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CRAIN'S
NEW YORK BUSINESS

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MOVING FORWARD
How Black businesses made it through the last year—and what's left to do **PAGE 4**

BELINDA RANDOLPH-MILLS

MAGSISI'S breast cancer surgery was postponed when hospitals shut down nonemergency procedures to fight Covid-19.

HEALTH CARE

THE PRICE OF WAITING

As patients skipped routine visits last year, diagnoses were delayed, putting them at risk and driving up the cost of care

BY MAYA KAUFMAN

To Welecia Magsisi, it looked like a white speck. To her doctor, it was ductal carcinoma in situ. But over the phone that day in March 2020, the day before the city would declare a state of emergency, Magsisi's breast cancer diagnosis just sounded like a bunch of medical jargon.

Magsisi had been conscientious about getting regular mammograms. At 74, with several surgeries behind her, the Elmhurst resident knew the importance of going to the doctor, even if nothing felt wrong. Nothing did feel wrong when she went for her annual mammogram in January 2020. Still, there was that little white dot. A biopsy showed cancer.

The cancer was slow growing and had not yet spread, so her doctor recommended a lumpectomy, a surgery that would remove the cancerous cells. She tried to make an appointment, but hospitals had just halted nonemergency surgeries like the one Magsisi needed. Instead of

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TAXES

Hotel's $11M property-tax refund could be trouble for city coffers

Other properties are also seeking relief, claiming assessment process is unfair

BY AARON ELSTEIN

In a decision that could significantly help ailing hotels while harming the city's finances, a judge last Tuesday said tax assessors substantially overvalued a Queens inn for several years before the pandemic.

The owners of the closed Courtyard by Marriott near LaGuardia Airport are now in line for a refund of more than $11 million, said an attorney for the hotel, Joel Marcus.

"This case is important for all hotel owners because the city has been overvaluing hotels for years," Marcus said.

He added several locations are seeking tax relief, including the closed Omni Berkshire Place, the InterContinental Times Square and the Residence Inn by Marriott on Sixth Avenue.

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NEWSPAPER

GOTHAM GIGS

AN ADVOCATE FOR GREEN POLICIES IN UNDERSERVED AREAS **PAGE 23**

THE LIST

New York's largest hospitals

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REFUND

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The prospect of shelling out refunds to struggling or closed hotels is nettlesome for the city, which relies on property taxes for half its tax revenue. The collections are expected to decline by more than $1 billion next year, to $29.8 billion, according to the Independent Budget Office—driven by shrinking payments from office buildings, retailers and hotels. The assessed value of hotels citywide fell by 21% in the past year, according to the Department of Finance.

$1B

AMOUNT the Independent Budget Office expects property-tax collections to decline by next year

21%

PERCENTAGE the assessed value of the city's hotels fell by in the past year, according to the Finance Department

Hotels and office towers are considered the same by New York City for property-tax purposes. Hoteliers have long argued that the system is unfair because their income streams are less stable than a typical office building's.

Nevertheless, assessments continued to rise as the number of hotel rooms in the city had soared by 73% since 2007, an increase of more than 54,000.

BLOOMBERG

Then along came the Covid-19 pandemic.

"Because of its characteristics and specific dependencies, New York City's hotel sector will take two years longer to recover than the national market," consulting firm STR predicted in a January report to the city.

Too much supply

Even before the pandemic, some hotels were struggling due to the surge in supply. Among those was the 288-room Courtyard by Marriott near LaGuardia. The hotel closed in 2018.

In the hotel's final year, the city pegged its taxable value at $25.3 million, or $10 million higher than suggested by the city's assessor. The hotel's own assessor deemed the proper amount to be $1.9 million, or more than 90% less.

Owner GCP Realty sued the city. It argued the hotel's assessment was incorrect because its appraiser compared the Marriott to similar properties, while the city's appraiser compared it to more upscale New York hotels and even those in other states.

In an opinion released last Tuesday, Judge Joseph Risi of state Supreme Court agreed that the hotel provided "substantial evidence" it had been overvalued for five years and that the city's appraisal was "defective, as it failed to adequately set forth the facts, figures and calculations to support their conclusion."

The city did not respond to requests for comment.

Marcus said hotels are now contesting their property-tax bills because they can't afford to pay their obligations.

"The thinking before was, Let's see if we can lighten the load," he said. "Now, it's a matter of life or death." ■

"NEW YORK CITY'S HOTEL SECTOR WILL TAKE LONGER TO RECOVER THAN THE NATIONAL MARKET"

A ROUNDTABLE DISCUSSION

EXPERTS WANTED
FOR OUR MIDDLE MARKET ROUNDTABLE

Crain's Content Studio's **Middle Market Roundtable** section will publish on August 30. We are looking for experts to weigh in on capital investment, cost savings and the international trade strategies that are taking shape among middle market firms. Take advantage of this unique platform to **share your insights** on this hot industry topic. Join two more thought leaders for an intimate Q&A discussion designed to share valuable insights with other industry executives.

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