

Park City 3 & 4 Apartments, Inc

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**PRESIDENT'S REPORT
2018**

**ANNUAL SHAREHOLDERS MEETING
MAY 22nd, 2018**

The President's Report May 2018

The annual report that you are holding is a summary of what your Co-op Board and Management have accomplished over the past 12 months. It is also a look at where we are and where we hope to be over the coming year.

Real Estate & Real Unfairness

Many of us make investments. We may invest in collectibles; we may invest in currencies; we may invest in stocks and bonds. One investment that all Park City 3 & 4 shareholders make is in our cooperative apartment. However, unlike other investments our coop is annually affected by taxes, specifically real estate taxes.

Real estate taxes are annually assessed on all properties. We realize that as our neighborhood becomes more upscale, property values increase, which in turn lead to property tax increases, which in turn lead to higher maintenance increases. However, the way that various properties are taxed is arbitrary and unfair. Private houses are taxed at a lower rate than Coops and Condos, while even those individual homes are not consistently taxed. The Mayor, for example, owns two Brooklyn homes worth nearly \$3.7 million dollars but paid only \$7,098 in property taxes. A Staten Island legislator stated that his property tax bill on a less valuable house was greater than the Mayor's bill.

In 2015, Park City 3 & 4 was assessed \$2,830,522 in real estate taxes. In 2018, are assessment went up by \$963,978. So, in 3 short years, our real estate taxes increased by 34% to \$3,794,500. Our property was recently assessed for next fiscal year and, once again, the value has increased that will lead to still further increases.

The Mayor has been urged to move forward on a fairer method of assessment. Your management office and board have been involved in this issue as well. Late last year, our manager Mr. Chandra Jain, Board Director Mr. Lee Schiff and I attended a Mayoral Forum where we went to address this matter. We were told by the Mayor and his commissioner that this issue would be addressed in 2018. The New York State Legislature has already told the Mayor that this year, he and his administration need to move more quickly on this matter.

Your Park City 3&4 Coop Board and Management members continue working together to maintain and improve your living experience while being fiscally responsible. We will continue to fight for fairness for all our shareholders.

The Past 12 Months & The Year Ahead

The catwalk project (painting railings, leveling and coating catwalks, and repairing catwalk drains) will be completed in late spring, which will be the last of our major improvement projects. Over the next 3 years, we will undertake projects that will maintain our complex, including façade repair and street brick work; concrete repairs; maintenance of sidewalks; maintenance of electrical and plumbing equipment; repairs to retaining and parapet walls; and repairs to terraces as needed. We will also be looking to install new equipment to our playground area.

In order to comply with Local Law 147 of 2017, the Corporation will be issuing a smoking plan that will be in effect before the end of August, 2018. This will affect smoking areas outside of apartment areas.

In order to comply with recently passed New York State legislation, our Co-op board members must disclose any conflicts of interests. To date, there are no conflicts for any board member.

Finance & Sales

A Co-op Board's main responsibility to shareholders is taking financially prudent actions in order to maintain and increase the value of your investment. We continue to invest funds from our reserve account each month into short-term CD's.

Comparing sales prices from last year to this year:

Average prices last fiscal year:

Studio	\$175,000+
One Bedroom	\$250,000+
Two Bedroom	\$350,000+
Three Bedroom	\$450,000+

Average prices this fiscal year:

Studio	\$200,000+
One Bedroom	\$270,000+
Two Bedroom	\$410,000+
Three Bedroom	\$525,000+

The Co-op Board and Management, as always, wish to thank our staff for all of their efforts in maintaining our grounds and buildings. We thank you, the shareholders, for your support and wish you a happy and healthy year ahead.