

At CUNY Law School, Questions on Costly Move

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Body

The City University of New York School of Law trains students to be public interest lawyers -- the kind who battle bureaucracies and fight injustice.

But now, some of its teachers and students are taking aim at their own administration. At issue is the school's plan to move from its current home, a former junior high school in Flushing, Queens, to a newer, sleeker building in Long Island City that Citigroup completed in 2007.

Last year, CUNY announced plans to buy six floors of the building, with about 260,000 square feet, for \$155 million, or about \$600 per square foot. That is more than the price paid for some office space in Manhattan last year, where 11 large buildings were sold. Their prices averaged \$397 per square foot, said Robert Knakal of Massey Knakal Realty Services, a brokerage firm.

The law school deal, which has not yet closed, has aroused the ire of some students and faculty members. The student government passed a resolution last month demanding that the CUNY administration explain how the price was determined.

Iris Weinshall, the CUNY vice chancellor for facilities planning and construction management, responded in a letter that "a draft appraisal had valued the property at \$150 million, including the furniture, fixtures and equipment." She did not say who had conducted the appraisal.

Ms. Weinshall wrote that building a school to meet CUNY's needs would cost \$255 million. The Citigroup building, she wrote, "is a much better deal for the law school and the university."

But the students had been hearing that answer since last fall, when they began demanding answers about their planned move. In their resolution, they demanded that CUNY explain the purchase "in a manner other than by mere comparison with the \$250 million projected cost of construction of a new building."

Ms. Weinshall, a former city transportation commissioner, declined to be interviewed. Asked for a copy of the draft appraisal, Michael Arena, a CUNY spokesman, said it would be released

"upon completion of the sale." A spokesperson for Citigroup would not answer questions about the deal with CUNY other than to say the company was "working toward an April close."

In addition to the cost, some at the law school are worried that the deal will change the nature of the only publicly financed law school in New York City, a school known for its dedication to social justice and its rejection of corporate culture.

The new glass and concrete building, 2 Court Square, is in the shadow of Citigroup's 50-story office building, 1 Court Square.

Sid Haring, who has taught at the CUNY law school since it was founded in 1983, said the move could put the school's "soul" at risk. The students serve needy clients through a variety of legal clinics, Professor Haring said, so the school should have moved closer to one of Queens's population centers.

Mr. Arena pointed out that the Court Square location was served by a number of subway lines, a help to needy clients. But Mr. Haring said there were even more public transportation options in downtown Flushing or Jamaica, where many of those clients live.

CUNY has been trying to find the law school a new home for at least a decade, said Michelle J. Anderson, the school's dean. In 2008, it put out a request for proposals for a new school or space in an existing building.

Citigroup responded, offering the Court Square space, which had been built as a Citigroup training center.

Janis Tarter, a spokeswoman for Citigroup, said it would consolidate its operations, selling the training center to CUNY without reducing its "head count" in Long Island City.

Mr. Arena said the price was negotiated down from Citigroup's asking price, but he declined to say by how much.

Matthew Bronfman, the president of Jamestown Properties, which buys and sells office buildings in Manhattan, said of the purchase price: "When you quote a figure like that in Queens, it doesn't sound right. It just doesn't make sense." But he said he would have to know more about the property to judge accurately.

Mr. Knakal, the realty broker, said that two large office buildings were sold in Queens last year, one for \$63 per square foot, the other for \$70 per square foot. But those were in Jamaica and Little Neck, much farther from Manhattan than Long Island City.

Even though the Citigroup price exceeds, on a per-square-foot basis, recent sales in Manhattan, Mr. Arena, the CUNY spokesman, said a straight-up comparison was unfair because the Citigroup building already contained modern classrooms.

Still, CUNY expects to spend \$25 million in renovations, equipment and furnishings. The university plans to finance the purchase and renovations with bonds. The total cost, including \$10 million in bond issuance expenses, will be \$190 million.

The deal will give CUNY a condominium interest in the 14-story building; Citigroup will keep the rest.

CUNY's reassurances have not mollified critics like Dinesh Khosla, a tenured professor at the law school and a longtime activist. He likened the deal to a handout to a "rich, inefficient corporate master."

Professor Khosla has gone to great lengths to prove his point. Last fall, he contacted Citigroup and professed interest in buying the top floor of 2 Court Square at \$395 a square foot. Citigroup, he said, "never told me that price was ridiculous," he said.

But Citigroup "never even entertained the offer," because it knew of the professor's connection to CUNY, said John Reinertsen, who heads the Queens office of CB Richard Ellis, a large commercial real estate broker, and who was contacted by a broker representing Professor Khosla.

Several professors said they favored the move, because it would increase the law school's visibility. Merrick T. Rossein said that many faculty members welcomed a move from the cramped Flushing space to a new, energy-efficient and more centrally located building.

Noting the \$250 million estimate for new construction, Professor Rossein wrote in an e-mail message, "The faculty are not real estate experts but we believe that we get tremendous value for a lot less money."

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Graphic

PHOTO: The CUNY School of Law is to buy space at 2 Court Square in Long Island City, Queens. (PHOTOGRAPH BY ANGEL FRANCO/THE NEW YORK TIMES)

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