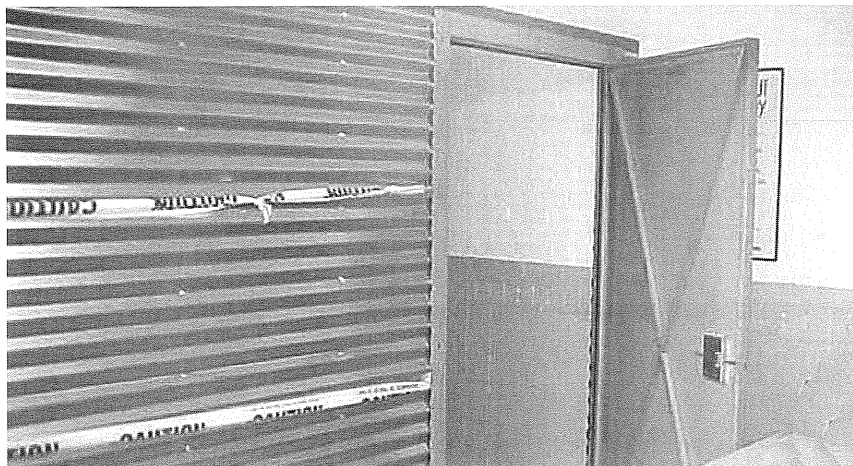


PROJECTS & IMPROVEMENTS: UP CLOSE

Riverdale Park



We're a 60-year-old [complex]," says Joan Arok, describing Riverdale Park, a 10-building, 265-unit cooperative in the Riverdale section of the Bronx. "There's 60-year-old stuff in storage that had been forgotten about."

Talk about spring cleaning. Four 30-yard dumpsters were needed to cart away all the junk that had been resting peacefully in the basement storage rooms of the property. But now that everything's been cleared away, the co-op can start reaping the benefits of a new storage and improvement project that has been implemented by Bargold Storage Systems.

Under the agreement, Bargold pays for all upgrades to the existing basement storage areas, including installation of new rental storage units and bike racks, and a new paint job for the basement hallways and existing storage areas. "There's no cost to the building there," explains Dave Lipson, the building's agent, a manager at Century Operating. "They're adding \$30,000 or more in improvements at no cost out of pocket."

Bargold is able to recoup its costs by taking 100 percent of the revenue generated by the rental storage units for the first four years of the fourteen-year contract. After those four years, the co-op gets 25 percent of the revenue and Bargold keeps the remaining 75 percent. The board put an incentive clause in the contract: if 96 percent of the units are rented within the first year, the building will start earning revenue after 3.5 years

Plans to upgrade the co-op's storage facilities had been kicking around for years, says John Ward, board president at Riverdale Park, but there had never been a cost-effective option. Bargold first proposed the project to the board through the managing agent in August 2002, and the co-op agreed

Housing Type: Cooperative.

Units: 265.

Constructed: 1939-1941

Project: Storage bin and bike rack installation, basement upgrades and improvements.

Cost: Free for co-op.

to investigate other methods and companies. Ward says the building even looked into performing the upgrades itself, but insurance costs for operating the storage units outweighed any possible revenue gains.

Two other companies gave the board estimates for installing new storage units, but Bargold was the only firm that had a comprehensive no-cost proposal and revenue-sharing agreement. "At the end of the day, we went with the option that would cost us nothing out of pocket," Ward says. The board voted unanimously to go with Bargold in November 2002.

Bargold utilized Riverdale Park's large laundry rooms when devising plans for the basement. "They have huge laundry rooms," says Josh Goldman, president of Bargold. "We took a small percentage of the room, which was just empty space, and put

our storage units in there."

Shareholders can rent the storage units, enclosed steel rooms roughly the size of an elevator car, at around \$43 a month. They have 24-hour key access to the units. Previously, shareholders who wanted to access the building's storage space had to find a staff member who could unlock the rooms.

Shareholders can still store items in the public storage areas, with access available through building staff members. That allows the building to keep track of who has access and to prevent storage of any prohibited items. The massive clean-up of the areas also helped reduce the building's fire risk.

Arok, a shareholder and board member who works in the building's office, was impressed by Bargold's professionalism, efficiency, and thoroughness. She was also pleased that the company was able to duplicate the painting scheme the building had recently followed in the laundry rooms. The upgraded basement areas and the new storage options give the building an enticing amenity, she says.

"It's a great thing to offer to the incoming or even the present shareholders, because many of them ask us if we have storage areas downstairs. We're a very old complex and we don't have much in the way of amenities. [The storage rooms] and the new laundry rooms – they're a nice something to offer to the shareholders."

While Bargold often installs pay-for-rental storage units, Goldman says a project with so many added improvements is not typical for his company. "We don't do a lot of these extra projects," he says. "We do do extra work and we love to do it, but something this intensive, in terms of extra work, we don't find many places being that aggressive in terms of the upkeep and the fix up of their building."

Lipson has high praise for the project. Not only was the building able to do significant basement improvements at no cost, but it will soon generate revenue from the rental storage units. "The beauty of this whole thing is the ability to add value to the property, including quality of life [and] revenue to the building," he says. "It's hard to find ways to add revenue to the building and I think this is an excellent solution."

— Michael Gwertzman