

High price of new CUNY Law home creates storm

By [Amanda Fung](#)

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The purchase of a new home in Long Island City, Queens, for the law school of the City University of New York is expected to take place this month. But the debate about whether the \$155 million price tag for the Queens campus is too high rages on between administration, faculty and students.

Last fall, CUNY Law said it will buy roughly 225,000 square feet at the 14-story Two Court Square building in Long Island City from Citigroup for about \$688 per square foot. The school plans on relocating to the first six floors of the LIC building from its current home in Flushing, Queens.

But news of the move has generated a storm of criticism from students and faculty, largely over the seemingly high price being paid.

On Wednesday, the most vocal opponent, Dinesh Khosla, a professor at CUNY Law, reiterated his concerns and called for the administration to publicly disclose how the price was determined. That memo follows similar exchanges last week between the school's student government and its administration. School officials pledged to provide the final appraisal value of the Two Court Square space when those numbers become available.

"They keep saying it would cost more to build a new building, but they haven't produced documents or market data to prove it," said Mr. Khosla, who claims that CUNY Law is paying "above market value" for the space after conducting his own research.

When asked for comment, a CUNY spokesman referred to a recent letter to the student government by Iris Weinshall, vice chancellor for facilities planning, construction and management, who wrote: "The university explored spending in excess of \$255 million to build a new building from the ground up, a cost estimate that was confirmed by both an independent architect and prospective developers. By comparison, the existing facility at Court Square is a much better deal for the law school and the university."

According to the letter, a draft appraisal valued the Two Court Square space at roughly \$150 million for the building, furniture, fixtures, and equipment. CUNY Law began scouting for new space in 2006, when it issued a request for proposals for potential sites.

"Citigroup came forward during our request for proposal process with an existing, state-of-the-art building designed specifically for educational use," said Ms. Weinshall in a statement in September. "The building will support the needs of the law school, with very little additional construction."

Real estate experts could not comment on the sale price because there aren't any comparable deals that recently took place to make a fair analysis. Citigroup spent about \$300 million to build Two Court Square, a 526,000-square-foot building, which was completed in 2007. But since commercial transactions in Long Island City are few and far between, data on sale prices and how much values have fallen due to the recession is unknown. In addition, since the deal has not been closed, it's unclear what the purchase price includes. Brokers note that many factors, including build-out costs, could explain the price.

"It may sound expensive on the face, but we don't know all the facts," said Timothy King, principal of CPEX Realty, a commercial real estate firm. "It is difficult to find that size of space. And there are few choices."

Despite the sale price dispute, the administration, faculty and student body, including Mr. Khosla, agree that new space was necessary. CUNY Law will be getting an expansion of 70,000 square feet over the size of its current digs near Queens College, and the school is easily assessable to public transportation in Long Island City. If the sale closes as expected, the school hopes to move into the new space in fall 2011.