

Client Alert

A report
for clients
and friends
of the Firm **January 2007**

Lawyer for Trump Parc Condominium Successfully Challenges City's Request for Tenants' Income Levels

When Trump Parc Condominium challenged the City of New York's tax assessment of its building at 106 Central Park South in 2006, it was met with a surprising response by the City's lawyers. Claiming that the property should be assessed as if it were subject to the laws of luxury de-stabilization, the City sought an order from the New York County Supreme Court directing Trump Parc to gather and disclose information about its residential tenants' income levels. Knowing that information, claimed the City, would allow it to properly determine the value of the condo property, given that real property tax laws require that a condo must be valued for tax assessment purposes as if it were a rental property.

But Trump Parc's lawyer, Donald Liebman, steered his client around the City's effort to discover such information and kept the condominium's challenge to its tax assessment alive. Liebman is Senior Counsel in the Real Estate Department at Proskauer Rose LLP in New York.

The City's attempt to defend its assessment as if the property would have been luxury de-stabilized was rejected by Justice Walter Tolub of the New York County Supreme Court.

Justice Tolub dismantled the City's argument on several levels, agreeing with Liebman that the City is not entitled to financial records regarding the income levels of his client's individual owners. Denying the

City's motion to vacate Trump Parc's tax assessment challenge and its request for the additional financial discovery, the court concluded that there are other, more appropriate, ways to determine the value of the condo property. "Indeed," it added, "it is very difficult to escape the conclusion that the sole purpose of this exercise is to harass the owners and tenants of condominium units with a view towards dissuading them from challenging tax assessments."

Trump Parc's challenge of the City's assessment is set to go to trial in 2007.

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