

# DAILY NEWS

## HEISMAN HOME'S REHAB

### Liberty Bonds sought for Downtown A.C.

The former home of the Heisman Trophy - shuttered since Sept. 11 - is going to be turned into a rental-apartment building.

But developer Joe Moinian, who's buying the landmarked Art Deco skyscraper on West Street - and seeking Liberty Bonds for the makeover - is embroiled in conflict with tenants of another downtown residential project he already funded with the tax-exempt bonds.

Until the terrorist attack, the Downtown Athletic Club owned the lower half of the 35-story tower just north of Battery Park. The top floors were slated for conversion to condo apartments.

After Sept. 11, the financially strapped club couldn't pay its mortgage. The owner of the top floors, real estate investor Chaim Freidman, took over the entire property, and the club looked elsewhere to rebuild.

Moinian, who's buying the building from Freidman for an undisclosed price, declined to discuss redevelopment plans for the building, which is next door to an office and residential complex he owns at 17 Battery Place.

But state Housing Finance Agency spokeswoman Tracy Oats said he applied for \$81 million in Liberty Bonds to build 277 apartments - and the agency board approved a declaration of intent, the first step

in getting bonds.

The high-powered developer - who owns more than 8 million square feet of commercial and residential buildings - is involved in city Housing Court suits and a rent strike by residents at 90 Washington St., for which he got \$82 million in Liberty Bonds. Tenants at the tower south of Ground Zero sued because the heating system and elevators didn't work, and burst pipes flooded numerous apartments.

Their lawyer, Adam Leitman Bailey, argued that Moinian shouldn't get any more Liberty Bonds, which were created to rebuild downtown after the World Trade Center's destruction.

"This is governmental money - it should be given to people who do good," he said.

Moinian said he's fixed the problems tenants complained about, and the only unfinished work at 90 Washington is the construction of the plaza. He said he shouldn't be barred from government-backed funding.

"Receiving bonds has nothing to do with landlord-tenant issues," the developer insisted. "If we had problems and neglected them, we shouldn't get more bonds. But we rectified them."

Yet in interviews at the building late last week, a dozen residents told the Daily News the heat still



Plunkett AP  
Downtown Athletic Club,  
long-time home of...



Matthews AP  
...the Heisman Trophy, will be  
turned into 277 apartments, under  
plans being blazed by critics.

doesn't work on random days - and in one apartment visited, it was not functioning that evening.

They showed the News unfinished construction in kitchens and exposed wiring in closets. A woman said she recently got shocked when she accidentally held her hand in front of an uncovered electric outlet.