



MASSEY KNAKAL

Building Sales Journal

INVESTMENT SALES RETAIL LEASING CAPITAL SERVICES | MASSEYKNAKAL.COM
MANHATTAN BROOKLYN STATEN ISLAND THE BRONX QUEENS WESTCHESTER LONG ISLAND NEW JERSEY



Realty Services

Manhattan Investment Sales Market 1Q14



The investment sales market in the Manhattan submarket (defined as below 96th Street on the East side and below 110th street on the West side) is off to a flying start. In 1Q14 there were \$9.6 billion of investment sales activity which, if annualized, would lead to about \$38.5 billion for the year. This figure represents a 34% increase over the \$28.7 billion that occurred in 2013. While the broader citywide market is on pace to come close to the all-time record established in 2007, the Manhattan submarket is performing at about 27% below where it was in 2007. The \$9.6 billion of sales activity in 2014 was however the highest first quarter total going back to 2007.

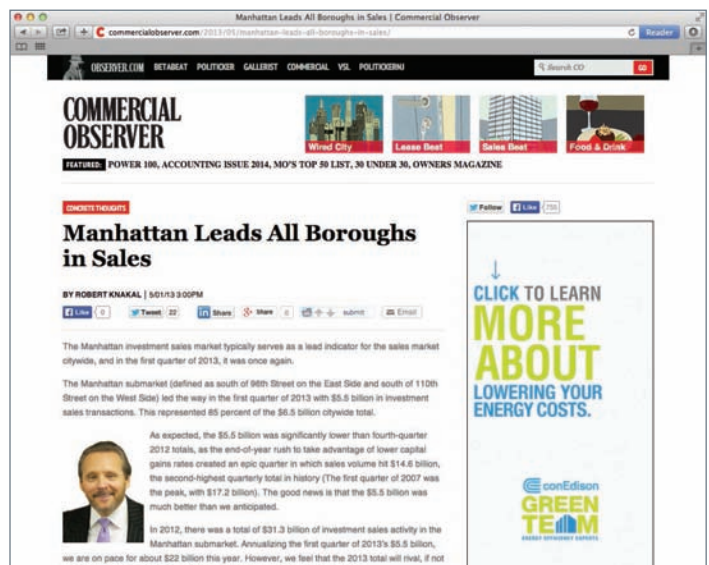
With regard to the number of buildings sold, there were 229 properties sold in the Manhattan submarket in 1Q14. If annualized, this total represents an expected 914 property sales which would be about 14% above the 807 properties sold in 2013. The 229 properties sold also represents the highest first quarter total going back to 2007. We see some tangible shifts from the recent past. Notably development site transactions in 2009 represented only 5% of the total number of properties sold. In 1Q14, development transactions represented 18% of total properties sold, more than 3x what it was in 2009. Office building sales represented just 7% of properties sold in 2009 and in 1Q14 this total reached 20%, again nearly triple what it was in 2009. Both the development and office sector are showing tremendous strength thus far this year. If we look at Manhattan dollar volume on a quarterly basis, we see that 4Q13 and 1Q14 are the two best back to back quarters going back to early 2007.

The land market has been absolutely on fire in the Manhattan submarket. The price per buildable square foot has hit an all-time high average of \$482. This figure may seem low based upon the headlines of residential land selling for \$800-over a \$1,000 per buildable foot, we must remember that this average takes into consideration land that is zoned commercial and manufacturing as well as residential. Based upon the strength of the development

market, we expect to see several transactions eclipse the \$1,000 per buildable square foot mark in 2014.

The retail property sector has also been a story thus far in 1Q14. The average price per square foot of a retail asset sold in the Manhattan submarket in 1Q14 has hit \$1,315 per square foot. While this average is skewed somewhat by the \$31,000 per square foot sale at 737 Madison Avenue (which was the highest price per square foot ever achieved in the city) the strength of the retail market continues to be unquestionable. It is also thought that the strength of the retail sector is driving land values, as the retail component of several sites have become so valuable that it is impacting the value of land on a price per square foot basis.

In the Manhattan submarket cap rates also continued to compress. At the low point of the market in 2010, cap rates in Manhattan hit an average of 6%. This has been steadily declining such that in 2013 the average cap rate in Manhattan was 4.4% and in 1Q14 the rate has dropped to 4.1%. This is meaningful in that average lending rates have remained steady so the cap rate compression that we have seen is 100% attributable to investors' willingness to accept lower yields on their investment. In the conversation about cap rates, it is also important to note that upside potential and cap rate have an inverse relationship. There are some transactions we have done recently, cap rates have been in the 2 to 3% range, but those were assets with tremendous upside potential.



You can read Mr. Knakal's "Concrete Thoughts" articles for the Commercial Observer at www.commercialobserver.com/topics/concrete-thoughts.

Massey Knakal Sells Development Site in Hudson Yards

Massey Knakal Realty Services has sold a development site located at 511 West 35th Street in Manhattan's Hudson Yards. The site was sold in a transaction valued at \$88,000,000.

The subject site is a block-through development site centrally located in Hudson Yards. It has a combined lot size of 17,281 square feet with 75 feet of frontage on West 35th Street and 100 feet on West 36th Street. Uniquely located in Sub-Area A3 within the special Hudson Yards district, it has an FAR of 10.0 with a maximum potential FAR of 24.0, equating to a maximum of approximately 414,750 buildable square feet.

This block-through development opportunity is also located two blocks north of Related's Hudson Yards project, 100 feet from the nearly completed first phase of the Hudson Yards Boulevard & Park, and just 200 feet from the entrance to the nearly complete 7 line subway extension. These ongoing projects within the neighborhood position the site to attract more professionals, locals and tourists.

"This sale clearly illustrates the strength and excitement in the Hudson Yards district. Increasingly, people are becoming aware of what this district is going to mean to the city in the years to come," said Massey Knakal Chairman Bob Knakal, who exclusively handled this transaction with Stephen Palmese, Andrew Posil and David Kalish. "This past year, development prices skyrocketed throughout the city. It's an exciting time to be developing in New York City," added Stephen Palmese.



Massey Knakal Sells Two Retail Condominiums in Midtown



Two retail condominiums situated in Barbizon/63 at 817 Lexington Avenue, in Manhattan's Midtown neighborhood, were sold in an all-cash transaction valued at \$48,200,000.

The fully-leased condominiums consist of the ground floor, second floor, cellar, and two sub-cellars of Barbizon/63, a landmarked luxury condominium property embodying a blend of Late Gothic Revival and Italian Renaissance. They total approximately 47,197 square feet and feature over 178 feet of frontage on the corner of Lexington Avenue and East 63rd Street. Equinox controls both retail condominiums with long-term leases, of which they sublease a portion to SoulCycle.

Interestingly, the majority of the space was below grade. The sale price equates to approximately \$1,021 per square foot or a 2.3% cap rate.

Situated in a premier retail location, these condominiums are surrounded by national tenants including Bloomingdale's, Levi's, Diesel, H&M, Crate & Barrel and Urban Outfitters.

"We had tremendous interest in the properties, which, along with the price, is a testament to the growing strength of the Lexington Avenue retail market just north of Bloomingdale's," said Massey Knakal's Clint Olsen, who exclusively handled this transaction with Chairman Bob Knakal.

MANHATTAN



511 West 35th Street
 Manhattan, NY
 \$88,000,000
 Development Site



817 Lexington Avenue
 Manhattan, NY
 \$48,200,000
 Two Retail Condominiums



370-374 Columbus Avenue
 Manhattan, NY
 \$35,750,000
 Mixed-Use



555 West 25th Street
 Manhattan, NY
 \$27,000,000
 Office Building



37 East 12th Street
 Manhattan, NY
 \$26,600,000
 Commercial Loft Building



**1064-1066
 Madison Avenue**
 Manhattan, NY
 \$26,000,000
 Mixed-Use



**207, 209, & 211
 East 34th Street**
 Manhattan, NY
 \$21,000,000
 Development Site



200 Central Park South
 Manhattan, NY
 \$18,000,000
 Retail & Professional Co-op



222-224 West 21st Street
 Manhattan, NY
 \$16,750,000
 Multifamily



45 Orchard Street
 Manhattan, NY
 \$16,100,000
 Mixed-Use



238 West 14th Street
 Manhattan, NY
 \$7,250,000
 Mixed-Use



158 Rivington Street
 Manhattan, NY
 \$6,480,000
 Mixed-Use

MANHATTAN (CONTINUED)



111 East 37th Street
 Manhattan, NY
 \$5,100,000
 Townhouse



107 Greenwich Avenue
 Manhattan, NY
 \$4,750,000
 Mixed-Use



45 Horatio Street
 Manhattan, NY
 \$4,100,000
 Townhouse



101 West 87th Street
 Manhattan, NY
 \$1,840,000
 Six Unit Condominium Package

NORTHERN MANHATTAN



5008 Broadway
 Northern Manhattan, NY
 \$9,750,000
 Mixed-Use



3556 Broadway
 Northern Manhattan, NY
 \$5,050,000
 Retail Building



256-262 West 116th Street
 Northern Manhattan, NY
 \$3,700,000
 Mixed-Use



1900 Park Avenue
 Northern Manhattan, NY
 \$2,725,000
 Development Site



1882 Third Avenue
 Northern Manhattan, NY
 \$2,475,000
 Mixed-Use

BROOKLYN



155 Noble Street
 Brooklyn, NY
 \$4,100,000
 Mixed-Use



555-557 Graham Avenue
 Brooklyn, NY
 \$2,900,000
 Development Site



197 Adelphi Street
 Brooklyn, NY
 \$2,850,000
 Mixed-Use



10309 Glenwood Road
 Brooklyn, NY
 \$2,650,000
 Retail Building



835-845 Shepherd Avenue
 Brooklyn, NY
 \$2,280,000
 Industrial Warehouse



1029-1035 Cortelyou Road
 Brooklyn, NY
 \$2,000,000
 Retail Property



679 Grand Street
 Brooklyn, NY
 \$1,800,000
 Development Site

QUEENS



**90-02 Queens Boulevard &
 87-28 58th Avenue**
 Queens, NY
 \$47,000,000
 Prime Development/Conversion



1 Great Neck Road
 Queens, NY
 \$6,850,000
 Retail Strip



42-08 College Point Boulevard
 Queens, NY
 \$3,400,000
 Commercial Building

BRONX



367 East 201st Street
Bronx, NY
\$3,900,000
Apartment Building



3401, 3403, & 3405 Riverdale Avenue
Bronx, NY
\$2,425,000
Three Multifamily



995 East 181st Street
Bronx, NY
\$2,285,000
Multifamily



2970 Bainbridge Avenue
Bronx, NY
\$2,050,000
Apartment Building

PROPERTY SALES REPORTS & OUR EXCLUSIVE INVESTOR LIST

The Massey Knakal Property Sales Reports continue to be a hit among investors, owners and the press. Published quarterly, these reports detail every property sale in each borough, including up-to-the-minute statistics for PPSF, Cap Rate and GRM. If you are on our investor list, you can access all our reports directly in the News section of our website.

If you are on this list, you can also opt to receive customized emails twice per week, containing new and updated Massey Knakal listings that precisely meet your investment criteria. To join the investor list, please contact:

Nishant Shah at (212) 696-2500 or nshah@masseyknakal.com





Garrett Thelander
Executive Managing Director
Capital Services

Massey Knakal Capital Services (MKCS) is our mortgage brokerage division that provides unparalleled capital markets knowledge in order to deliver the most creative financing strategies for our clients. Project goals are matched with the most favorable and efficient capital structures available in a timely manner.

MKCS specializes in a variety of debt and equity based real estate financing including fixed rate loans, floating rate loans, constructions loans, mezzanine loans and bridge loans.

For more information, please contact:
Garrett Thelander
Executive Managing Director - Capital Services
212-696-2500 or gthelander@masseyknakal.com



Scott Aiese
Flatiron,
Gramercy Park,
Murray Hill,
Union Square



Morris Betesh
Midtown East



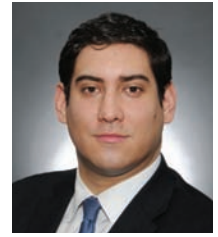
Vittas Borozin
Harlem



Justin Boruchov
Upper West Side



Preston Flammang
Hudson Yards,
Midtown West,
Penn Station



Patrick Frame
Inwood,
Washington Heights



Roger Kapsalis
Park Slope, Gowanus,
Carroll Gardens,
Cobble Hill, Columbia
Street Waterfront
District, Red Hook



Jessica Ke
Chelsea



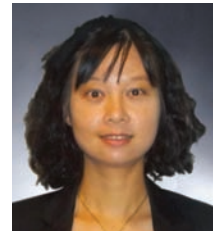
John Leslie
East Village,
Greenwich Village,
NoHo



Kevin Osowiecki
Chinatown,
Financial District,
TriBeCa



Bruce Whipple
Westchester County



Jiawei Wu
Chinatown,
Hudson Square,
NoLiTa, SoHo

RECENT CLOSINGS

CLOSED

\$80,000,000

Bridge Financing
Hotel
Manhattan, NY

CLOSED

\$25,000,000

Acquisition
Land
New York, NY

CLOSED

\$8,300,000

Refinance
Multifamily
Brooklyn, NY

CLOSED

\$4,415,000

Acquisition
Land
New York, NY



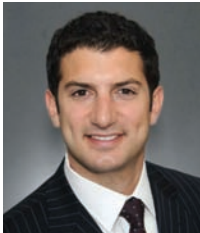
Todd Korren
Executive Managing Director
Retail Leasing



Benjamin Fox
Executive Vice President
Retail Leasing
Chinatown, Hudson Square,
NoLIta, SoHo

Massey Knakal Retail Leasing Services (MKRLS) is our focused retail leasing division whose goal is to ensure that every client obtains creditable tenants at the highest overall rental income. To accomplish this objective, the MKRLS team quickly and efficiently implements well-orchestrated marketing and leasing campaigns geared toward targeted groups of retail candidates. Our team will achieve the highest value for retail spaces because of our thorough understanding of the distinct neighborhood markets, as well as the property and its potential for value enhancement.

For more information, please contact:
Todd Korren
Executive Managing Director - Retail Leasing
212-696-2500 or tkorren@masseyknakal.com



Michael Azarian
Flatiron, Gramercy
Park, Murray Hill



David Chkheidze
Morningside Heights,
Upper West Side



Joseph Colista
Carroll Gardens, Cobble
Hill, Columbia Street
Waterfront District,
Gowanus, Park Slope,
Red Hook



Mitzi Flexer
Bay Ridge, South Slope,
Sunset Park,
Windsor Terrace



Brendan Gotch
East Village,
Greenwich Village,
NoHo



Jill Lovatt
Carnegie Hill,
Upper East Side



Karen Massey
Bedford Stuyvesant,
Bushwick, Crown
Heights, Ditmas Park,
Flatbush, Kensington,
Midwood, Ocean
Parkway, Prospect
Lefferts Gardens



Dylan Murphy
Midtown West



Ryan Reszelbach
Alphabet City,
Chinatown,
Lower East Side

RECENT LEASES



205 WEST 88TH STREET
New York, NY



1 WHITE STREET
New York, NY

85 EXCLUSIVE LISTINGS



Raphael St. James
Bergen Beach,
Brighton Beach,
Brownsville, Canarsie,
Coney Island,
Cypress Hills, East
Flatbush,
East New York,
Flatlands, Homecrest,
Manhattan Beach,
Marine Park, Mill Basin,
New Lots, Ocean Hill,
Sheepshead Bay



Elyse Strauss
Chelsea



Todd Zuckerman
Auburndale, Bay Terrace,
Bayside, Bellerose,
Briarwood, College Point,
Corona, Douglaston,
Elmhurst, Flushing,
Fresh Meadows, Howard
Beach, Jackson Heights,
Jamaica, Jamaica
Estates, Jamaica
Hills, Kew Gardens,
Lindenwood, Little
Neck, Ozone Park,
Pomonok, Queens
Village, Queensboro
Hill, Richmond Hill,
Whitestone, Woodhaven

MASSEY KNAKAL IS PROUD TO ANNOUNCE THE FOLLOWING NEW HIRES SINCE JANUARY 2014.



James Berluti
Brooklyn
Associate



Vittas Borozin
Manhattan
Director
Capital Services



Jennifer Djurkovic
Manhattan
Associate



Joana Filgueiras
Brooklyn
Director of Townhouse
Sales



Mitzi Flexer
Brooklyn
Director of Retail
Leasing



John Fontana
Manhattan
Analyst



Jack Fornaciari
Manhattan
Associate



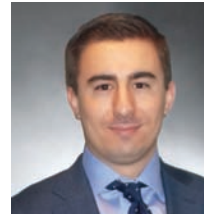
Adam Getis
Manhattan
Network
Administrator



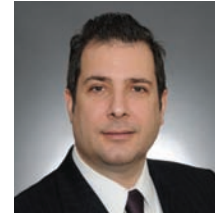
George Gnad
New Jersey
Director
Capital Services



Samuel Hamlin
Manhattan
Associate



Tyler Hughes
Manhattan
Associate



David Johnson
Brooklyn
Director of Townhouse
Sales



Jessica Ke
Manhattan
Director
Capital Services



Jonathan Kristofich
New Jersey
Associate



Bruce Kuo
Manhattan
Senior Graphic Designer



Nicole Liebman
Brooklyn
Director of Retail
Leasing



Louis Marchetta
Manhattan
Associate



Clay McMickens
Manhattan
Database Coordinator



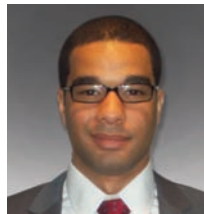
Naira Nadareishvili
Brooklyn
Graphics Associate



Nicole Nannola
New Jersey
Administrative
Assistant



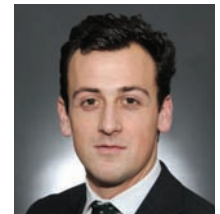
Fahri Ozturk
New Jersey
Director of Sales



Eric Sears
Manhattan
Associate



Elyse Strauss
Manhattan
Director of Retail
Leasing



Matthew Tarpley
Manhattan
Analyst



Ilya Tolmasov
Brooklyn
Director of Townhouse
Sales



Christina Urwand
Manhattan
Human Resources
Associate



Anthony Volpe
Brooklyn
Administrative
Assistant



Tracey Wall
Manhattan
Senior Accounting



Aaron Warkov
Brooklyn
Director of Sales



Brett Weisblum
Manhattan
Associate Director of
Sales

Massey Knakal welcomes these disciplined and talented professionals to our team. To remain the best, we only recruit the best.

Betty Castro

Director of Operations - Brooklyn / Queens

Massey Knakal Realty Services is pleased to announce that Betty Castro has joined the firm as Director of Operations for the Brooklyn and Queens offices. She will work closely with Senior Management to develop and execute plans relating to the strategic operating initiatives of the organization, specifically in the Brooklyn and Queens offices.



Betty comes to Massey Knakal with over twenty years of success in strategic growth, business development and team building. She has a successful track record of innovating and implementing sales and marketing plans that exceed revenue goals and drive bottom line profitability.

Most recently, Betty was Vice President of Sales & Marketing at First Empire Securities, a full service institutional broker-dealer in Hauppauge, NY. In this role, she developed and executed a strategic plan to take the firm to the next level, while overseeing the entire sales effort, marketing, trading desk, loan department, Financial Strategies Group and CD Funding Desk. She led the firm's

recruiting efforts and developed a sales and marketing plan to position the firm as a solutions provider and grow into new target markets. She designed and implemented strategic sales seminars, phone coaching sessions, evaluation and accountability methods, and spearheaded the development of a fully interactive company website with features for target marketing.

Earlier, Betty was Vice President of Sales & Marketing at Lawrence/Tensator, an industrial manufacturing company in Bay Shore, NY. She designed and implemented comprehensive sales and marketing strategies to increase market share and profitability. Betty also spent seven years at Edison Properties, LLC, as Sales Manager for Manhattan Mini Storage and Vice President of Acquisitions for Edison ParkFast.

Betty received her Bachelor of Arts degree in Marketing and Management from New York University's Stern School of Business. She is a Certified Financial Planner and has passed the Series 7, 63 and 24 Principal. Betty is fluent in Spanish and Farsi.

Betty can be reached in the Brooklyn or Queens office.

MASSEY KNAKAL TRAINING PROGRAM

The Massey Knakal training program is both sophisticated and extensive. It consists of three components - Initial Success 1, Initial Success 2 and Continuing Success. Each tier of training is structured and laid out to meet the experience level of the attendees.

"The training program offers new agents and employees an unparalleled advantage in their development as real estate professionals. The program is suited to efficiently develop each hire into a confident and proficient member of the Massey Knakal team," said Cory Rosenthal, Senior Vice President, Brokerage & Corporate Operations. "We pride ourselves on our collaborative and interactive training."

Topics of the program range from basic territory catalog training to a variety of other programs such as detailed lectures from industry experts and public speaking training. Throughout all three levels, the Training Department and Managing Directors are extremely hands on in order to aid the development of employees as industry and Massey Knakal professionals.

Here's what some of the graduates have said about the program:

"Massey Knakal's Initial Success program was very thorough in making sure that every salesperson will have the most comprehensive set of tools to succeed in the field." – Jessica Ke, Director of Capital Services focusing on Chelsea

"With intimate lectures and thoughtful discussions taught by some of the leading individuals in the industry, including Paul Massey and Bob Knakal, training at Massey Knakal is a truly



comprehensive and thorough education." – Ryan Reszelbach, Director of Retail Leasing focusing on Alphabet City, Chinatown, and Lower East Side

"The knowledge I gained puts me in a great position to build meaningful relationships with property owners." – Bill Eisenhut, Director of Sales focusing on Westchester County

"We are required to walk the neighborhood and get to know the tenants and owners before conducting business. Due to this training, I became an expert on Central Brooklyn within 2-3 months." – Karen Massey, Director of Retail Leasing focusing on various neighborhoods in Central Brooklyn

Congratulations to the recent graduates of the Initial Success program!

Massey Knakal held its annual awards ceremony in January at Carolines Comedy Club in Midtown Manhattan. Our entire company gathered to honor our top producers and finest professionals of 2013. The awards are named after notable industry professionals.



CONGRATULATIONS TO THE 2013 WINNERS

- | | |
|---|--------------------------------|
| Massey Knakal Charitable Foundation Award | J. Guthrie Garvin |
| Rookie of the Year Award | Guillermo Suarez |
| Richard Marcinko Award | Jill Lovatt |
| Harry Macklowe Award | Thomas A. Donovan |
| Stephen B. Siegel Award | Stephen P. Palmese |
| Ofer J. Yardeni Award | James P. Nelson |
| Gerald W. Bridges Award | James P. Nelson |
| John H. Holler Award | Stephen P. Palmese |
| John F. Ciraulo Award | John F. Ciraulo |
| Leasing Agent Award | David Chkeidze |
| Capital Services Award | Morris Betesh |
| Rosen & Fuchs PIER Award | Edward Gevinski |
| Nicholas T. Donovan PIER Award | Stephen R. Preuss |
| Richard B. Clark PIER Award | Brendan Gotch |
| Louis Brause PIER Award | Paul B. Smadbeck |
| Steven Spinola Associate Award | Michael Hefferon / DJ Johnston |
| Morton Apfeldorf Award | Bruce Whipple |
| James E. Ventura Award | Dion Duyck |
| Thomas A. Donovan Award | Mark Holtz |
| Robert A. Knakal Chairman Award | Neil Heilberg |
| C.E.O. Award | Matthew Dillon |
| Gift of Gab Award | David Simone |

Massey Knakal is NYC's #1 Building Sales Firm for the 13th Consecutive Year



MASSEY KNAKAL

# Transactions '01-'13	
MASSEY KNAKAL REALTY SERVICES	3,153
Marcus & Millichap	941
Besen & Associates, Inc.	747
GFI Capital Resources Group, Inc.	657
Eastern Consolidated	656
Rosewood Realty Group	330
Newmark Grubb Knight Frank	302
CBRE	293
Capin & Associates	277
The Corcoran Group	231
Cushman & Wakefield	214
Prudential Douglas Elliman	207
Eastdil Secured	189
Itzhaki Properties	165
Greiner-Maltz Company, Inc.	151
Lee Odell Real Estate, Inc.	149
Kalmon Dolgin Affiliates, Inc.	148
Terra CRG	107
Sholom & Zuckerbrot Realty Corp.	95
Douglas Elliman	94
Ariel Property Advisors	91
Swig Equities, LLC	79
Solar Realty Management Corp.	62
Friedman-Roth Realty Corp.	61
Jones Lang LaSalle	59
Extreme Realty	55
HFF	53
WRA Properties	46
Corporate Offices	43
Pinnacle Realty of New York, LLC	39
GVA Williams	37
Weissman Realty Group, LLC	36
CPEX Real Estate	36
John Anthony Group, Inc.	35
NAI Global	33
Time Equities, Inc.	29
Total Transaction Volume (Brokers on Chart)	9,900

Based on # of Transactions (All Sales \$500,000 and Over)

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MANHATTAN BROOKLYN STATEN ISLAND THE BRONX QUEENS WESTCHESTER LONG ISLAND NEW JERSEY



Larry A. Silverstein Honored with Massey Knakal Lifetime Achievement Award

This year at the Massey Knakal Commercial Real Estate Investment Summit, over 500 investors, developers and other real estate professionals came together for a full-day event focused on new trends in operations, mid-sized property transactions and financing for retail and office properties.

The summit took place on April 1st, featuring over 50 speakers, several panels, workshops and networking opportunities. The morning keynote interview included Larry A. Silverstein,

Chairman of Silverstein Properties. He was presented with the Massey Knakal Lifetime Achievement Award, given by the firm to an individual who has made outstanding contributions to the real estate industry. The afternoon keynote presentation featured Joel Pickett, Chairman and Chief Executive Officer at Gotham Organization, Inc., and its wholly owned subsidiaries including Gotham Construction. The presentation highlighted his leadership role in the fourth generation company and his philanthropic work.



Building Consensus: Navigating Team Dynamics in a Powerful Company



Many years ago I was invited to join the Board of Trustees of a not-for-profit foster care organization. Although the organization had a long and respectable history, as well as a comfortable \$20MM endowment, there were definitely issues - especially at the Board level.

For the past 15 years, the organization had been led by a dynamic and, at times, forceful Executive Director. She was an innovator and a legend in that world, and she knew it, which made any disagreement between her and the Board particularly challenging. As for the Board itself, most members had served for a number of years (there were no term limits), but while they loved the mission and presiding over the respected institution, most had little appetite for change and were exceedingly risk averse.

It all came to a head when the Executive Director set her sights on creating a second facility to house children who were between foster homes. The proposed total capital requirement for this new home was over \$40MM and there were no other major supporters expressing interest. So, she begged and cajoled the Board into committing 10% of the endowment toward buying land for the new facility, and then, almost miraculously, procured a thirty five million dollar financing commitment. That left only \$3MM more in equity to fully fund the project. She knew that the Board was sitting on the remaining \$18MM and so we became her natural and, at the time, only target.

This was my first not-for-profit Board experience, so during my first year or two, my strategy was to quietly watch and learn the dynamics of the group. While I observed, the Board devolved into two distinct camps (for and against) over the "new home" issue. Whether or not we could better serve the mission of the organization by expanding should have been the primary question, but instead the situation got more and more fractious as the Executive Director pushed and cajoled, because the conservative camp (those against expansion and use of the endowment) was definitely the majority and did not appreciate being bullied. Essentially, it became a contest of wills. To top it all off, our Board Chair, who was a model of dedication and generosity, was completing her three year term, so we needed to pick a new leader.

To my astonishment (and fright), I was quickly elected Chair - largely because my quietness made both camps perceive me as neutral and willing to listen. This threw me way in over my head, but the outgoing Board Chair was sensitive to my plight and lent me her moral support by sitting next to me during Board meetings. I will always be grateful to her for her help, and, looking back on it, this was an excellent lesson on leadership and how to employ it even when you are no longer running the show. Over the next few years, I learned more lessons about leadership - particularly about how important it is to build consensus.

As I became Chair, I had a common sense notion of what needed to be done:

1. Bring in some fresh perspectives to the Board by creating term limits for membership (not just for specific positions, like Board Chair)
2. Retire the powerful and experienced, but ultimately divisive Executive Director
3. Finish building the new building and make it independent

I knew everyone on the Board wanted to serve the mission of the organization, and felt strongly that even those who raised the most objections would ultimately be proud of the accomplishment of doubling our capacity, but many of them were terrified of failing and risking the stability of the first home.

At first, mostly out of my own fear, I led the organization from behind and would let discussions continue as long as the Board members cared to let them. However, I quickly realized that this could be my secret weapon because everyone was used to short meetings and, by being patient, I could let everyone express themselves before taking a personal position at the end of the discussion - if I did at all. You don't have to have an opinion about everything, especially if you're already getting your way. This strategy worked because all of the Board members shared good values, and I knew, ultimately, that they all wanted to leave a bigger legacy. Letting everyone feel heard allowed them to be more open and willing to work together when push came to shove and it was time to come to a consensus decision.

While I was learning the value of leading from behind, I was also reminded of the need to lead from the front and not be afraid to work hard. Simply put, there was a lot of inertia that we needed to overcome. Everyone enjoyed the prestige of being on the Board, but not everyone wanted to put in the work needed to improve the organization. Since building a second facility would involve a lot of work for everyone, from the Board on down, we faced a big hurdle when it came to complacency. This is why it was so critical to establish term limits for membership on the Board - they impose a structure that keeps a healthy flow of new energy and fresh perspective coming to the organization. They also naturally remove squatters and deadweight. As Chair of the Board, it was important that I not only install term limits, but lead by example and be willing to shoulder the actual work (beyond sitting in meetings and reviewing budgets) needed to help the organization grow and improve.

It took years of building and re-organizing; navigating the Great Recession; a new Executive Director (and then another one when the first new one failed), but the second home eventually got built. It is now fully functional and operates independently. The only way that was able to happen was because the Board became a unified team. Beyond the relief and satisfaction of completing such a meaningful project, my time spent on the Board of this organization taught me a few crucial tips about leadership. I inversely learned the value of patience through the first Executive Director's inability to achieve consensus from the powerful members of the Board. Through the former Board Chair, I learned how to demonstrate leadership, even when you're no longer in charge. And, most importantly, though I took a passive stance in discussions, I knew that nothing could get done without leading through hard work and determination.

Warm Regards,

Paul J. Massey Jr.

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CHARITABLE FOUNDATION UPDATE

The Massey Knakal Charitable Foundation was founded on the premise that the greater New York area is one community where all its inhabitants live and work together side by side, and that to help any is to help all by strengthening the community at its most basic level. The Foundation supports local educational, family and other community-oriented charitable causes primarily within New York City and the Tri-State area. In addition to providing these charities with direct grants, we work to organize volunteer efforts to benefit them with our time and energy.

Below are profiles of a few of the organizations that the Foundation is supporting in 2014, thanks to the support of individuals at Massey Knakal.

BOTTOMLESS CLOSET

The mission of Bottomless Closet is to help disadvantaged New York City women become self-sufficient through a comprehensive program that begins with business attire and interview preparation and continues with professional development, financial management and personal enrichment. Using the model of women helping women and a network of dedicated volunteers, Bottomless Closet enhances clients' self-esteem and self-confidence in order for them to enter and succeed in the workforce and improve the quality of their lives.

CONCRETE SAFARI

Since 2008, Concrete Safari has empowered children living in and around East Harlem's public housing projects to become healthy leaders through outdoor exercise and education programs that enrich the mind, body, community and environment.

City Surfers is Concrete Safaris' year-round, youth empowerment program in which 7 – 11 year olds at PS 102 and Union Settlement exercise and learn outdoors. The students choose how they want to participate in the urban environmental health movement. For example, the program participants now manage the largest children's garden on public housing property at 15,000 square feet in Washington Houses.

OPENING ACT

Opening Act's theater programs provide students attending New York City's most under-served schools the opportunity to gain confidence, pride, and the knowledge that they can succeed at anything in life. Currently serving 33 New York City high schools, their vision is to be able to offer a high quality theater program to any New York City school that needs one. Although their medium is the theater, the results go well beyond the stage. Opening Act students emerge as energized leaders within their schools. They value community and commitment, and display confidence in themselves and their ability to accomplish anything they set out to achieve.

CHRISTO REY

A private school serving students who have demonstrated the potential and motivation to achieve success and who do not have the educational background or financial means to attend another private, college-prep school. Guided by the spirit of care for the individual, Christo Rey challenges all of their students with a rigorous academic curriculum and a demanding work-internship program. Notably, 100% of Christo Rey's students gain admittance to college.

