly \$25 billion.

As Berman emphasized, a lack of funds is just one crack in a crumbling foundation. The prosecutor highlighted extensive problems with NYCHA's management and culture, which de Blasio vowed to investigate and remedy.

City Comptroller **Scott Stringer** (above), in response to the consent decree, decried the structure of the housing authority's leadership, appointed by the mayor. He said the chairman and the general manager have dueling "fiefs," while the board is a rubber stamp for the administration. He called for "a modern governance structure with experts in managing large housing systems."

But observers have long noted that the authority struggles to attract and retain talent. Managerial turnover saps institutional knowledge and momentum toward executing goals. Until the bureaucracy reinvents itself, dysfunction will likely endure.



### WHAT'S NEXT

**5** The consent decree might jump-start the authority's fading heartbeat, but the system will remain on life support without a huge cash infusion—which won't come from the Trump administration or congressional Republicans. De Blasio hopes to reap \$300 million to \$600 million in the next decade by allowing private development on authority land, but that would barely make a dent. Demolishing public housing, as Chicago and St. Louis did, is a political nonstarter here.

The sole hope may be the Rental Assistance Demonstration program, begun under President **Barack Obama** and set to expand, thanks to the latest House spending bill. RAD has allowed the authority to partially privatize ownership and management of some developments—leading to big improvements—by shifting them to more reliable Section 8 funding. But the program also relies on low-income housing tax credits, which federal tax reform made less attractive. Tenants will have to keep waiting for a savior.

**The city and the state funded public housing when most units were built, but officials lost interest as minorities increasingly became the tenants**

### SOME BACKSTORY

**4** Following the consent decree, de Blasio claimed the housing authority is "its own entity, chartered by the federal government, the state government." But the mayor picks its entire leadership and has credited his hero, Mayor **Fiorello La Guardia**, with its creation in 1934.

De Blasio also traced disinvestment in public housing to the Reagan administration, repeating a favorite canard that Washington was NYCHA's historic funding source, and federal neglect caused its decline. In fact, as historian **Nicholas Dagen Bloom** wrote in *Public Housing That Worked*, Washington's outlays were sporadic during the middle of the last century, when the authority built most of its units. World War II was the priority in the 1940s, the Eisenhower administration was skeptical of public housing, and President **Lyndon Johnson's** Great Society "delivered relatively little to New York," Dagen Bloom wrote. It was the city and the state that subsidized public housing then, but governing officials lost interest as projects became less white and increasingly plagued by crime and poverty. The city and the state happily transferred the system to federal funding streams liberated by President **Jimmy Carter** and failed to resume local sustenance when President **Ronald Reagan** cut them off.



## LOUIS COLETTI BUILDING TRADES EMPLOYERS' ASSOCIATION

**T**he Building Trades Employers' Association represents 27 industry associations and 1,100 contractors who employ tens of thousands of unionized construction workers throughout the city. As its president and CEO for 21 years, Louis Coletti has navigated the tricky path of having to champion unionized labor while pushing the industry to become more competitive.

**Do you support open-shop construction projects in which developers are free to hire both union and nonunion workers?**

No, I don't. All my contractors have collective-bargaining agreements, and we try to build every job with 100% union trades.

**Doesn't open shop make your contractors more competitive?**

Not necessarily. We believe union labor is the safest workforce, has the most talent and can meet a schedule better. In instances where we use nonunion trades, we end up putting more project managers over them, and there's a cost to that.

**But hasn't the nonunion side become more capable of late?**

Have they gotten better? Yes. Are they as good? No. People call all the time to tell me they did a job nonunion that turned out terribly.

**The New York Times reported that MTA construction jobs had too many union workers, which drove up costs. What do you think?**

There is enough blame to go around. The public agencies, because of their procurement requirements and procedures, are part of why costs get out of control. They make budget estimates, and they're usually low and wrong. The MTA is infamous for changing the scope of a job during the course of construction.

**You're giving Gov. Andrew Cuomo a Master Builder Award, but doesn't he deserve some criticism for the state of the subways?**

When you don't invest over a period of decades, there's a problem and it goes beyond Cuomo. One of the worst policy decisions ever made was when [former Assembly Speaker] Shelly Silver got rid of the commuter tax. That took a lot of money from the MTA.

**You have criticized state rules that mandate that public projects be awarded to women- and minority-owned construction businesses. Why?**

A goal is not a mandate. The state's approach has been to punish contractors when capacity reports show there aren't enough MWBE businesses in New York to achieve the 30% MWBE requirements. Let's have programs that develop the capacity and not penalize the contractors.

**What do you think of Hudson Yards developer Related suing union labor?**

The level of discourse—the level of incivility—is something I have never seen in my 31 years in construction. Rather than finding a way to work out their differences, this is driving all parties into their own corners. It's dangerous for the industry and the city.

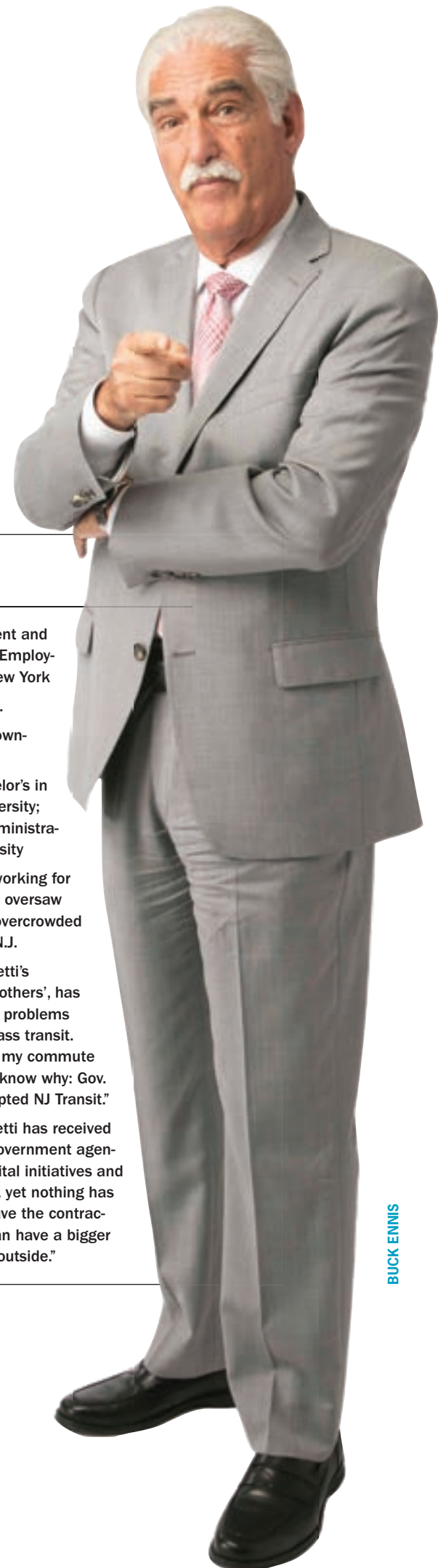
**Why has it devolved into such acrimony?**

It's one of the biggest developments in New York history, so there's a lot at stake. But I don't know exactly how we got here and how we get out of this. That's what worries me.

**Who's going to win?**

You just asked the \$72 million question. No one knows. ■

**“We believe union labor is the safest workforce, has the most talent and can meet a schedule better”**



BUCK ENNIS

## DOSSIER

**WHO HE IS** President and CEO, Building Trades Employers' Association of New York

**BORN** Elizabeth, N.J.

**RESIDES** Warren Township, N.J.

**EDUCATION** Bachelor's in English, Rutgers University; master's in public administration, New York University

**HIS START** While working for state government, he oversaw the rebuilding of an overcrowded jail in Union County, N.J.

**JUST LIKE US** Coletti's commute, like many others', has been upended by the problems that have plagued mass transit. "I do get angry when my commute is delayed, but I also know why: Gov. Chris Christie bankrupted NJ Transit."

**STAYING PUT** Coletti has received many offers to join government agencies to supervise capital initiatives and construction projects, yet nothing has persuaded him to leave the contractors association. "I can have a bigger impact being on the outside."



## Hospital for Special Surgery to open clinic in Hudson Yards

Providers eye potential market of 125,000 new residents, workers **BY JONATHAN LAMANTIA**

**H**ospital for Special Surgery will open a 15,000-square-foot clinic at 35 Hudson Yards next year as it seeks to attract patients from among the workers and residents flocking to the complex.

The specialty orthopedic hospital's clinic will share the 72-story, mixed-use tower with anchor tenant Equinox, which plans to use the building for its first hotel as well as a fitness center. The site also will house 143 apartments and office space.

"What we see in Hudson Yards is a development transforming a portion of Manhattan where there will be a very large population living and working," said Louis Shapiro, HSS president and CEO.

HSS isn't the first health care provider to see an opportunity to serve new patients at the development. Mount Sinai said in March that it would open an 18,000-square-foot concierge clinic at 55 Hudson Yards. That facility will cater exclusively to the employees of commercial tenants.

The vast complex, which runs from 30th Street to 34th Street between 10th and 11th avenues and from 30th Street to 33rd Street between 11th and 12th avenues, includes 18 million square feet of commercial and residential space. When it is completed in seven years, 125,000 people will live, work or visit Hudson Yards daily, according to a 2016 estimate from its developers, The Related Cos. and Oxford Properties Group.

The complex will be home to Time Warner, Wells Fargo, BlackRock and the National Hockey League, among other companies.

The HSS outpatient facility will be staffed by physicians and physical therapists who will diagnose, treat and manage patients' orthopedic conditions. It will provide imaging and physical therapy services on-site, but physicians won't perform surgeries there. For more complicated cases, the clinic can make a referral to HSS' main Upper East Side campus on East 70th Street.

### Accessible locations

While health systems often look to expand in space near their main campuses, "it's equally desirable being in locations that are easy to access



HSS CEO  
Louis Shapiro

for a new crop of patients," said Paul Wexler, a real estate broker who heads the Wexler Healthcare Properties Team for the Corcoran Group.

HSS has recently sought other expansion opportunities. The hospital agreed last year to a 65,000-square-foot lease on West 65th Street between 11th and 12th avenues. It plans to open an ambulatory surgery center there next year. Shapiro said that location would serve a wider population willing to travel for surgical care.

Beyond Manhattan, HSS has established satellite locations in Westchester, Long Is-

land, New Jersey, Connecticut and Florida.

"As our industry has continued to rapidly change and organizations have opted for M&A as a way to grow, we're building our delivery system organically," Shapiro said.

The Hudson Yards location will place HSS near a growing roster of large employers, who may want to contract with the hospital to provide services. HSS already provides on-site services at Goldman Sachs' downtown offices.

"That program will grow as a consequence of our being there," Shapiro said. ■

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Look North™



# Female founders refuse to fail

Insights from four successful entrepreneurs

**W**hat is sometimes lost in translation for the now oft-quoted statistic that startups founded by only women received just 2.2% of the \$85 billion invested by venture capitalists last year is that this is an improvement. With the exception of 2014, the \$1.9 billion invested in businesses founded by women is the most venture capitalists have ever put forth in one year. In this context, *Crain's* invited four female entrepreneurs to Convene's downtown flagship conference space to discuss what inspired them to start their company, what keeps them going and who they turn to when they need support.



## SAMANTHA RADOCCHIA CO-FOUNDER AND CMO, CHRONICLED



**RADOCCHIA GREW UP** thinking she would join the family business, a national vendor of pools and patio furniture. But when the family sold the company in 2003, she began her own—several of them. Her latest, Chronicled, uses blockchain and internet-of-things technology to help companies manage the processes of making their products. An East Coaster who moved to San Francisco four years ago, Radocchia has perspective on the differences between Silicon Valley and Silicon Alley. “New York is much more

diverse—friends, colleagues, advisers, investors, board members who are touching so many different industries,” she said. “New York is better at productization, like marketing and creating a product to sell. In San Francisco I’ve noticed a tendency to get into the weeds in tech. It’s more of an academic exercise rather than creating something that people will use and need.”

“Being a chief executive is the loneliest job in the world. Who do you call when you have those ‘what am I doing?’ moments?” — SAMUELS

“My shrink.” — LAFLEUR

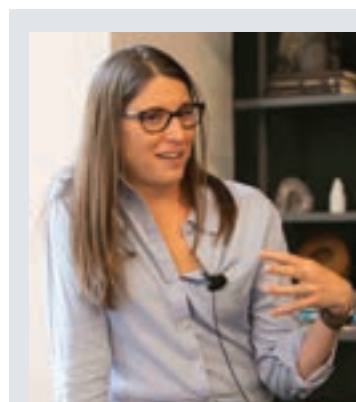
## JORDANA KIER CO-FOUNDER, LOLA

**LOLA**, which makes 100% organic cotton tampons and sells them through direct-to-consumer subscriptions, has only one outside board member, the lead investor from the Series A venture funding round, who is a man. Kier and her female co-founder wanted a board member who was an operator. More than anything else, they were seeking one who had experience building a product at various companies. “It helps that he is a dad,” she said, “and has three daughters who are of menstruating age.”



**\$85B** INVESTED by venture capitalists in 2017

**\$1.9B** AMOUNT that went to female-funded startups



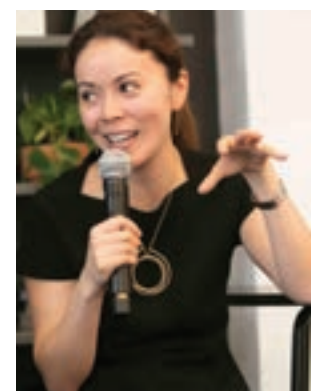
### SEEING THE BIG PICTURE

As the first executive director of industry trade group Tech:NYC, Julie Samuels leaned on her expertise in public policy, intellectual property and entrepreneurship to moderate the panel. Having to grow the nonprofit since May 2016, Samuels also has personal experience with startups. “I launched Tech:NYC. I’m an accidental entrepreneur. What I’ve found is that there’s no manual, there’s no how-to book about this, and it can be really overwhelming.”

## SARAH LAFLEUR FOUNDER AND CEO, MM.LAFLEUR

**LAFLEUR BEGAN** her career in management consulting, advising consumer-packaged-goods and financial-services companies. She started MM.LaFleur to address a problem she experienced: the lack of clothing for professional women that simplified the morning routine and allowed for the transition from work to evening. But she had no retail experience, leading to what she described

as a very difficult first year as a founder. “I don’t think I could go through that again,” LaFleur said. Recently she added the first woman to her board, and now that MM.LaFleur is on firmer financial ground, she has hired an executive coach. “You have to bring your best self to your company, to your team,” LaFleur said. “So who’s getting the other side? It’s the executive coach and my friends and entrepreneurs who have been through this.”



“I’m an accidental entrepreneur in part because I couldn’t have done this as an academic. There is no funding for women’s health. I had to find it in the private sector.” — BEIM

## PIRAYE YURTTAS BEIM FOUNDER AND CEO, CELMATIX

**A MOLECULAR BIOLOGIST** who created a personalized medicine company focused on fertility and women’s health, Beim said that women’s determination for startups to succeed is underestimated, especially in mothers. “I accrued what I call mommy equity,” the mother of three said. “I missed my kids’ first steps, all these milestones. You start to give up precious time with the kids that you realize you’ll never get back. Then you get really entrenched. This cannot fail because now I’m doing it for my kids. People underestimate the tenacity of mothers and women who have had to go through so many barriers to succeed. Failure is not an option.”





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# From Cuomo's vantage point, a rainy day will never come

The governor has put away a pittance for hard times



GREG DAVID

**THE MAYOR AND THE** City Council last week agreed on a budget for the next 12 months that spends a lot of money but puts aside some for when the economy—and tax revenue—goes down.

Gov. Jerry Brown and the California Legislature last week did the same, using that state's booming economy to increase spending to more than \$200 billion next fiscal year but also fully funding a rainy-day account that will have more than \$13.5 billion available when hard times arrive.

But three months ago in New York, neither Gov. Andrew Cuomo nor the state Legislature saw any reason to prepare for the future. They passed a more than \$168 billion budget that didn't increase its reserves, which are so low, they amount to less than 2% of what the state will spend this year. Someday this will be regarded as one of Cuomo's big-

gest failures, if not the biggest.

California learned its lesson during the last recession, when it faced a \$27 billion deficit and had to slash spending, defer payments and borrow. Voters later mandated that the state accumulate a rainy-day fund that would reach 10% of general-fund spending, or about 7% of overall spending.

Mayor Bill de Blasio has also been worried about the future. His predecessor, Michael Bloomberg, exhausted reserves during the recession, but de Blasio has rebuilt them to \$1.3 billion and put an additional \$4.3 billion in a trust earmarked for retiree health benefits that has in the past been used to cover deficits. The total is about 6% of the budget.

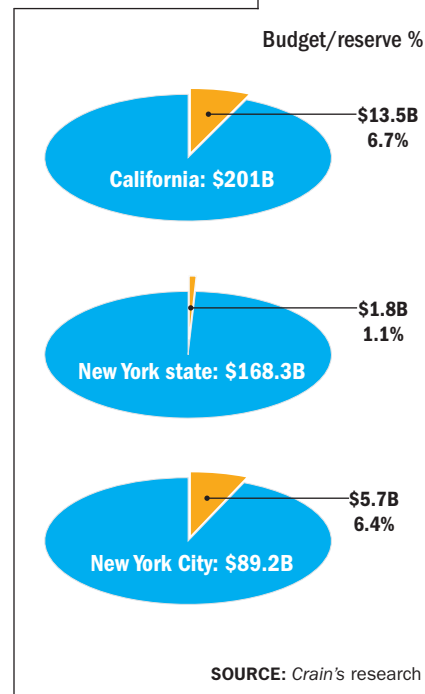
Cuomo has been willing to live with a reserve of less than \$2 billion. His budget is twice the size of the city's, and his reserve is less than a third as much. Even the larger cushions won't be enough. In announcing California's budget deal, Brown warned that a re-

cession could reduce the state's revenue by \$50 billion over three years. In New York, the Independent Budget Office stress-tested the city budget in 2015 and concluded that the reserves would cover at most two years of revenue declines if a recession led to the loss of about 130,000 jobs. Given the increase in spending since then, another stress test is overdue.

There is one other problem. Reserves such as those in California and New York City make fiscal sense but not always political sense. A California gas-tax increase of 12 cents per gallon to fund road repairs that passed last year is now the target of a repeal effort because so much money has been accumulated in the rainy-day fund. Cuomo's constant demands for more money from the city for the Metropolitan Transportation Authority and the New York City Housing Authority are based on the idea that the city has substantial cash sitting around.

I have written repeatedly that the

SAVING FOR HARD TIMES



city's increase in spending has made it vulnerable to anything worse than a mild recession. I have been remiss in not showing how much worse it will be for the state when the inevitable downturn comes. ■

GREG DAVID writes a regular column for [CrainsNewYork.com](http://CrainsNewYork.com).

# Why can't Staten Island do what Seattle and Portland did?

The borough's first planning think tank aims high

BY CESAR CLARO AND STEVEN GRILLO

Staten Island serves as a critical link in the southern ring of the regional transportation system by connecting New Jersey, Brooklyn, Queens and Long Island. The borough, however, suffers from unequal transit investment, an incomplete and inefficient transit network, and a lack of comprehensive planning and local autonomy. Until these issues are addressed, it will not reach its economic potential.

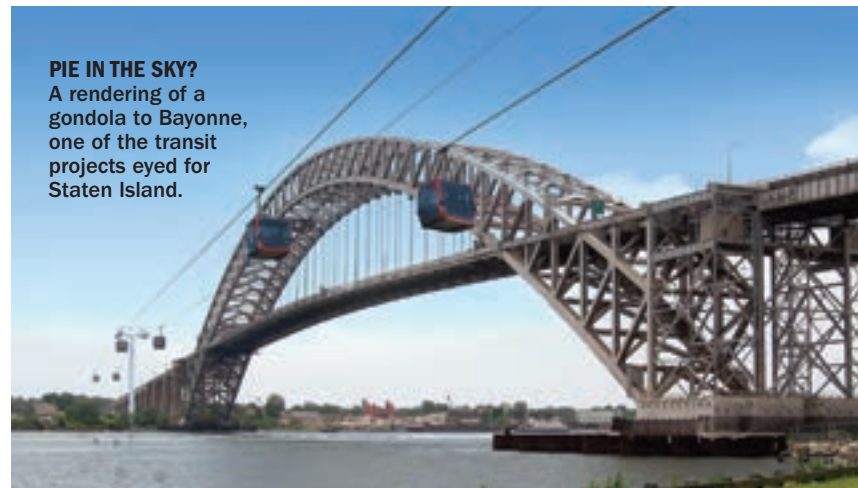
With this in mind, Staten Island Economic Development Corp. management visited Seattle and Portland, Ore., last year and met with leaders, planners and advocates. What we learned was staggering and inspiring. While Staten Island is not unlike these two cities in terms of area and population, its population growth rate since 2010 has been slower, and it has struggled to attract major corporations and expand its university presence. The reasons include inefficient transit, long commutes, a lack of regional connectivity, a high cost of doing business and insufficient access to commercial hubs.

The starkest difference between Staten Island and the other two locations is transit. Seattle and Portland have light rail, streetcars, electric buses, robust bike-share systems and multimodal greenways. Portland has one of only two commuter aerial cableways in the U.S. and the nation's first transit-only bridge. Both cities offer excellent regional planning and incentivize transit-oriented development with radical real estate and tax programs.

**1.6%**  
GROWTH in Staten Island's population, 2010-2016. Seattle grew 16% and Portland 10%.

Seattle has special transit taxes related to sales, real estate and motor vehicles. As a result, its home county does not request any federal funding for roads—only for mass transit. Portland has a 97-stop light-rail system, managed by an independent public-benefit corporation, serving downtown and the suburbs. Its 50-year transit capital plan relies on university partnerships and investment from major employers such as hospitals, which have a long-term stake in transit and economic development.

Could Staten Island do these kinds of things? We think so. Our develop-



**PIE IN THE SKY?** A rendering of a gondola to Bayonne, one of the transit projects eyed for Staten Island.

ment corporation will create a non-profit to raise funding for and invest in transportation and recruit local board members who will help hire a transportation czar, prioritize projects and determine how to secure and allocate funds raised through new measures. Projects to be evaluated include light rail on the West Shore, bus rapid transit on the North Shore, a gondola to Bayonne and fast ferry service.

The first planning think tank will also have a revenue committee to identify and secure public and private funding, an innovation committee to research and propose transit options, and a planning committee to evaluate transportation plans and combine

them into an economic-development and land-use vision. This new approach will set Staten Island apart from the rest of the region. It will initiate a two-year conversation with stakeholders, resulting in a 25-year capital plan, a list of proposed projects and recommendations for how to fund them.

Staten Island will soon have half a million people. Without local control and a long-term plan for critical projects, the borough will not remain competitive in the regional market. ■

Cesar Claro is the president and CEO of the Staten Island Economic Development Corp., and Steven Grillo is the first vice president.

FROM OUR READERS

# Lawsuit lenders 'like sharks to shipwrecks'

IN "LAWSUIT LENDING GETS A BAD RAP" (Viewpoints, published June 11), Anthony Sebok asserts that reasonable regulation of lawsuit lending would "hurt plaintiffs," and those who favor such regulation are "tort-reform advocates representing insurers and other corporate interests." He is wrong on both counts. Plaintiffs managed just fine before lawsuit lenders appeared in the early 1990s. It is the usurious, extortionate rates of interest charged by this unregulated industry that hurt consumers the most. Further, I am not a tort-reform advocate, and I don't subscribe to their agenda. Regulating litigation lending is a

policy debate in which consumer protection advocates like me and business interests happen to agree.

Sebok, looking at just one lender, found the median interest rate was 44%—about double the usury rate in most jurisdictions. He claims such a rate is reasonable, given the nonrecourse nature of the loan. But his own study says only 10% of the loans completely default. That is lower than the default rate for student loans. Lenders carefully vet requests, mitigating risk by limiting loans to cases near settlement: 50% of the applications in his study were rejected as not enough of a sure thing. This is hardly the

risky endeavor lenders describe. It's low-risk, usurious profiteering, directed at vulnerable consumers.

Exploiting the court system to profit has nothing to do with justice or a free market. Lawsuit lenders are like sharks to shipwrecks, capitalizing on tragedy. **JENNA WIMS HASHWAY**  
*The writer is a professor of legal practice at Roger Williams University School of Law and the author of Litigation Loansharks: A History of Litigation Lending and a Proposal to Bring Litigation Advances Within the Protection of Usury Laws.*

**LEVEL THE FIELD**  
AS A LATINO and an alum-

nus of Stuyvesant High School, I was disturbed by the op-ed "Don't mess with specialized high schools" (June 11). The writer argues for keeping the single-exam system for admission to the school because there are winners and losers in life. By implication, those of us who had the privilege of attending Stuyvesant are winners, and those who scored below the cutoff, losers. Indeed, graduating from Stuyvesant facilitates winning—I attended an Ivy League university and am now a professional with an active practice in New York City.

I am from an earlier generation; I graduated in 1977, when the school was more diverse. This

was before amped-up test prep became the norm. Most in my class entered with similar levels of preparation for the exam. In the ensuing years, the industrialization of test prep has caused the single-test model to be gamed, with the most-motivated families paying for weekend classes and tutoring. The result is not a measure of the potential of a child so much as it is an indicator of the parents' ambition.

Unlike the writer's mother, my parents—hardworking immigrants from Ecuador—did not know about the school and, after I was admitted, were alarmed to discover it was a distant subway

ride away. Still, I had a more level playing field to get in than do my counterparts today. They are essentially shut out of the school and the opportunities that would follow. The mission of Stuyvesant was to serve as a steppingstone for bright, hardworking children from all corners of the city. It is not good for society and not right to shut out a large part of our population because they cannot play the game.

**RICARDO ZURITA**  
*The writer is an architect in Manhattan.*



BUCK ENNIS

## Notable Women in Health Care

### DO YOU KNOW A TOP WOMAN IN HEALTH CARE?

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The Notable Women in Health Care feature will be published in the Aug. 6 issue of *Crain's New York Business*.

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**CRAIN'S**  
NEW YORK BUSINESS  
CUSTOM STUDIO

Ranked by 2017 operating expenses

IN GOOD HEALTH

New York's top hospitals continue to prosper. Seventeen of the 25 largest hospitals on *Crain's* latest list increased profits last year. Altogether, the group's net profits have risen by 93% since 2015.

"It fits with what I'm seeing in the industry in New York," said **Allen Miller**, chief executive of Cope Health Solutions, a city-based consultancy. "These hospital systems have spent the past few years really trying to transform themselves to not just be hospitals anymore. I see massive transformation in electronic medical records, ambulatory integration and population health, with the state acting as a great partner by providing subsidies."

While Miller expects the area's facilities to sustain the success, their pace of growth may slow. In December Congress repealed the mandate that individuals have health insurance or pay a penalty, potentially increasing the number of uninsured New Yorkers. That could leave hospitals with more patients who cannot pay and fewer overall as the uninsured shy away from care. At the same time, federal funding cuts will strain providers.

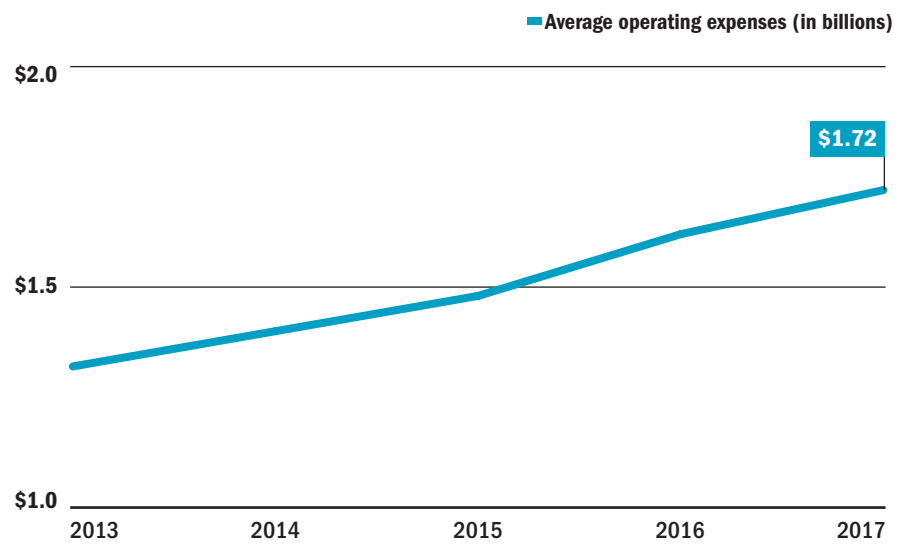
"I don't see profits popping like a cork because the hospitals are under pressure," Miller said. "Cutbacks to the health insurance exchange, Medicare and Medicaid will also mean smaller revenues. At the same time, I think continued transformation will offset some of these losses."



— GERALD SCHIFMAN

AN EXPENSIVE PROPOSITION

On average over the past five years, the top 25 hospitals on *Crain's* list have upped their operating expenses by \$100 million annually.



**+5.4%** OVERALL CHANGE in patient revenue for the top 25 hospitals from 2016 to 2017

**213K** TOTAL NUMBER of workers employed by the top 25 hospitals

SOURCE: *Crain's* research

RANK	HOSPITAL/ NETWORK AFFILIATION	HOSPITAL LEADER/ COMPENSATION <sup>1</sup>	2017 OPERATING EXPENSES (IN MILLIONS)/ % CHANGE VS. 2016	2017 NET PATIENT REVENUE (IN MILLIONS)/ % CHANGE VS. 2016 <sup>2</sup>	2017 NUMBER OF CERTIFIED BEDS <sup>3</sup>	2017 NUMBER OF EMPLOYEES <sup>4</sup>	2017 NUMBER OF AMBULATORY CARE VISITS <sup>5</sup>	2017 INPATIENT DAYS <sup>6</sup>
1	<b>New York-Presbyterian Hospital<sup>7</sup></b> 525 E. 68th St., New York, NY 10065 212-746-5454; nyp.org New York-Presbyterian Regional Hospital Network	Steven J. Corwin, M.D. President, chief executive \$5,975,641	\$5,269.4 +6.9%	\$5,340.9 +6.6%	2,527	24,566	2,231,304	786,330
2	<b>Memorial Sloan Kettering Cancer Center</b> 1275 York Ave., New York, NY 10065 212-639-2000; mskcc.org Independent	Craig B. Thompson, M.D. President, chief executive \$6,719,203	\$4,213.0 +11.1%	\$3,580.4 +15.7%	514	16,403	1,273,285	161,661
3	<b>Montefiore Medical Center</b> 111 E. 210th St., Bronx, NY 10467 718-920-4321; montefiore.org Montefiore Health System	Steven M. Safyer, M.D. President, chief executive \$4,379,788 <sup>8</sup>	\$3,735.2 -3.1%	\$3,412.9 -5.1%	1,558	18,333	4,164,902	509,907
4	<b>NYU Langone Health<sup>9</sup></b> 550 First Ave., New York, NY 10016 212-263-7300; nyulangone.org NYU Langone Health	Robert I. Grossman, M.D. Dean, chief executive \$5,453,582 <sup>10</sup>	\$3,708.1 +14.7%	\$3,733.1 +12.4%	1,519	18,848	1,780,843	304,518
5	<b>Long Island Jewish Medical Center</b> 270-05 76th Ave., New Hyde Park, NY 11040 516-470-7000; northwell.edu Northwell Health	Michael H. Goldberg Executive director \$846,526	\$2,677.0 +9.3%	\$2,567.0 +6.7%	1,621	18,561	1,068,465	434,209
6	<b>Mount Sinai Hospital</b> 1 Gustave L. Levy Place, New York, NY 10029 212-241-6500; mountsinaihealth.org Mount Sinai Health System	David L. Reich, M.D. President \$1,328,661	\$2,479.1 +11.4%	\$2,538.3 +11.9%	1,406	10,679	938,686	373,039
7	<b>North Shore University Hospital</b> 300 Community Drive, Manhasset, NY 11030 516-562-0100; northwell.edu Northwell Health	Alessandro Bellucci, M.D. Executive director \$1,110,738	\$2,438.0 +6.4%	\$2,164.0 +2.6%	841	16,222	1,038,804	288,892
8	<b>Hackensack University Medical Center</b> 30 Prospect Ave., Hackensack, NJ 07601 551-996-2000; hackensackumc.org Hackensack Meridian Health	Ihor S. Sawczuk, M.D. President \$2,246,956	\$1,525.8 -10.9%	\$1,579.7 +6.8%	781	6,412	636,046	213,215
9	<b>NYU Winthrop Hospital<sup>11</sup></b> 259 First St., Mineola, NY 11501 516-663-0333; winthrop.org NYU Langone Health	John F. Collins President, chief executive \$2,225,576	\$1,504.9 +11.8%	\$1,493.9 +10.9%	591	7,564	453,871	167,225
10	<b>Stony Brook University Hospital</b> 101 Nicolls Road, Stony Brook, NY 11794 631-444-4000; stonybrookmedicine.edu Stony Brook Medicine	Ernest J. Baptiste n/d	\$1,346.8 +11.3%	\$1,271.5 +13.4%	728	7,502	517,380	35,793

CONTINUED ON PAGE 16



# THE LEADER IN MEDICAL OFFICES AND AMBULATORY FACILITIES

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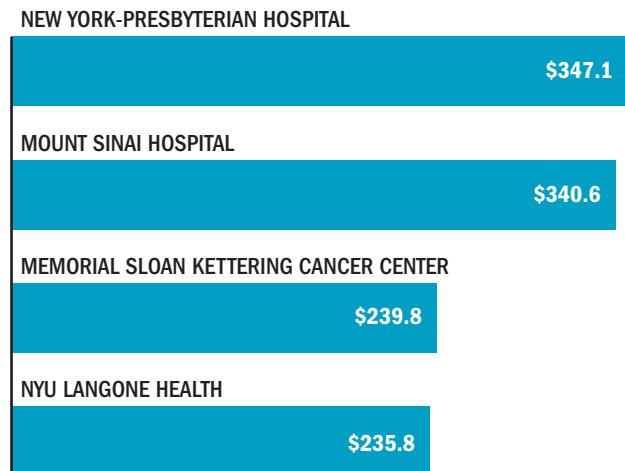
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# THE LIST

## AT THE MARGINS

Including 2017, New York-Presbyterian has led the 25 hospitals in net profits for six years running. Mount Sinai Hospital was a close No. 2, as the 166-year-old facility nearly quintupled its 2015 profit.

■ 2017 net profits (in millions)



SOURCE: Crain's research

# +\$116M

CHANGE IN net profits at Mount Sinai Hospital from 2016 to 2017, the biggest increase on the list

# +16.2%

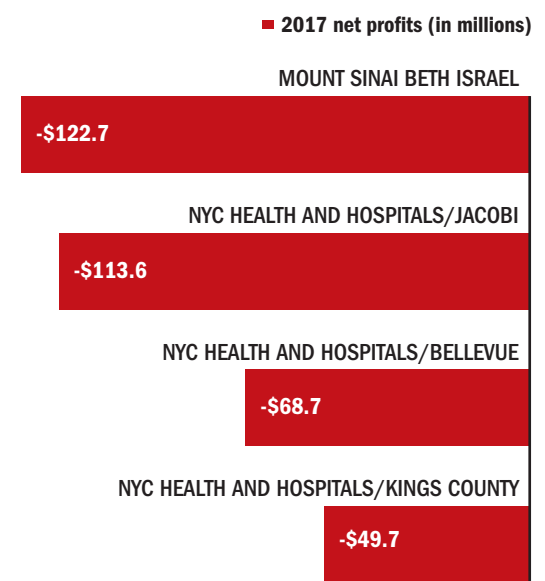
OVERALL CHANGE in net profits for the top 25 hospitals from 2016 to 2017

# -\$75.5M

CHANGE IN net profits at NYC Health and Hospitals/Bellevue, the steepest drop among the facilities

## MINUSES FOR HEALTH AND HOSPITALS

Three of the four hospitals losing money are public city facilities.



RANK	HOSPITAL/ NETWORK AFFILIATION	HOSPITAL LEADER/ COMPENSATION <sup>1</sup>	2017 OPERATING EXPENSES (IN MILLIONS)/ % CHANGE VS. 2016	2017 NET PATIENT REVENUE (IN MILLIONS)/ % CHANGE VS. 2016 <sup>2</sup>	2017 NUMBER OF CERTIFIED BEDS <sup>3</sup>	2017 NUMBER OF EMPLOYEES <sup>4</sup>	2017 NUMBER OF AMBULATORY CARE VISITS <sup>5</sup>	2017 INPATIENT DAYS <sup>6</sup>
11	<b>Maimonides Medical Center</b> 4802 10th Ave., Brooklyn, NY 11219 718-283-6000; maimonidesmed.org Independent	<i>Kenneth D. Gibbs</i> President, chief executive \$1,250,583	<b>\$1,256.9</b> +6.5%	\$1,244.5 +5.4%	711	5,813	498,025	218,242
12	<b>Lenox Hill Hospital</b> 100 E. 77th St., New York, NY 10075 212-434-2000; northwell.edu Northwell Health	<i>Richard Braunstein, Alexander Hellinger<sup>12</sup></i> Executive directors v.i. <sup>13</sup>	<b>\$1,207.0</b> +5.1%	\$1,072.0 +4.0%	634	6,526	248,501	121,334
13	<b>Mount Sinai St. Luke's-Roosevelt<sup>14</sup></b> 1111 Amsterdam Ave., New York, NY 10025 212-523-4000; mountsinahealth.org Mount Sinai Health System	<i>Evan L. Flatow, M.D., Arthur A. Gianelli</i> Presidents v.i. <sup>15</sup>	<b>\$1,165.2</b> +9.0%	\$1,026.1 +13.8%	1,009	5,689	492,916	207,105
14	<b>Hospital for Special Surgery</b> 535 E. 70th St., New York, NY 10021 212-606-1000; hss.edu Independent	<i>Louis A. Shapiro</i> President, chief executive \$2,922,940	<b>\$1,120.4</b> +8.6%	\$952.0 +9.7%	215	4,396	430,069	51,891
15	<b>Mount Sinai Beth Israel</b> First Avenue at East 16th Street, New York, NY 10003 212-420-2000; mountsinahealth.org Mount Sinai Health System	<i>Jeremy Boal, M.D., Lin H. Mo<sup>16</sup></i> Presidents v.i. <sup>17</sup>	<b>\$1,074.1</b> -10.4%	\$951.6 -14.0%	913	4,957	595,147	173,636
16	<b>New York-Presbyterian Brooklyn Methodist Hospital</b> 506 Sixth St., Brooklyn, NY 11215 718-780-3000; nym.org New York-Presbyterian Regional Hospital Network	<i>Richard Liebowitz, M.D.</i> President \$1,096,241	<b>\$974.2</b> +7.4%	\$966.7 +6.5%	591	4,418	n/d	199,175
17	<b>NYC Health and Hospitals/Bellevue<sup>18</sup></b> 462 First Ave., New York, NY 10016 212-562-4141; nychhc.gov/bellevue NYC Health and Hospitals	<i>William Hicks</i> Chief executive \$329,600	<b>\$951.6</b> -0.7%	\$747.8 -16.9%	912	4,215	573,177	222,639
18	<b>Staten Island University Hospital</b> 475 Seaview Ave., Staten Island, NY 10305 718-226-9000; northwell.edu Northwell Health	<i>Donna Proske<sup>19</sup></i> Executive director \$936,518	<b>\$882.0</b> +1.7%	\$891.0 +2.2%	685	6,856	950,760	210,429
19	<b>St. Francis Hospital</b> 100 Port Washington Blvd., Roslyn, NY 11576 516-562-6000; stfrancisheartcenter.chsli.org Catholic Health Services of Long Island	<i>Ruth Hennessey</i> Executive vice president, chief administrative officer \$937,669	<b>\$877.0</b> +16.6%	\$854.1 +10.8%	364	3,158	213,849	101,456
20	<b>NYC Health and Hospitals/Kings County<sup>18</sup></b> 451 Clarkson Ave., Brooklyn, NY 11203 718-245-3131; nychhc.org/kingscounty NYC Health and Hospitals	<i>Sheldon McLeod</i> Chief executive \$290,000	<b>\$851.3</b> -2.1%	\$693.8 -3.5%	639	4,403	659,571	170,501
21	<b>New York-Presbyterian Queens</b> 56-45 Main St., Flushing, NY 11355 718-670-2000; nyhq.org New York-Presbyterian Regional Hospital Network	<i>Jaelyn Mucaria</i> President \$671,782	<b>\$833.7</b> +6.5%	\$815.4 +9.5%	535	4,210	270,356	172,571



## NEW YORK AREA'S LARGEST HOSPITALS

RANK	HOSPITAL/ NETWORK AFFILIATION	HOSPITAL LEADER/ COMPENSATION <sup>1</sup>	2017 OPERATING EXPENSES (IN MILLIONS)/ % CHANGE VS. 2016	2017 NET PATIENT REVENUE (IN MILLIONS)/ % CHANGE VS. 2016 <sup>2</sup>	2017 NUMBER OF CERTIFIED BEDS <sup>3</sup>	2017 NUMBER OF EMPLOYEES <sup>4</sup>	2017 NUMBER OF AMBULATORY CARE VISITS <sup>5</sup>	2017 INPATIENT DAYS <sup>6</sup>
22	<b>NYC Health and Hospitals/Jacobi</b> <sup>18</sup> 1400 Pelham Parkway South, Bronx, NY 10461 718-918-5000; nychhc.org/jacobi NYC Health and Hospitals	<i>Christopher Mastromano</i> Chief executive \$315,000	<b>\$772.4</b> +0.1%	\$554.2 -14.8%	457	3,055	408,507	131,713
23	<b>BronxCare Health System</b> <sup>20</sup> 1276 Fulton Ave., Bronx, NY 10456 718-901-8600; bronxcare.org BronxCare Health System	<i>Miguel A. Fuentes Jr.</i> President, chief executive \$1,938,406	<b>\$748.2</b> +4.5%	\$713.1 +4.0%	593	4,281	1,107,306	162,861
24	<b>Saint Barnabas Medical Center</b> 94 Old Short Hills Road, Livingston, NJ 07039 973-322-5000; rwjbh.org/saintbarnabas RWJBarnabas Health	<i>Stephen P. Zieniewicz</i> President, chief executive \$1,006,485	<b>\$722.2</b> +2.8%	\$775.2 +1.9%	597	2,962	293,025	161,280
25	<b>Good Samaritan Hospital</b> 1000 Montauk Highway, West Islip, NY 11795 631-376-3900; goodsamaritan.chsli.org Catholic Health Services of Long Island	<i>Thomas Ockers</i> Executive vice president, chief administrative officer \$528,897	<b>\$680.4</b> +8.7%	\$645.6 -0.7%	437	3,222	206,882	139,612

**New York area** includes New York City and Nassau, Suffolk and Westchester counties in New York, and Bergen, Essex, Hudson and Union counties in New Jersey. *Crain's* uses staff research, extensive surveys and the most current references available to produce its lists, but there is no guarantee that these listings are complete. Hospitals are ranked by unrounded 2017 total operating expenses of separately incorporated facilities, as identified by Medicare number, and may include multiple facilities. Operating expenses are for the calendar year unless otherwise noted. Executives may hold additional titles. v.i.-See below. n/d-Not disclosed. **1**-Compensation is provided for the current chief or the most senior hospital executive, who may not have been the most highly compensated individual in the organization. Figure includes base compensation, bonus and incentive compensation, and other reportable compensation from the organization and related organizations. Compensation figures were derived from surveys and each hospital's latest Form 990. Compensation figures for NYC Health and Hospitals/Bellevue, NYC Health and Hospitals/Kings County and NYC Health and Hospitals/Jacobi were obtained from the New York City Health and Hospitals Corp., as the public benefit corporation does not file a Form 990 for its facilities. **2**-Other sources of revenue beyond patient care are excluded. **3**-Hospital beds only, excluding nursery, as of Dec. 31. **4**-Full-time and full-time-equivalent only, including house staff, as of Dec. 31. **5**-Includes emergency room, outpatient, home-care and other visits as of Dec. 31. **6**-As of Dec. 31. **7**-Includes the system's Cornell, Columbia and Lower Manhattan campuses, excluding psychiatric and rehab services. **8**-Safyer's compensation is reflective of his role in the entire Montefiore Health System, not just for the hospital. **9**-Fiscal year ends Aug. 31. Includes all of NYU Langone Health's hospital sites. **10**-Includes compensation from positions as chief executive of the hospital and dean of the school of medicine. **11**-Figures are unaudited, due to a change in fiscal year from Dec. 31 to Aug. 31 following a merger with NYU Langone Health. **12**-Jill Kalman became executive director in January 2018. **13**-Braunstein's compensation was \$1,220,182; Hellinger's compensation was \$339,898. **14**-Comprises figures from Mount Sinai St. Luke's and Mount Sinai Roosevelt (now known as Mount Sinai West). **15**-Flatow's compensation was \$1,523,415; Gianelli's compensation was \$1,017,032. **16**-Jeremy Boal assumed the president position January 2017. **17**-Boal's compensation was \$1,329,214; Mo's compensation was \$1,004,531. **18**-Fiscal year ends June 30. **19**-Joseph Schulman became interim executive director in April 2018. **20**-Previously known as Bronx-Lebanon Hospital Center. Expense and revenue figures are unaudited. Research: Gerald Schiffman

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**DESPERATE** to stanch homelessness, the city relied on troubled providers.

# ANY PORT IN A STORM

Facing waves of homeless, city officials turned to a shaky nonprofit to house them, but rents went unpaid and evictions commenced. Its reward: a massive new contract

**BY JOE ANUTA**

**B**etween the fall of 2016 and last year, something went awry at a Bronx apartment being used to shelter the homeless. For several months, court documents show, the city's Department of Social Services was sending checks to a nonprofit to cover the rent. But the landlord never got the money.

Owed more than \$15,000, David Eisenstein Real Estate finally filed an eviction notice and requested information about where the city's cash was going. "These checks appeared to be cashed by Childrens Community Services Inc.," its attorney wrote to Bronx Housing Court in February. "[The landlord] is not familiar with this organization."

Join the club.

As the city struggles with record homelessness, officials have rushed to place the more than 60,000 people requesting shelter—a legal entitlement. That has attracted some questionable providers such as Childrens Community Services, a little-known nonprofit based in Queens that has quietly assumed a prominent place in the homeless-services sector.

The organization posted operating deficits for three straight years after being registered as a New York charity in 2014 and has filed puzzling disclosure documents to justify its tax-exempt status. It has used violation-prone housing, and in the Bronx case and others, tenant attorneys say city-issued checks have gone missing.

Still, earlier this year the Department of Homeless Services awarded the nonprofit a \$369 million contract, the second-largest ever by the agency under the de Blasio administration.

The red flags did not disqualify the outfit because few established charities have been willing to participate in the city's stopgap efforts to house the homeless in private apartments and hotels. Opaque players have been tapped to carry out significant portions of the administration's homelessness agenda.

Thomas Bransky, the founder of Childrens Community Services, grew up in Chicago. By age 10 he was working as a caddy at the country club owned

by his parents where, as he told a Queens community board earlier this year, he gained some life lessons that guide his work today. Club members who belittled him on the green would treat him nicely when they saw him at dinner with his parents. "He learned a little bit about hypocrisy," the board's minutes note.

Bransky's public disclosures of Childrens Community Services' finances paint a strange picture. Top employees worked for free or for oddly low salaries. The organization lost money every year for which documentation is available, most recently \$6 million in 2016. Between 2014 and 2016, all of its board members worked in the organization, although charities are supposed to have independent directors. The city often requires such oversight for its contractors.

The nonprofit worked for the city during this period, and it was even praised by then-Homeless Services Commissioner Gilbert Taylor in a December 2015 letter outlining a proposed contract to provide services in hotels. But living conditions appeared to be poor for many of the homeless who were placed in units run by the nonprofit.

Shortly before scoring its big contract this year, Childrens Community Services was overseeing homeless services in nearly 60 buildings. The properties had more than 1,000 open violations, mostly in private housing called cluster sites and hotels whose landlords share responsibility for the infractions.

In response to questions, the Department of Homeless Services said it is phasing out cluster sites because they are scattered—complicating oversight—and often poorly run. Officials plan to close all Childrens Community Services sites by the end of the month. But this requires using more hotel rooms until new shelters are built.

That's where the new contract comes in. The city plans to pay Bransky's nonprofit \$369 million over three years to provide services for homeless families staying in 1,245 hotel rooms. The daily rate, as high as \$270.62, pays for the room and microwaves, among other amenities.

A Homeless Services spokesman said the nonprofit won the bid for the contract in part because, after a consultation with the city, it installed an independent board, hired hundreds of temporary workers and will be subject to rigorous oversight.

Despite these steps, housing attorneys said the nonprofit's partnership with Apex Asset Management should give the city pause about entrusting Childrens Community Services with such a large contract.

Apex is an intermediary, connecting homeless organizations with private apartments used as cluster sites and then taking a portion of the money. The city cuts a check to a service provider, which passes money to Apex, which pays the landlord. The tenant signs a sublease with Apex and receives supportive services. But things did not always work out so neatly.

The *Daily News* reported that Apex was involved with a nonprofit that was siphoning off tax dollars and operating cluster apartments in such poor shape that officials shuttered them en masse, creating chaos for 171 families. In other cases, some involving Childrens Community Services, rent money that was supposed to pass through Apex was not making its way to the landlord.

At an apartment on Grand Avenue in the Bronx, for example, the landlord said it was owed \$15,000, court records show. And at the unit along Decatur Avenue owned by Eisenstein, Apex and Childrens Community Services failed to pay more than \$15,000 in rent, even though case files reveal the city issued thousands of dollars' worth of checks to cover the cost. In another instance, according to court records, Childrens Community Services cashed \$20,000 in city checks that were never passed along to the landlord.

Bronx Housing Court records this spring listed 234 eviction cases against Apex by property owners ranging from mom-and-pops to big developers such as The Related Cos., suggesting ample amounts of unpaid rent and hundreds of households with disrupted living situations.

With Apex now being pushed out of many of these units, the city will likely pick up the tab for some of the back rent to keep the tenants there, rather than cycle them back into the shelter system.

"Essentially, the city will end up paying double," said Lucy Newman, an attorney with Legal Aid who has been involved in several cases.

### Boston meeting

Apex Asset Management, run by Peter Weiser, at first glance seems separate from Childrens Community Services. Yet the two entities appear to be closer than they have made known.

In July 1997 a sales representative from Rubbermaid Commercial Products met in Boston with a man calling himself Steven Kraus. Kraus, who was in the medical-supply business, had a problem: One of his wholesale companies had its Rubbermaid account suspended because of outstanding bills, but he needed to get his hands on more goods.

Hoping the sales rep could help reopen the supply chain, Kraus embarked on what Rubbermaid would later describe as one of several bribery attempts: offering a 1% kickback on all sales, New York City theater tickets and a trip to Europe. To keep the deal from upper management, at the end of the meeting Kraus told the sales rep their talk "did not happen." A handwritten memo detailing the conversation was included in a federal lawsuit later that year.

"We need to know that this man is trying to trap someone," Dennis Swanton, the Rubbermaid employee, scrawled on a slip of paper that was entered as Exhibit D. The case was ultimately settled, but its

paper trail suggests a link between Childrens Community Services and Apex.

Kraus' real name is Peter Weiser—the man now running Apex. A co-defendant in the case, a woman who went by several names, including Ruth Mandelbaum, is a founding board member of Childrens Community Services and has been its chief operating officer and comptroller. Rubbermaid's lawyers argued Mandelbaum was Weiser's daughter, but Weiser said in court documents she was merely an employee. He did not respond to a request for comment.

A consultant for Childrens Community Services said the city and the comptroller have been slow to pay the organization, a recurring problem for many of the city's contractors. The nonprofit has sometimes taken checks meant for one apartment and used the money to pay for another that is closer to receiving eviction notices. To better manage its

to ensure they're delivering the services our homeless neighbors deserve," a spokesman said.

### No alternatives

Experts in homeless services said the city has little choice regarding whom it works with. Most established charities that the city relies on to build and operate homeless facilities do not run the sort of ad-hoc programs in budget hotels and rundown apartments that can house shelter seekers in a pinch.

"Who the hell do you think is lining up to do this?" asked one policy expert, requesting anonymity to protect potential future business dealings with the city.

The contract with Childrens Community Services actually represents a step forward in transparency. In the past the city and service providers did not sign formal contracts, instead striking handshake deals with hotel operators. The \$369 million contract will, for the first time, wrap all of the payments and requirements of the job into a legally binding document, an indication the de Blasio administration is attempting to enhance accountability even as it washes its hands of cluster sites by 2021 and hotels by 2023.

Until the administration makes substantial progress on its plan to build 90 shelters or pumps enough money into hotel programs to attract traditional providers, it is unlikely to be picky.

"The need is so large and the number of rooms and services is so enormous that, if the city can craft a relationship that meets the bare-bones requirements, they are going to work with essentially anyone who comes forward," the expert said. "The alternative is to work outside the contracting process, where there are no rules at all." ■

## "WHO THE HELL DO YOU THINK IS LINING UP TO DO THIS?" ONE INSIDER SAID OF HOUSING THE HOMELESS IN CHEAP APARTMENTS AND HOTELS

rapidly growing business, the charity has hired a number of nonprofit experts and law firms, said the consultant, who also provided *Crain's* with a more recent public filing showing the improvements to its governing structure, such as assembling an independent board.

Regardless, the city said it is investigating the missing rent checks and further scrutinizing the nonprofit. "We have directed an independent audit of this provider and are scaling back their portfolio



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KeyBank Branch Name	Address	City	State	Zip	Branch Close Date	Interest	Lease Expiration Date	Local Broker Name	Company Name	Contact Phone Number	Email Address
<b>ENY - Syracuse</b>											
Adams Center	Main Street, Route 11	Adams Center	NY	13606	5/25/2018	Own	N/A	Alison Burnside	The Dartmouth Company	518-785-8200 x3	aburnside@dartco.com
Tully	1 Clinton St., PO Box 630	Tully	NY	13159	5/25/2018	Own	N/A	Alison Burnside	The Dartmouth Company	518-785-8200 x3	aburnside@dartco.com
<b>Buffalo</b>											
Lewiston Plaza Drive Up	190 South 7th St	Lewiston	NY	14092	6/1/2018	Own	N/A	Richard J Schechter; Tyler A Balantine	Cushman Wakefield Pyramid	716-852-7500	rschechter@pyramidbrokerage.com tbalantine@pyramidbrokerage.com
Youngstown	421 Second St	Youngstown	NY	14092	6/1/2018	Own	N/A	Richard J Schechter; Tyler A Balantine	Cushman Wakefield Pyramid	716-852-7500	rschechter@pyramidbrokerage.com tbalantine@pyramidbrokerage.com
South Park Abbott	1510 S Park Ave	Buffalo	NY	14022	6/22/2018	Own	N/A	Richard J Schechter; Tyler A Balantine	Cushman Wakefield Pyramid	716-852-7500	rschechter@pyramidbrokerage.com tbalantine@pyramidbrokerage.com
<b>ENY - Albany</b>											
Hillsdale Supermarket	2628 State Hwy 23	Hillsdale	NY	12529	6/8/2017	Lease	5/31/2020	Alison Burnside	The Dartmouth Company	518-785-8200 x3	aburnside@dartco.com



# BETTER WAY TO DYE

**A Garment District scion takes on the fashion industry's pollution problem BY AARON ELSTEIN**

**W**hen it comes to clothing, New York's fashionati have long understood that black is beautiful.

But as cool as black shirts, socks and skivvies may look, they come at a heavy environmental cost, especially when they're made out of cotton. Getting apparel just the right shade of noir usually requires treating cotton for many hours with copious amounts of hot, toxic dye, much of which ends up down the drain. The World Bank has concluded that textile-dyeing accounts for up to one-fifth of the world's industrial water pollution.

But Michael Harari thinks he's found a way out of this hot, dark mess.

He's the chief executive of ColorZen, a Manhattan firm that launched last year with

# STAYING ALIVE IN A DYEING BUSINESS

a more eco-friendly way to dye cotton fiber before it's spun into yarn and made into clothing. Using his firm's patented process, Harari says cotton can be colored using 75% less energy, 90% less water and much less dye. Clothing made from materials treated in his firm's factory is due in local stores this fall.

"You can't buy environmentally sustainable clothing like you would organic apples," he said. "We're changing that."

The technology is still in its early days, but experts say Harari is on to something. "We're seeing a lot of interest from brands and retailers, and I think maybe the time is right," said Mary Ankeny, vice president of product development and implementation operations at Cotton Inc., a research and marketing organization. "It has been understood for a long time that environmental sustainability is important."

Ajoy Sarkar, a professor at the Fashion Institute of Technology, said the process used by ColorZen has been known for 15 years and been proved to work in labs, but so far no one has managed to replicate it on an industrial scale. "It would be a real achievement" if ColorZen has done that, Sarkar said.

Harari, 35, is certain that's exactly what he's done.

"Millions of garments are in production now using our technology," he said. "We are changing the industry in ways most people don't know yet."

## A new spin

The trouble with turning white cotton black—or almost any color—is that the plant emits a strong negative electric charge, which repels dye just as two magnets oppose each other. The current solution is essentially to infuse the dye slurry with salt—up to 4 pounds for every 100 pounds of cotton—so it sticks to the fibers. But the process sucks up a lot of time and energy, and about half the dye goes to waste. The World Bank estimates that textile-dyeing introduces as many as 72 toxins to the global water supply. Most industrial dyehouses are overseas, where regulation is often lax or nonexistent.

"It is the definition of a low-margin, unsteady business," said Christian Drankwalter, owner of Not Just Lace, one of the city's last dyehouses.

Harari is no outsider dreaming of disruption. His family-run enterprise has become one of the Garment District's most successful outfits since his father, Eli, got into the business 40 years ago. Today the patriarch owns or has an interest in 10 companies that make clothing, mostly with anonymous-sounding names like Americo Group and Basic Resources, whose products come to market under labels such as Izod and Reebok. The elder Harari declined to disclose sales or even the number of his employees. "The day we file to go public, I'll let you know," he said.

The family hails from Sheepshead Bay's Syrian community. At first Michael Harari avoided the family business to become a broker at real estate firm Massey Knackal, but he returned to the fold after suffering a serious injury while rock climbing upstate. He wanted to find a mission-driven sort of business, he said, and through his father he met Tony Leonard, a scientist with a lilting Southern drawl and several patents in the textile business.

"It wasn't love at first sight," Harari said, but he soon concluded that Leonard had devised a way to help solve the fashion industry's pollution problem. Harari, his family and partners invested tens of million of dollars over five years to perfect the cotton-fiber treatment. They opened their first factory, in North Carolina, last year.

"No one could control the reaction and make it uniform until we figured it out," Leonard said.

But even though ColorZen's process is environmentally friendly, it isn't exactly green. By coating fibers with an industrial chemical known as

**THE ODDS ARE REALLY GOOD** that Christian Drankwalter is the only person from Park Slope who runs a dyehouse. "My friends can't believe what I do," said Drankwalter, 34, whose shop is called Not Just Lace. "I mean, who has this job anymore?"

As recently as a generation ago, there were two dozen dyehouses churning out colored fabrics for the city's garment makers. Today there are just three. It is indeed a dying business.

New York's apparel makers of all stripes have been vanishing for years. Only about 5,000 still toil in the Garment District, which produces just 3% of the nation's apparel, down from 95% in the 1960s. It's likely there will be even fewer garment workers under a de Blasio administration rezoning plan that would lift tenant restrictions on space currently reserved for clothing producers. To help ensure the industry doesn't leave Midtown entirely, the administration has proposed spending up to \$20 million to buy a Garment District industrial building designated for apparel firms and offering tax breaks to landlords who rent to manufacturers.

Drankwalter started dyeing eight years ago, when he took over a business started by his grandfather. He and two employees make a living dyeing samples for Hanes and other big brands. But Not Just Lace also has carved out a niche by perfecting the dyes used to make costumes for Pinocchio and other characters who roam Disney's theme parks as well as the Phillie Phanatic's fur. "It takes a more experienced dyer to do those jobs," he said.

Sales can fluctuate from \$35,000 to \$60,000 a month, but monthly bills of \$2,000 for water and \$3,000 for gas are pretty constant. Drankwalter's enterprise is powered by a water boiler large enough to heat a 5-story building, which means it's just small enough to spare him from hiring a full-time safety monitor at \$50 an hour.

Last year Not Just Lace relocated to a smaller shop in Long Island City after the Williamsburg building it had occupied for 50 years was sold for \$11 million. But proximity to Manhattan helps ensure the firm can do enough business to keep afloat. Recently a local retailer brought in a pile of brand-new Ramones T-shirts that he wanted to look old, so Drankwalter stewed them in bleach until the colors ran.

"We're absolutely full-service," he said.

— A.E.



**DRANKWALTER'S** techniques appeal to garment makers large and small.

CHPTAC, the electrical charge that makes cotton hard to color is effectively masked. But CHPTAC itself releases toxic vapor when heated, and it's a potential carcinogen, according to the Centers for Disease Control and Prevention.

Harari says all workers at ColorZen's North Carolina factory are fully protected against possible hazards, and the firm's contract manufacturer, Jabil, best-known for making iPhones, has a solid safety record. The International Association for Research and Testing in the Field of Textile and Leather Ecology has certified that ColorZen meets "human-ecological requirements."

"There is nothing harmful or toxic about our process," Harari said

Because ColorZen-treated cotton can be dyed faster and uses less heat, water and dye, it produces much less toxic waste and costs just \$267.26 to color 1,000 pounds, 80% less than the traditional method. Last month Copenhagen Fashion Summit named ColorZen the winner of its innovation award.

Although the potential of CHPTAC to treat cotton has been known for years, the chemical didn't

gain traction for two reasons. First, it stinks like rotten fish, so no one wanted to be near it until DowDuPont introduced an odorless version last year. Second, CHPTAC-treated fibers take to dyeing so well that they can pull colors out of untreated threads when they're comingled. To prevent that, ColorZen applies a water-soluble blue tint to its treated cotton so manufacturers can keep materials separate.

Harari's North Carolina factory can treat up to 1 million pounds of cotton each month, and with the world's cotton crop clocking in at 60 billion pounds a year, it's no wonder Harari is making plans to build more facilities in the U.S. and around the globe.

"We can copy and paste this idea fast," he said. Backers include environmentalist Robert F. Kennedy Jr., a partner and a board member.

As Harari sells clothing makers on a new way to dye, fashion-forward New Yorkers may be interested to know that because ColorZen cotton absorbs dye so well, clothes made from it tend to be a lot more colorful than what's usually on shelves.

"Our blacks are considerably darker," he said. "You could say they're the blackest black." ■

## PUBLIC & LEGAL NOTICES

Notice of Formation of NFF NEW MARKETS FUND XLV, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.

Notice of Formation of Limited Liability Company (LLC). NAME: Eric Brown Studio, LLC. - Articles of Organization filed with the Secretary of State of New York (SSNY) on April 20, 2018. Office location: New York County. SSNY shall mail a copy of process to: The LLC, 360 West 22nd Street, Apt. 12F, New York City, New York 10011. Purpose: Any lawful purpose.

Notice of Formation of NFF NEW MARKETS FUND XLIII, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.

Notice of Qualification of CSFG (US) HOLDING LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 05/09/18. Office location: NY County. LLC formed in Delaware (DE) on 04/10/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Sandra Viana, Esq., Withers Bergman LLP, 430 Park Ave., 10th Fl., NY, NY 10022. DE addr. of LLC: c/o the Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. Of the State, Div. of Corps., John G. Townsend Bldg., 401 Federal St. - Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE OF FORMATION OF MIRIAM BIOLEK, LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on 02/13/2018. Office location: NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: United States Corporation Agents, Inc., 7014 13th Avenue, Suite 202, Brooklyn, NY 11228. The principal business address of the LLC is: 43 West 119th Street, New York, NY 10026. Purpose: any lawful act or activity.

NOTICE OF FORMATION of ELYIARA, LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on 4/16/18. Office Location: NY County, SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to US Corp Agents, Inc. 7014 13th Ave. #202. BK. NY 11228 Principal business address: 150 W 56th St, Unit 3005 NY, NY 10019. Purpose: any lawful act.

Notice of Formation of NFF NEW MARKETS FUND XL, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.

Notice is hereby given that a license "Pending" for beer and wine has been applied for by the undersigned to sell beer and wine at retail in a bar under the Alcoholic Beverage Control Law at 19-21 Clinton Street, New York, New York County for on premises consumption. BAR CIPRIANO, INC. DBA COCOA BAR

Notice is hereby given a license, number 1310514 for on-premises Liquor has been applied for by the undersigned to sell liquor at retail in a Restaurant under the Alcoholic Beverage Control Law at 61 West 62nd Street, Atrium Space, New York, NY 10023 for on premises consumption. Galaxy Restaurants Catering Group LP and Lincoln Center for the Performing Arts Inc

Notice of Qualification of COATUE PE ASIA XVIII LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 04/26/18. Office location: NY County. LLC formed in Delaware (DE) on 04/24/18. Princ. office of LLC: One Battery Park Plaza, NY, NY 10004. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, Attn: Philippe Laffont, 9 W. 57th St., 25th Fl., NY, NY 10019. DE addr. of LLC: c/o Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with Secy. of State of the State of DE, Div. of Corps., John G. Townsend Bldg., Federal & Duke of York Sts., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of QUATRO TL LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 05/04/18. Office location: NY County. LLC formed in Delaware (DE) on 05/02/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: CSC, 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with Secy. of State, Townsend Bldg., 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

Formation of Spotlight Kids NYC, LLC filed with the Secy. of State of NY (SSNY) on 4/4/18. Office loc.: NY County. SSNY designated as agent of LLC upon whom process against it may be served. The address SSNY shall mail process to Danielle Burakovsky, 350 Albany St., TH1, New York, NY 10280. Purpose: Any lawful activity

Notice of Qualification of CORPORATE SUITES 1180, LLC Application for Authority filed with the Secretary of State of NY (SSNY) on July 9, 2012. Office location: NEW YORK County. LLC formed in Delaware on July 2, 2012. SSNY Has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: 1180 Avenue of the Americas, 8th Floor, New York, NY 10036. The principal business address of the LLC is 1180 Avenue of the Americas, 8th Floor, New York, NY 10036. Delaware address of LLC: c/o BlumbergExcelsior Corporate Services, Inc., 1220 N. Market St., Ste. 806, Wilmington, DE 19801. Certificate of LLC filed with the Secretary of State of Delaware located at: Sec't of State of Delaware, John G. Townsend Bldg., Dover, DE 19903. Purpose: any lawful act or activity.

Notice of Qualification of DISNEY STREAMING SERVICES LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 04/27/18. Office location: NY County. LLC formed in Delaware (DE) on 03/22/18. Princ. office of LLC: 500 S. Buena Vista St., Burbank, CA 91521. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: c/o CSC, 251 Little Falls Dr., Wilmington, DE 19808-1674. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St. - Ste. 4, Dover, DE 19901. Purpose: Holding company.

Notice of Qualification of DISNEY STREAMING DISTRIBUTION LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 04/27/18. Office location: NY County. LLC formed in Delaware (DE) on 04/23/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: c/o CSC, 251 Little Falls Dr., Wilmington, DE 19808-1674. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St. - Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of Snark Park Hudson Yards LLC. Authority filed with NY Secy of State (SSNY) on 4/17/18. Office location: New York Co. LLC formed in Delaware (DE) on 4/16/18. SSNY is designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 80 State St, Albany, NY 12207. DE address of LLC: 2711 Centerville Rd, Ste 400, Wilmington, DE 19808. Cert. of Formation filed with DE Secy of State, 401 Federal St. Ste 4, Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of Qu Labs, LP. Appl. for Auth. filed with NY Dept. of State on 2/14/18. Office location: New York County. NY Sec. of State designated agent of the LP upon whom process against it may be served, and shall mail process to Vanguard Corporate Services Ltd, 307 Hamilton St, Albany NY 12210. DE addr. of LP c/o Vanguard Corporate Services Ltd, 3500 S Dupont Hwy, Dover, DE 19901. Cert. of LP. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901 on 9/6/17. Names and addresses of all General Partners available from the NY Sec. of State. Purpose: any lawful activity.

Notice of Formation of ENERGETIC BALANCE LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 06/04/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207. Purpose: Any lawful activity.

Notice of Formation of NFF NEW MARKETS FUND XLII, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.


Notice of Qualification of PWP DYNAMIC MULTI-ASSET FUND LP Appl. for Auth. filed with Secy. of State of NY (SSNY) on 05/07/18. Office location: NY County. LP formed in Delaware (DE) on 05/02/18. Duration of LP is Perpetual. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to the Partnership, 767 Fifth Ave., NY, NY 10153. Name and addr. of each general partner are available from SSNY. DE addr. of LP: Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808. Cert. of LP filed with Secy. of State, State of DE, Dept. of State, Townsend Bldg., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Formation of NFF NEW MARKETS FUND XLVII, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.

Notice of Formation of The Waglan Group LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on 05/24/2018. Office location: New York County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: United States Corporation Agents, Inc. 7014 13th Avenue, Suite 202, Brooklyn, NY 11228. The principal address of the LLC is 245 E 63rd St, #21N, NY, NY 10065. Purpose: any lawful act or activity.

Notice of Qualification of BSREP III LES HOTEL TRS LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 05/11/18. Office location: NY County. LLC formed in Delaware (DE) on 05/03/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 251 Little Falls Dr, Wilmington, DE 19808. Cert. of Form. filed with Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

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## PUBLIC & LEGAL NOTICES

NOTICE OF FORMATION of 280THENBABY, LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on 3/19/18. Office Location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to US Corp Agents, Inc. 7014 13th Ave, #202, BK, NY 11228. Principal business address: 414 E 119th St, Suite 4RE, NY, NY 10035. Purpose: any lawful act.

Notice of Qualification of COATUE PE ASIA XVII LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 04/26/18. Office location: NY County. LLC formed in Delaware (DE) on 04/24/18. Princ. office of LLC: One Battery Park Plaza, NY, NY 10004. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, Attn: Philippe Laffont, 9 W. 57th St., 25th Fl., NY, NY 10019. DE addr. of LLC: c/o Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with Secy. of State of the State of DE, Div. of Corps., John G. Townsend Bldg., Federal & Duke of York Sts., Dover, DE 19901. Purpose: Any lawful activity.

SWEDEN, LLC, Arts. of Org. filed with the SSNY on 04/04/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: The LLC, 3 Columbus Circle 15th Fl, NY, NY 10019. Reg Agent: U.S. Corp. Agents, Inc. 7014 13th Ave., Ste 202, Brooklyn, NY 11228. Purpose: Any Lawful Purpose.

ELKHORN MEDIA LLC, Arts. of Org. filed with the SSNY on 06/07/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: Corporation Service Company, 80 State St., Albany, NY 12207. Purpose: Any Lawful Purpose.

Notice of Formation of USA BET LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 06/06/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Jeremy P. Kleiman, Esq., 18 Columbia Tpke., Ste. 200, Florham Park, NJ 07932. Purpose: Any lawful activity.

NOTICE OF FORMATION OF STAMP & RAVE PRODUCTIONS LLC. Arts Org Filed with Secy. of State of NY on 3/12/18. Office location: NY county. SSNY designated agent upon whom process maybe served. US Corp Agents Inc 7014 13thAve #202, BK NY 11228. Principle business address 305 E 11thSt. Apt. 5B NY NY 10003

Notice of Formation of NFF NEW MARKETS FUND XLVI, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/08/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Nonprofit Finance Fund, 5 Hanover Sq., 9th Fl., NY, NY 10004. Purpose: Any lawful activity.

350 WEST 39TH STREET LLC. Arts. of Org. filed with the SSNY on 01/27/17. Latest date to dissolve: 12/31/2020. Office: New York County. SSNY designated as agent of the LLC upon whom process against it may be served. SSNY shall mail copy of process to the LLC, c/o Gene Kaufman, 79 Fifth Avenue, 18th Floor, New York, NY 10003. Purpose: Any lawful purpose.

Notice OF FORMATION of KELLAN PARTNERS LLC. Arts of Org filed with Secy. of State of NY (SSNY) on 4/3/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 81 Baxter St. Apt #7, NY, NY 10013. Purpose: any lawful act.

Notice of Formation of CHEROKEE VII. LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/30/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207. Purpose: Any lawful activity.

J A CONTI ASSET MANAGEMENT, LLC Art. Of Org. Filed Sec. of State of NY 5/16/18. Off. Loc.: 53 Dawson Circle Staten Island, NY 10314. NRAI Services designated as agent upon whom process against it may be served. NRAI to mail copy of process to The LLC, 160 Greentree Dr. Ste 101 Dover, DE 19904. Purpose: Any lawful act or activity



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For information on upcoming events and membership, contact Courtney Williams at [cwilliams@crainsnewyork.com](mailto:cwilliams@crainsnewyork.com)



**Rock-solid support**

Rockefeller University held its 21st annual Women & Science lecture and luncheon in support of research programs that focus on women's health. Dr. Agata Smogorzewska, associate professor at Rockefeller's Laboratory of Genome Maintenance, gave a lecture describing new discoveries in cancer therapies. The May 10 event raised more than \$1.8 million.



**Lulu Wang**, CEO and founder of Tupelo Capital Management and a Rockefeller University trustee, with philanthropist and diplomat **Bonnie McElveen-Hunter**, the first national chairwoman of the board of the American Red Cross.



Featured lecturer **Dr. Agata Smogorzewska** with **Dr. Richard Lifton**, president of the university.

**Helping young artists**



The Gordon Parks Foundation, which preserves the famed photographer's work and provides scholarships to young artists, held its annual awards dinner and auction May 22. Hip-hop artist **Swizz Beatz** with honorees **Sherrilyn Ifill**, president and director-counsel of the NAACP Legal Defense and Educational Fund, and documentary photographer **Jamel Shabazz** during the event at Cipriani 42nd Street.



**Community service**

The Lower Manhattan Cultural Council held its annual dinner May 17, raising \$1.1 million to support artists whose work enriches the city. Architect **David Adjaye**, founding principal of Adjaye Associates, and artist **Julie Mehretu**, who received the Liberty Award for Artistic Leadership, with philanthropist **Peter Kraus** of the Kraus Family Foundation.

Choreographer **Sarah Michelson** and **Diego Segalini**, executive director of finance and administration for the council, attended the event at the Conrad. The dinner included a silent auction that showcased the work of the council's alumni.



Film director **Spike Lee** and **Deana Lawson**, a Gordon Parks Foundation fellow, at the dinner, which raised more than \$1 million.



## NEW IN TOWN

### ■ Cuyana

**29 Prince St.**

The San Francisco-based women's apparel brand opened a SoHo flagship.

### ■ Harrys of London

**463 Park Ave.**

The men's shoe brand, purchased last year by real estate developer Charles Cohen, debuted its U.S. flagship, in Midtown.

### ■ Punto Rojo

**221 First Ave.**

The former Señor Pollo rotisserie has been transformed into a Colombian restaurant and bakery.

### ■ Museum of Ice Cream

**459 W. 14th St.**

A 2016 pop-up has returned, but as a shop in the Meatpacking District. It has a reservation-only tasting room, hosts interactive workshops and sells the creamy treat.

## MOVES AND EXPANSIONS

### ■ Chelsea Piers

**265 Schermerhorn St., Brooklyn**

The sports and fitness center opened its third location, in Downtown Brooklyn, with a 75-foot-long pool, many amenities and classes.

### ■ Lamano

**39 Christopher St.**

The Chelsea tapas restaurant has expanded to the West Village.

### ■ Longchamp

**645 Fifth Ave.**

The French luxury leather-goods brand, which is 70 years old, opened a new flagship store in Midtown.

### ■ Otto's Tacos

**1568 Third Ave.**

The taqueria inspired by Mexican street food opened its fourth location, on the Upper East Side.

### ■ Van Leeuwen

**448 Amsterdam Ave.**

The Brooklyn-based gourmet ice-cream purveyor has added a new location on the Upper West Side.

## BANKRUPTCIES

### ■ E. Waters & Associates

**89-36 Sutphin Blvd., Queens**

The foreclosure defense

and loan-modification law firm filed for Chapter 11 bankruptcy protection May 31. The filing cites estimated assets and liabilities of \$100,001 to \$500,000.

### ■ It's a Middle

**525 Myrtle Ave., Brooklyn**

The real estate firm filed for Chapter 11 bankruptcy protection June 4. The filing cites estimated assets of \$1,000,001 to \$10 million and liabilities of \$100,001 to \$500,000.

### ■ Mount Moriah African Methodist Episcopal Church

**116-20 Francis Lewis Blvd., Queens**

The church filed for Chapter 11 bankruptcy protection May 31. The filing cites estimated assets of \$1,000,001 to \$10 million and liabilities of \$10,000,001 to \$50 million. The creditor with the largest unsecured claim is American Express, owed \$55,138.

## STOCK TRANSACTIONS

### ■ American Express Co. (AXP-N)

Richard Petrino, senior vice president and chief operational risk officer, sold 9,880 shares of common stock at prices around \$103 per share May 22 in a transaction worth \$1,016,570. He now holds 6,658 shares.

### ■ Michael Kors Holdings Ltd. (KORS-N)

Chief Operating Officer Cathy Marie Robinson sold 6,097 shares of common stock for \$63.58 per share June 6 in a transaction worth \$387,647. She now holds 18,839 shares.

### ■ G-III Apparel Group (GIII-O)

Board member Alan Feller sold 5,000 shares of common stock for \$48.75 per share June 7 in a transaction worth \$243,750. He now holds 12,609 shares.

## REAL ESTATE

### RETAIL

■ A mixed-use building at **769 Melrose Ave.**, Bronx, with 12 apartments and retail space on the ground floor, sold for \$2.45 million. Melrose Realty Group bought the 2,415-square-foot building from 769 Melrose, which was represented by Capital Property Partners.

■ Target inked a deal for 50,000 square feet at **5200 Kings Highway**, Brooklyn, that it plans to open in 2020. The asking rent was not disclosed. Ripco Real Estate handled the deal for both the tenant and the landlord, Bridges Development Group.

■ Radio Star Karaoke agreed to take 11,000 square feet at **250 W. 54th St.** to open a higher-end location, to be called RPM Underground. The landlord, Zar Property NY, represented itself. Midtown Commercial Real Estate handled the lease for the tenant. The asking rent for the 15-year deal was \$60 per square foot.

■ The owners of the Korean restaurant Five Senses signed on for 9,000 square feet at **319 Fifth Ave.**, where they plan to open the restaurant Love by the end of the year. The asking rent for the 15-year lease was \$1.2 million annually. The landlord, Forman Realty Management, was represented by Eastern Consolidated. The tenant was represented by PD Properties.

### COMMERCIAL

■ Manatt Phelps & Phillips has set up a lease renewal for 80,265 square feet at **7 Times Square**. The Los Angeles-based law firm will continue to take up the 22nd through 24th floors of the 47-story building. Savills Studley handled the lease for the tenant. The landlord, Boston Properties, represented itself. Asking rents in the building are between the low \$80s and mid-\$90s per square foot.

■ CallisonRTKL took a lease for 28,096 square feet at **233 Broadway**. The architecture and design firm plans to move from 148 Lafayette St. The asking rent for the 10-year deal was \$57.50 per square foot. JLL brokered for the tenant. The Lawrence Group represented the landlords, Cammeby's International and Witkoff.

■ Bain Capital signed a 15,000-square-foot lease to move its offices from 590 Madison Ave. to **535 Madison Ave.** The Boston-based private-equity firm plans to occupy the entire 29th floor of the 37-story building. The

asking rent for the 15-year lease was between \$110 and \$130 per square foot. Newmark Knight Frank represented the tenant. CBRE brokered for the landlord, Park Tower Group.

■ The Recurse Center took 10,000 square feet at **397 Bridge St.**, Brooklyn. The computer-programming educational company moved from 455 Broadway. The asking rent for the 10-year lease was in the mid-\$50s per square foot.

Baker New York represented the tenant. The landlord, United American Land, handled the lease itself.

■ Leanplum signed a deal for 9,700 square feet at **110 Greene St.** The San Francisco-based mobile marketing app plans to move from its 3,000-square-foot office on the 11th floor of the 13-story building. CBRE represented the tenant. The landlord, SL Green Realty Corp., represented itself.

■ Certares Management has agreed to take 19,516 square feet at **350 Madison Ave.** The investment firm—founded by M. Gregory O'Hara, a former chief information officer at JPMorgan Chase—moved from a different floor in the building. The asking rent for the almost-11-year deal was \$74 per square foot. JLL represented the landlord, RFR Realty. The tenant did not have a broker in the transaction.

—YOONA HA

## DEALS ROUNDUP

TARGET/SELLERS	TRANSACTION SIZE [IN MILLIONS]	BUYERS/INVESTORS	TRANSACTION TYPE
GitHub Inc./Andreessen Horowitz LLC; Institutional Venture Partners; Sequoia Capital; SV Angel; Thrive Capital (Manhattan)	\$7,500.0	Microsoft Corp.	SB M&A
EnLink Midstream Partners LP; EnLink Midstream LLC; EnLink Midstream Manager LLC/Devon Gas Services LP; Southwestern Gas Pipeline LLC	\$3,125.0	Global Infrastructure Partners (Manhattan) (unknown majority stake)	FB M&A
Westpac Place/Blackstone Real Estate Advisors (Manhattan)	\$553.7	ISPT Pty Ltd. (50%)	SB M&A
28 State Street in Boston/Mitsubishi Estate New York Inc. (Manhattan); Rockefeller Group Investment Management Inc. (Manhattan)	\$418.0	Not disclosed	SB M&A
Rawlings Sporting Goods Co. Inc./Newell Brands Inc.	\$395.0	Major League Baseball Enterprises Inc. (Manhattan); Seidler Equity Partners	FB M&A
OutSystems Software em Rede S.A.	\$360.0	Goldman Sachs Private Capital Investing (Manhattan); KKR & Co. LP (Manhattan)	GCI
The Summit office campus in Aliso Viejo, Calif./RREEF Property Trust Inc. (Manhattan)	\$150.0	Rockpoint Group LLC	SB M&A
65 Boulevard de la Croisette in Cannes/Thor Equities LLC (Manhattan)	\$140.1	Castello Köln Beteiligung S.à.r.l.	SB M&A
Lend Street Financial Inc.	\$117.0	Accion International, Endowment Arm; Center for Financial Services Innovation Inc.; Community Investment Management LLC; Cross Culture Ventures; CrunchFund; Kapor Capital; Prudential Financial Inc.; Radicle Impact LLC; Serious Change LP (Manhattan)	GCI
IndiaFirst Life Insurance Co. Ltd./Legal & General Group Plc	\$105.3	Warburg Pincus LLC (Manhattan) (26%)	FB M&A
Artillium plc	\$96.8	Pareteum Corp. (Manhattan) (remaining 92.2%)	SB M&A
Fifth and Bell Building and 25,440 square feet of vacant commercial space in Seattle/The Blackstone Group LP (Manhattan)	\$95.0	Alexandria Real Estate Equities Inc.	SB M&A

Selected deals announced for the week ending June 7 involving companies in metro New York. SB M&A: Strategic buyer M&A represents a minority or majority acquisition of existing shares of a company without the participation of a financial buyer. FB M&A: Financial buyer M&A represents a minority or majority acquisition of existing shares of a company with the participation of a financial buyer. GCI: Growth capital investment represents new money invested in a company for a minority stake. SOURCE: CAPITALIQ

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For the Record is a listing to help businesspeople in New York find opportunities, potential new clients and updates on customers. Bankruptcy filings from the eastern and southern districts of New York are listed alphabetically. Stock transactions are insider transactions at New York companies obtained from Thomson Reuters and listed by size. Real estate listings are in order of square footage.

## See Spot pose

**T**here's a giant sentry standing watch outside NYU Langone's 21-story Kimmel Pavilion, the home of the new Hassenfeld Children's Hospital. Meet Spot, a 38-foot Dalmatian balancing a Toyota Prius taxi, donated by the carmaker, on her nose.

Spot is intended to delight children and parents alike as they approach Kimmel's 34th Street entrance. She's the handiwork of artist Donald Lipski. A steel armature helps the 5,000-pound canine balance the taxi, which has functioning headlights and wipers that turn on when it rains.

The artwork is part of NYU Langone's strategy to make the children's hospital, spanning two full floors and two half-floors at Kimmel, an inviting place for critically ill children and their families.

"It doesn't even look like a hospital," said Vassilia Plakas, 17, an NYU Langone patient who served on an advisory board that provided ideas for Hassenfeld's design. "It allows you to escape from everything that's happening." — JONATHAN LAMANTIA



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