

*Park City 364 Apartments, Inc*

**98-05 63<sup>rd</sup> ROAD**

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**PRESIDENT'S REPORT  
2016**

**ANNUAL SHAREHOLDERS MEETING  
MAY 24<sup>th</sup>, 2016**

**Officers and Directors  
2015-2016**

**President..... Mr. Louis Kramberg**

**Vice-President.....Mr. Mikhail Borukhov**

**Treasurer.....Mr. Rajendra Jain**

**Secretary.....Ms. Zhanna Balkhiyeva**

**Directors**

**Mr. Lee Schiff**

**Mr. Robert Cohen**

**Mr. Maurice Peress**

**Mr. Joseph Pestun**

**Mr. Jing Fan**

# **The President's Report**

## **May 2016**

### **Park City 3 & 4: Ahead to the Future**

Imagine a time traveler (like Doc Brown from "Back to the Future") informing us eight years ago how, in the future year of 2016, Rego Park will have changed. Companies such as Apple, Shake Shack and Starbucks will consider us to be a very desirable location for their businesses. Luxury buildings will be built in the area. He urges us to start upgrading to fit in with a more upscale neighborhood. We would need to upgrade and repair our facades, roofs, elevators, lobbies, terraces, and school & pool areas. We would need to replace our front door keys with an Intercom/keyfob system to work with cell phones (which most people will own in the future).

And that is what we did. Despite the past financial downturn in those years, your Board and Management Team funded and accomplished all these improvements with the last major project, the roof repairs, being completed this summer. Financially, our reserve fund is growing and we are looking at ways to accelerate paying off our mortgage. While there was no real time traveler, we have over the past few years undertaken to ensure that Park City 3 & 4 Apartments, Inc would be ready to meet the needs of our shareholders, present and into the future.

### **The Past 12 Months**

Some highlights of our accomplishments during the past 12 months include:

- Completing and passing both Local Law 11 pertaining to our building façade (with no work needed) and Local Law 87 energy audit.
- Installing LED light fixtures in common areas, which saves us approximately \$4,000/month.
- Completion of roofing repairs on three of our six buildings. The remaining three buildings are to be completed by early summer.
- Major garage work including repairs, power washing, painting and repaving of driveways.
- Repaving of pathways.
- Installation of FIOS giving shareholders three cable choices and increasing price competition among the carriers.

## The Year Ahead

The year ahead will see the completion of our last major project (roofing repairs) and a continuation of the installation of LED lighting, this time in the basement and service entrances. We will be looking to install improved machine equipment and monitoring elevator service. We also will be implementing a new subletting policy that will allow shareholders to sublet (at an increased fee) for an additional two years. In addition, work will be performed on our catwalk areas. Of course, additional projects and improvements will be discussed over the course of the year.

## Finance & Sales

A Co-op Board's main responsibility to shareholders is to take financially prudent actions in order to maintain and increase the value of your investment. While we have saved on efficiencies in some areas, we have seen costs rise in other areas. Real Estate taxes have risen over \$240,000 during the past year and an 8% increase in assessed property value will mean further tax increases. Future minimum wage increases in New York State will also add to expenses.

People that are priced out of other parts of the City have made our neighborhood a more desirable area, which has in turn greatly raised the value of our apartments. While prices vary due to factors such as condition and location, these are some of the higher prices that have been recently received:

Studio	\$180,000
One Bedroom	\$260,000
Two Bedroom	\$360,000
Three Bedroom	\$430,000

Basically, buying an apartment this year would get a buyer one less room than a year ago. For example, last year's \$360,000 3-bedroom apartment is this year's \$360,000 2-bedroom apartment.

Most sublets have been for 1-bedroom apartments and they have risen to \$1650/month.

The Co-op Board and Management wish to thank our staff for all of their efforts and we thank you, the shareholders, for your support. Wishing you a happy and healthy year ahead.