

The current proposal is:

Preservation Department – Item 1, LPC-22-09135

**165-167 West 86th Street, aka 541 Amsterdam Avenue – West
Park Presbyterian Church – Individual Landmark
Borough of Manhattan**

Note: this is a Public Meeting item. No public testimony will be received today as the hearing on this item is closed

WEST-PARK PRESBYTERIAN CHURCH

165 WEST 86TH STREET

BLOCK 1217, LOT 1

LPC DOCKET # LPC-22-09135

JUNE 7, 2022

Applicant and Project Team

Roger Leaf - Chair, Administrative Commission, West-Park Presbyterian Church

Kenneth S Horn - President & Founder, Alchemy Properties

Blake Goodman - Partner, Alchemy Properties

Benjamin Charles - Development Associate, Alchemy Properties

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Dan Kaplan, FAIA - Senior Partner, FXCollaborative Architects

Michael Kyungjoon Cho, AIA - Associate, FXCollaborative Architects

Toby Snyder, AIA - Senior Associate, FXCollaborative Architects

Adam Wald, MAI - Executive Vice President, Appraisers and Planners, Inc.

Sharon Locatell, MAI, CRE, MRICS - President, Appraisers and Planners, Inc.

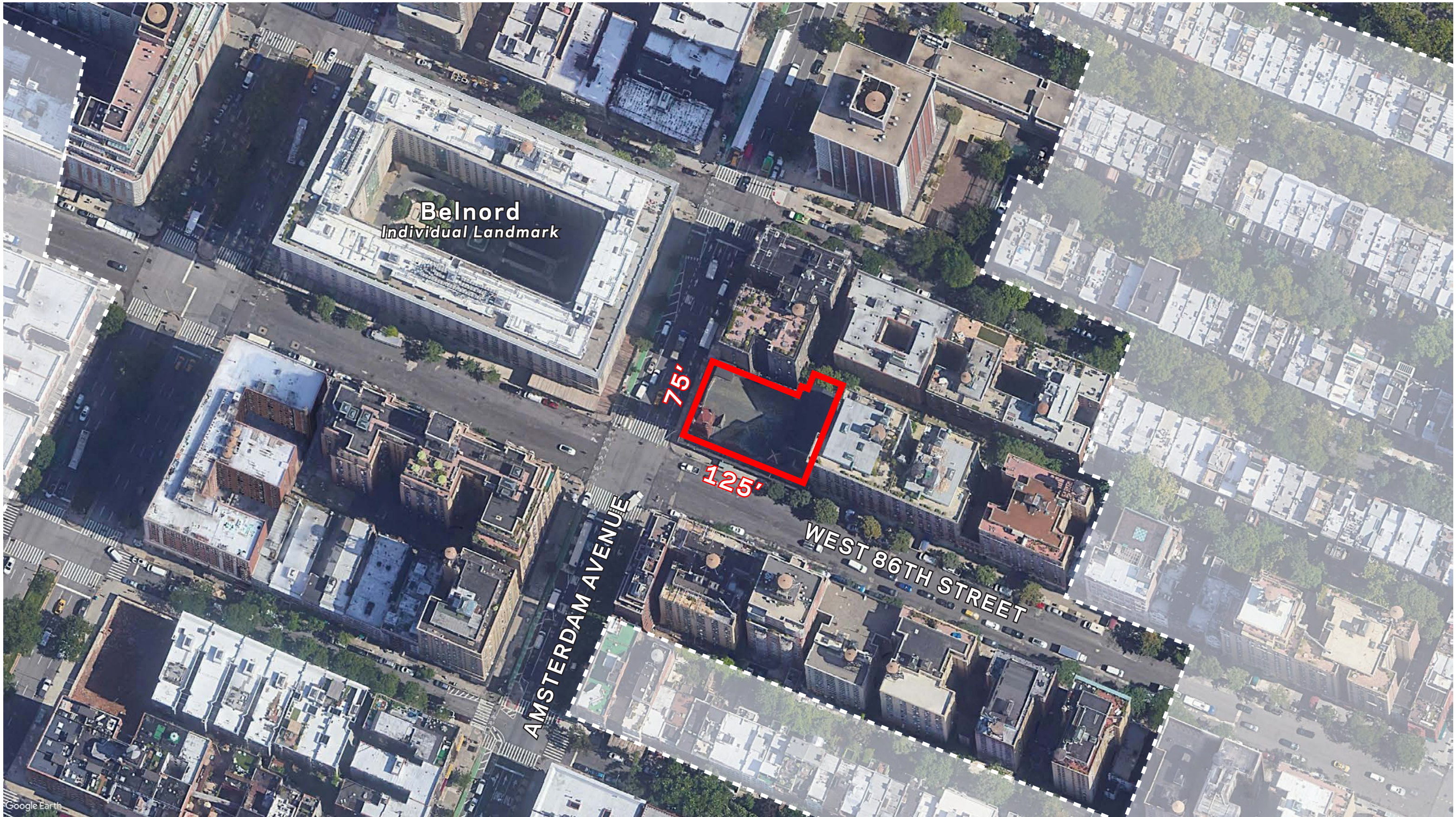
Muhammad Rahal, PE - Senior Associate, Severud Associates

Richard W. Lefever, PE - President, Facade MD

Application for a Notice to Proceed to allow for Demolition on the Grounds of Hardship

- Section 25-309(2) of the Landmarks Law sets forth the statutory standard for not profits.
- The applicable requirements are as follows:
 - The property is exempt from real property taxation.
 - The owner has entered into a bona-fide agreement to sell, which agreement is contingent on the issuance of a certificate of appropriateness or notice to proceed.
 - The improvement parcel which includes such improvement, as existing at the time of the filing of such request, would not, if it were not exempt in whole or in part from real property taxation, be capable of earning a reasonable return.
 - Such improvement has ceased to be adequate, suitable or appropriate for use for carrying out both (1) the purposes of such owner to which it is devoted and (2) those purposes to which it had been devoted when acquired unless such owner is no longer engaged in pursuing such purposes.
 - The prospective purchaser . . . (1) In the case of an application for a permit to demolish seeks and intends, in good faith either to demolish such improvement immediately for the purpose of constructing on the site thereof with reasonable promptness a new building or other facility.

Background



Belnord
Individual Landmark

75'

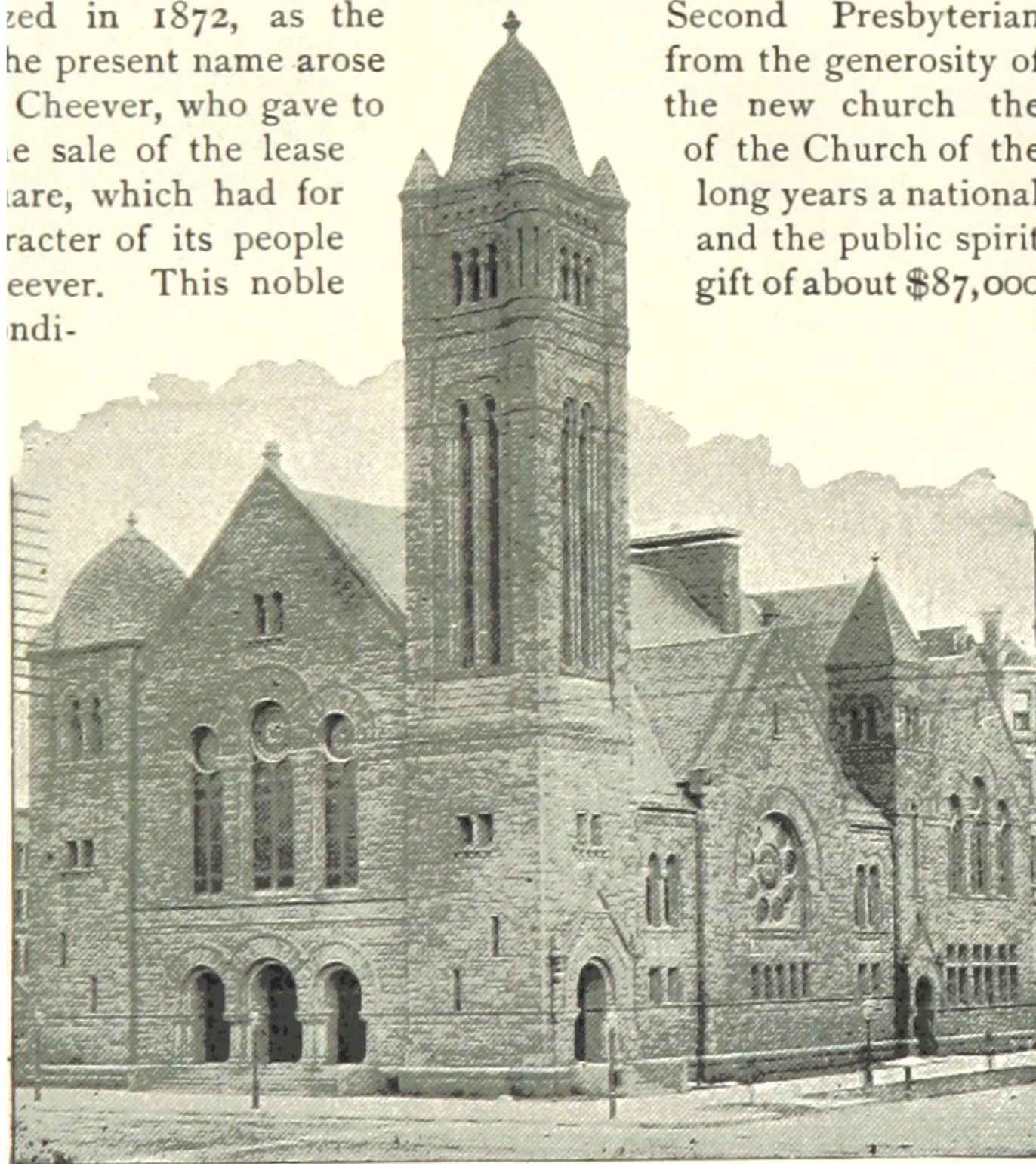
125'

AMSTERDAM AVENUE

WEST 86TH STREET

zed in 1872, as the
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Cheever, who gave to
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ever. This noble
ndi-

Second Presbyterian
from the generosity of
the new church the
of the Church of the
long years a national
and the public spirit
gift of about \$87,000



PARK PRESBYTERIAN CHURCH, AMSTERDAM AVENUE AND WEST 86TH STREET.



- ARCHITECTS

Leopold Eidlitz : Original chapel built 1883-85

Henry Kilburn : Current church and facade built 1889-90

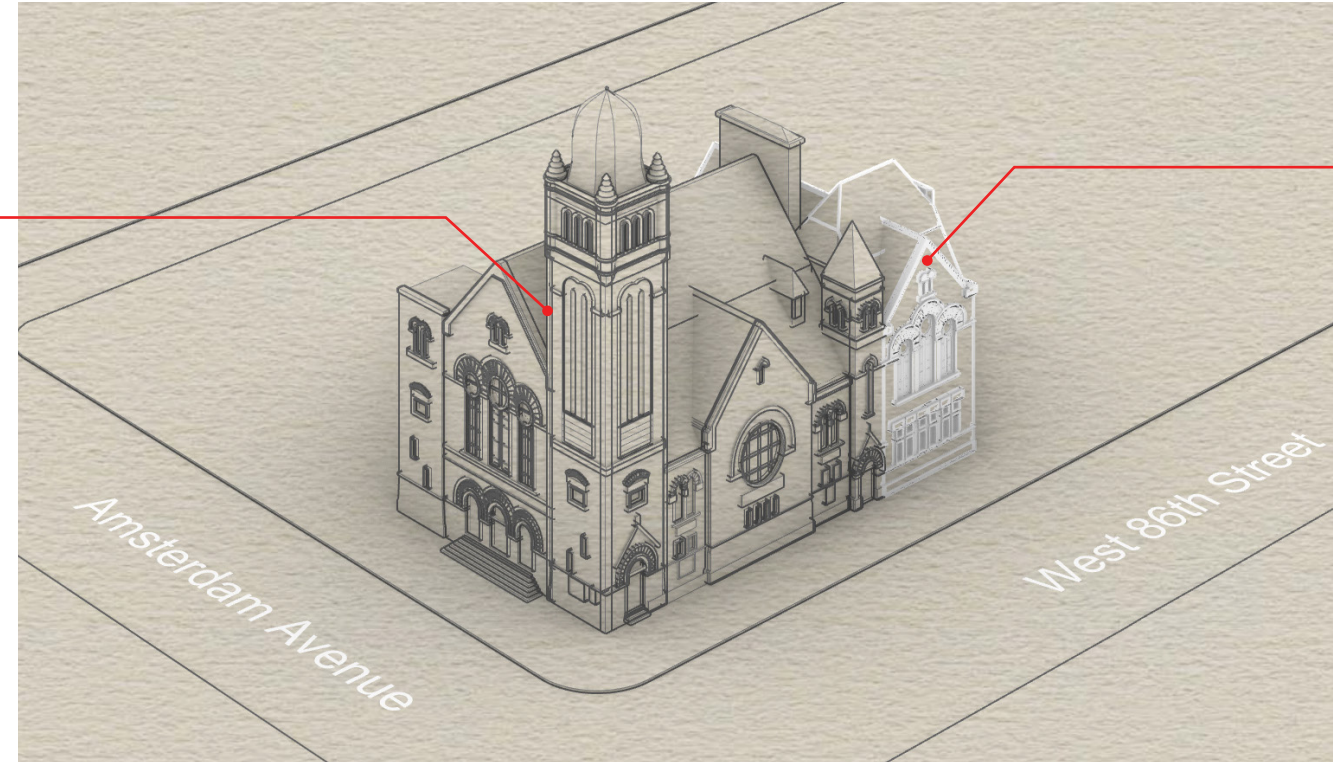
- ARCHITECTURAL STYLE

Original chapel designed as a small brick **Victorian Gothic-style chapel** on the eastern end of the site on 86th Street in 1883, and completed in 1885.

In 1889, Henry Kilburn was commissioned to design a large new church and to re-design Eidlitz's facade, creating a unified **Romanesque Revival-style** church complex.

Designated a Landmark
January 12, 2010

CURRENT CHURCH
AND FACADE BUILT
1889-90



ORIGINAL CHAPEL
BUILT 1883-85

The Church

- Once vibrant congregation has shrunk from over 200 members in the 1980's to approximately a dozen today.
- It has not had a full-time pastor since 2017.
- Since 2013, the Church spent over \$1 million to maintain the building, expending all of its financial resources. Most of the money came from the sale of the Church's manse. The Church has expended *all* of its financial resources to maintain the building, and is currently relying on the loans from the Presbytery of New York City to cover operating expenses and repair costs.
- So far in 2022, the Church has spent about \$70,000 to address urgent repairs mandated by DOB.
- No other house of worship has expressed interest in acquiring the building and taking on the responsibility for restoration and repair.

The Building

- Shortly before landmarking, the building was closed, with no heat or running water. It only reopened after a capital campaign to raise funds for a new boiler.
- In 2011, a blue-ribbon panel of restoration experts estimated that it would cost \$14.6 million (\$18.2 million in 2022 dollars) to restore the building's façade.
- Since 1993 the Church has paid over \$45,000 in DOB building fines and penalties for elevator, boiler, and façade violations. There are currently 60 open DOB violations and five OATH/ECB violations on the building.
- Sidewalk shed, installed long before landmarking, is still in place, and will be for the foreseeable future.
- Church was closed from November 2021 to February 2022 for safety concerns. The sanctuary balcony has been closed by City inspectors.
- In the last four months, the Church has received three violations from DOB relating to the condition of the church façade, which will require millions of dollars to cure.

The Center at West Park

- The Church explored a partnership with the Center because it was felt that an arts group would be more successful in raising space use income and the needed funds to restore the building.
- The Center was incorporated and began operating in the Church in 2017. It manages the building, rents space to arts groups, and leases out the sanctuary for performances and worship services.
- From 2017 to 2019, the Center paid only approximately \$2,400 per month in rent (\$1.66 per net square foot) so that it could focus on fundraising for repairs and restoration. During this time, it raised approximately \$150,000, mostly used to cover operating deficits and make minor repairs to the building.
- The funds raised by the Center have not begun to address the insurmountable funding challenges the Church faces. It has been unable to contribute any funds for repairs in 2022.

The Presbytery of New York City

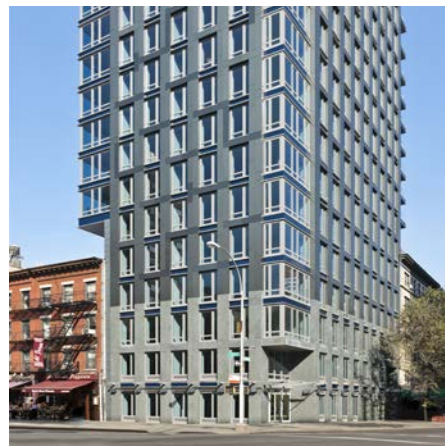
- The Presbytery of New York covers all five boroughs and includes 89 congregations and 14 worshiping communities.
- Churches under the jurisdiction of the Presbytery include three individually landmarked churches (including West Park) and twelve churches located within historic districts.
- All churches in the Presbytery are owned by their congregations, which are responsible for their upkeep.
- The Presbytery's annual budget for grants to churches for building repairs is about \$100,000, which must be allocated among all of the congregations. In 2021, the Presbytery allocated an additional \$50,000 for storm relief after Hurricane Ida.

Church Contract with Alchemy

- The Church entered into a contract with Alchemy on March 3, 2022 for the Church property, contingent on the issuance of a demolition permit.
- Under the contract, Alchemy will provide the Church with a 10,000 sf space for worship, community activities and arts programs.



TWO FIFTY WEST 81ST



303 EAST 77TH STREET



378 WEST END AVENUE



HUDSON HILL CONDO

Architects:

FXCollaborative Architects LLP

Facade Condition Specialists:

FacadeMD

Structural Engineer:

Severud Associates

Construction Manager:

Leeding Builders Group

Accessibility & Life Safety:

CCI Code Consultants

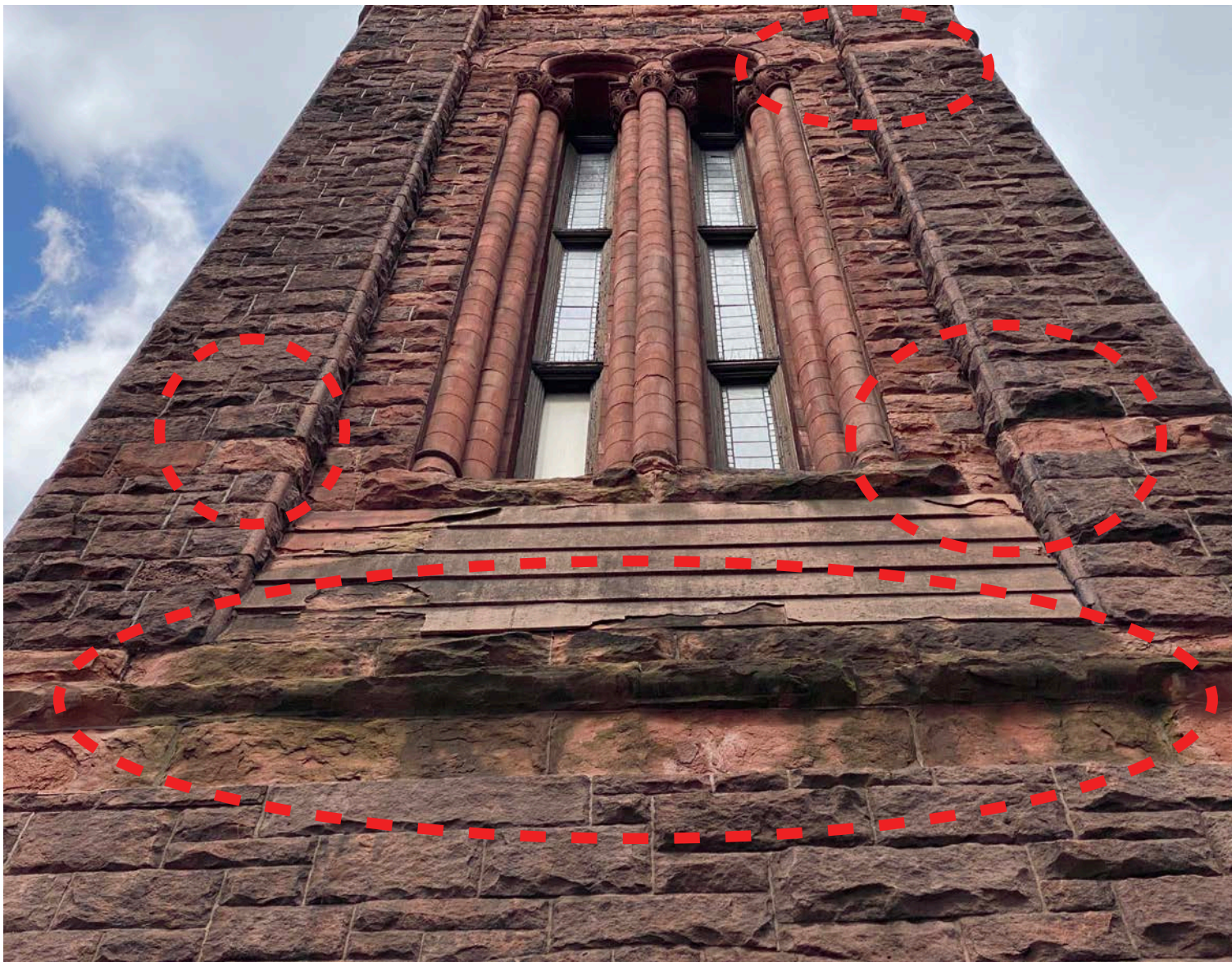
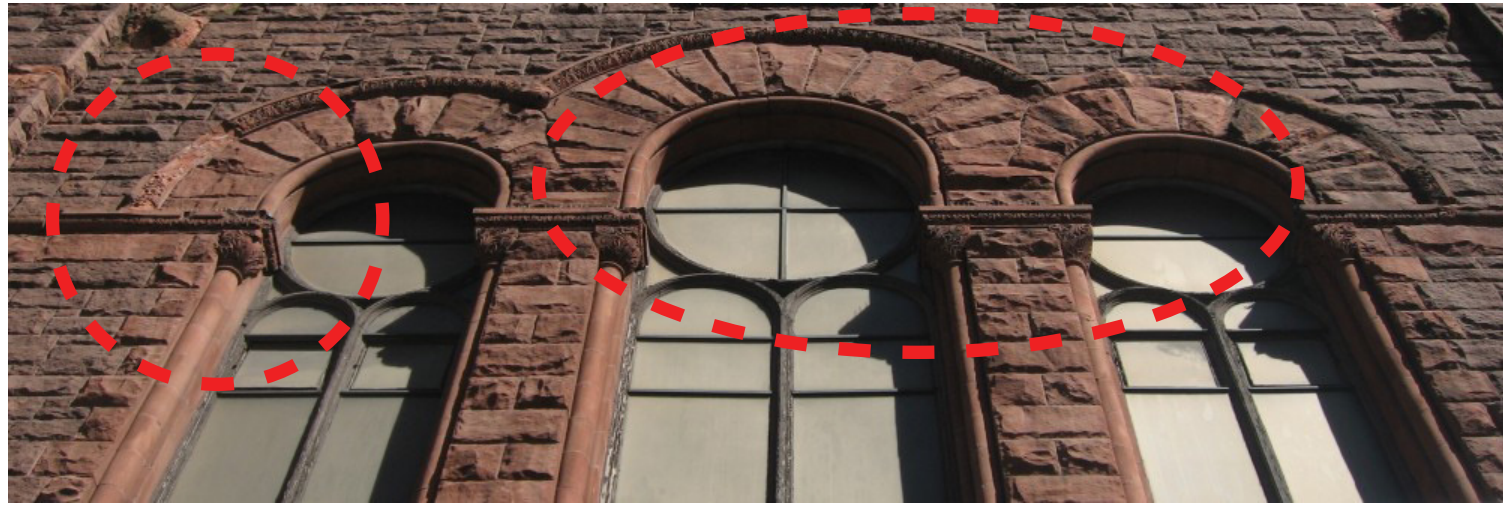
TEAM

Existing Conditions

Facade *

- Ornamental sandstone finial located at top of the West 86th Street Chapel façade at the end of the roof ridge beam is severely cracked and spalled.
- Extensive stone spalling, cracks, mortar deterioration and deteriorated windows noted throughout the building.
- Façade conditions are unsafe.
- Loose or unsafe material should be removed and the remaining masonry stabilized.

* Façade MD Report to NYC Department of Buildings dated December 2,2021











7 JUNE 2022
WEST-PARK PRESBYTERIAN CHURCH



Structural Conditions *

- Section of façade adjacent to 86th St. separated from roof by up to 4". Wall is not adequately braced against wind loads and roof and sanctuary ceilings are not adequately supported.
- Sandstone façades exhibit deterioration in varying degrees from minor to severe. Areas of cracked, hollow sounding and delaminated surface observed, Large spalls, voids pits and cracks observed throughout.



* Severud Associates Consulting Engineers, Structural Survey Report, Nov. 16, 2021

Structural Conditions (Continued) *

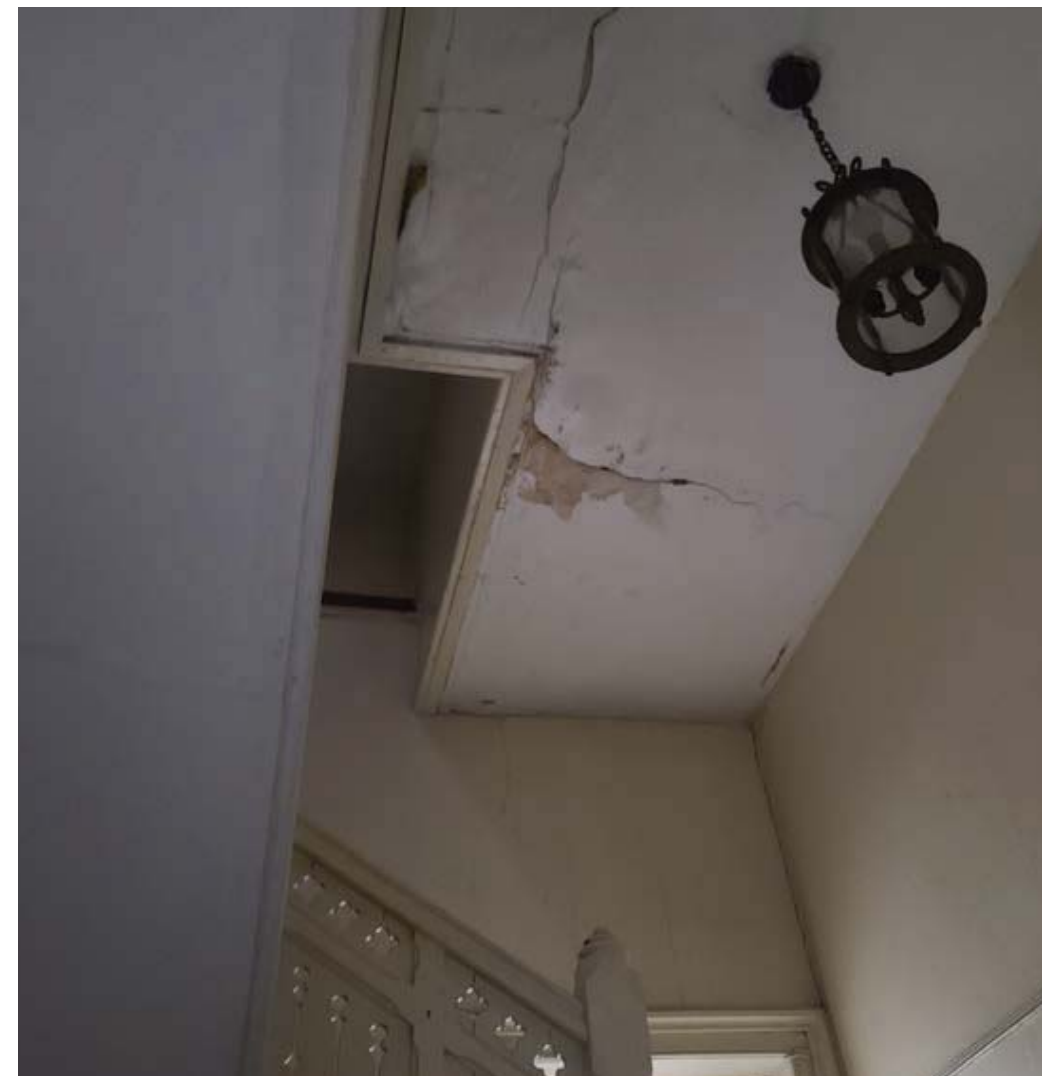
- 25% of brick on interior walls of bell tower which support the tower and serve as backup to the sandstone façade has cracked, deteriorated or missing mortar.
- Various through-cracks, areas of missing and deteriorated mortar or signs of trapped moisture observed at the exterior brick bearing walls at north and east faces. Interior signs of trapped moisture.



* Severud Associates Consulting Engineers, Structural Survey Report, Nov. 16, 2021

Structural Conditions (Continued) *

- Various cracks and water discoloration at sanctuary walls and ceilings and near wood trusses indicating excessive deformation of wood truss and/or excessive lateral movement or settlement at the truss bearing points.
- 20 foot long wide vertical and stepped crack at east end of southernmost roof truss.
- Wood header and joist supporting a stair and portion of storage room east of 86th Entrance observed to be severely cracked and deformed.
- Cracks at underside of north-east egress stair at second floor indicate excessive deflection of floor.



* Severud Associates Consulting Engineers, Structural Survey Report, Nov. 16, 2021

Accessibility *

- Amsterdam Avenue and West 86th Street entrances are not accessible.
- No accessible routes from sanctuary to any of the levels of the building including the balcony.
- No accessible restrooms.
- Interior doors, hardware and railings are non-compliant.

Note: Any new or altered element must be designed and constructed to meet 2010 ADA Standards. Change of dominant use and/or alteration costs in excess of 50% of the value of the building trigger a requirement for full ADA compliance.



* CCI Code Consultants Inc. West Park Presbyterian Church Accessibility Survey Memo 12.9.21.

Violations & Emergency Repairs

The Church has recently received three DOB violations due to the condition of the Building.

- DOB Violation #21-01507 (11/10/21) noted “sections of façade spalling severely” and “roof ridge ornamental masonry with large crack with a potential to detach and fall onto . . . public roadway.”
- DOB Violation # FEU10701XC (11/19/21) stated that “Exterior wall in state of disrepair, out of plumb and leaning” and that “the apex of the gable has displaced approximately 3”.
- DOB Summons #35644126R (01/24/22) for failure to secure building walls or appurtenances, noting that façade is spalling.

Emergency repairs undertaken by the Church since January totaled \$70,000.

Repair & Restoration Costs

Restoration, Rehabilitation and Repair Costs *

Total excludes all Soft Costs for architecture, engineering, permitting, accounting, legal and financing costs.

▪ Façade and Roof Restoration:	\$ 17,994,055
▪ Structural Repairs:	\$ 2,834,000
▪ Code Compliance:	\$ 1,533,225
▪ Interior Repairs:	\$ 9,675,635
Total Construction Costs	\$ 32,036,915
▪ Emergency Repairs:	\$70,000
▪ General Conditions:	\$4,164,799
▪ Insurance, Construction Management	\$7,095,056
▪ Construction Contingency (10% of Construction Costs)	\$3,203,692
▪ Design Contingency (10% of Construction Costs)	\$3,203,692
Total:	\$ 49,774,153

* Preliminary Budget Estimate by Leeding Builders Group, LLC issued 1/7/22

Hardship Financial Analysis

Overview of the Economic Analyses

Purpose of the Report:

Determine whether a Reasonable Return can be achieved following renovation and restoration of the property

Reasonable Return Definition:

Defined as: “net annual return of six per centum of the valuation of an improvement parcel.”¹

For this analysis, the “valuation” applicable is the “current assessed valuation established by the city which is in effect at the time of the filing”² which is the Actual Assessment of \$3,463,350.

Guiding Statutes and Precedents:

Landmark’s Law and LPC analysis and determinations in the Stahl Matter.³

1. Section 25-302(v)(1) of the Rules of the City of New York

2. Section 25-302(v)(2) of the Rules of the City of New York

3. LPC - 127519 | 429 East 64th Street and 430 East 56th Street City and Suburban Homes, First Avenue Estate

Basic Components of the Economic Analyses

- Estimate a market rent for the subject property, as renovated and restored
- Estimate stabilized operating expenses for the subject property, as renovated and restored, exclusive of repairs and maintenance costs.
 - Depreciated renovation and restoration costs are imputed as annual repairs and maintenance costs.
 - Annual costs are equal to 2% of the renovation costs, per LPC Statute and as accepted in the Stahl Matter.
- Determine stabilized Net Operating Income for the property, as renovated and restored
 - Note: Real Estate Taxes are not included as a stabilized operating expense and are built into the loaded capitalization rate
- Capitalize stabilized Net Operating Income into value using a loaded capitalization rate
- Determine if the Calculated Return achieves a 6% return above the Actual Assessment

Scenarios Studied - Base Scenario, Infill Scenario, and Multi-Family Scenario

The Analysis is comprised of three (3) development scenarios:

a) Community Facility and Commercial Use Scenario ("Base Scenario")

in which the deficiencies of the existing structure are cured and renovated for community facility use with a Net Usable Area of 18,353 sq. feet in a gross building area of 24,688 sq. feet.

b) Infill Community Facility and Commercial Use Scenario ("Infill Scenario")

in which interior sq. footage is maximized through a 3,647± sq. foot infill of the auditorium, in order to create total gross building area of nearly 28,335± sq. feet and a net usable area of 22,014± square feet.

c) Residential Multi-Family Conversion Scenario ("Multi-Family Scenario")

in which the interior sq. footage is maximized through infill construction and converted for residential use. Both structural and interior work is required to create a total of 34,517± sq. feet of gross building area and 20 apartments ranging from studios to 3-bedroom units with a total residential rentable area of 20,613± sq. feet.

Conclusion: Under all three (3) scenarios, no positive return is achieved

Base and Infill Scenarios
**Overview of Comparable Lease Data -
Commercial and Community Facility Leases**

- Six (6) recent leases and two (2) active listings all located in Manhattan and one (1) lease located in Brooklyn Heights
- Uses include department of education, religious school, church, museum and nightclub
- Net effective taking rents range from \$32.52 per square foot to \$103 per square foot. Eight (8) of the nine (9) comparable rents range from \$32 to \$58 per square foot. The outlier rental comp is an entertainment venue in Times Square.
- Concluded market rent of \$50.00 per square foot net effective rent across the entire property for both the **Base Scenario** and the **Infill Scenario**

Base and Infill Scenarios

Comparable Community Facility and Commercial Leases



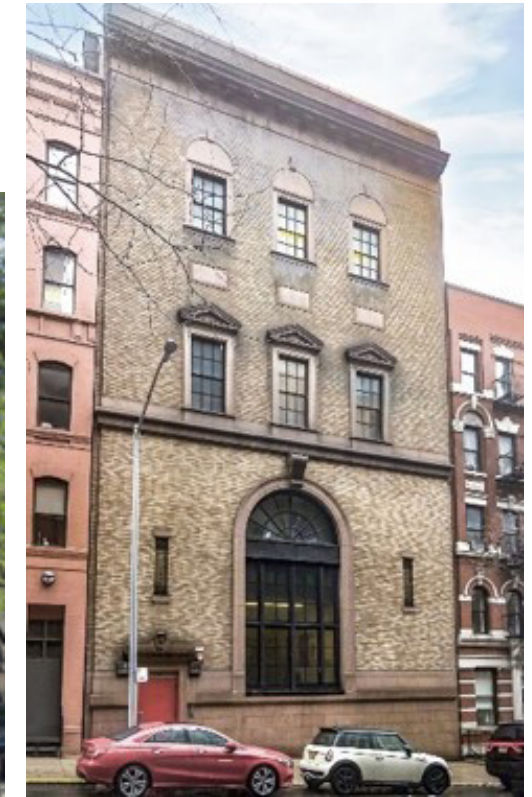
1157 LEXINGTON AVENUE



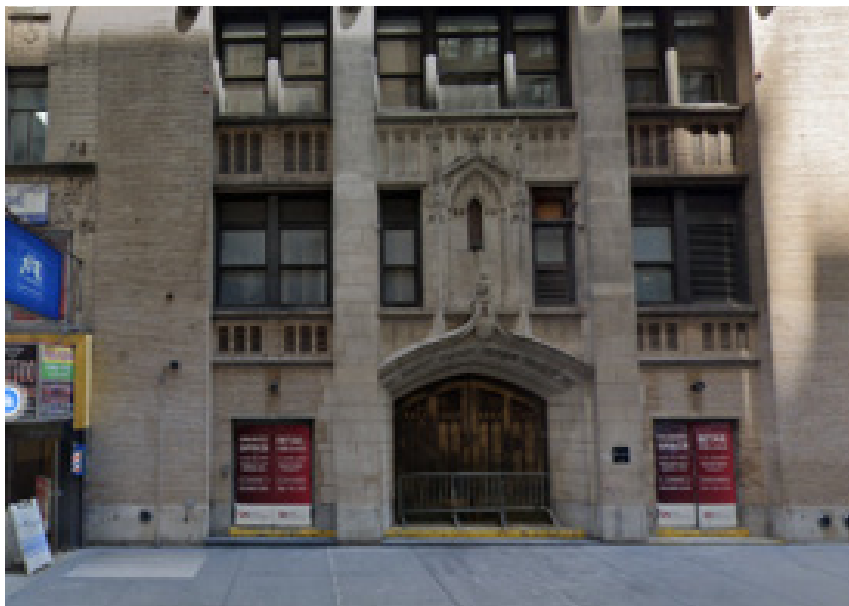
50 MONROE PLACE



417 WEST 57TH STREET



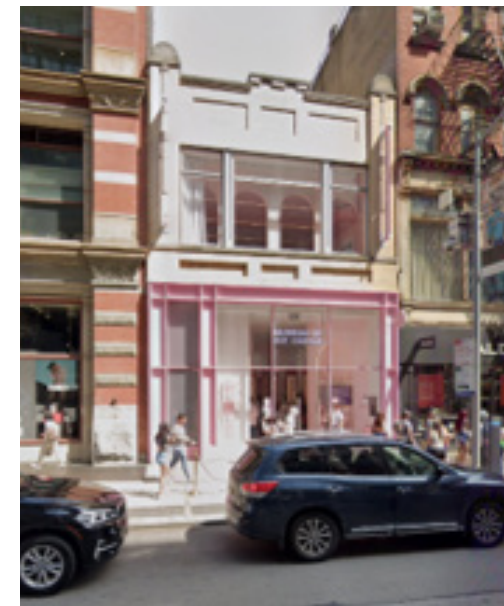
215 EAST 94TH STREET



135 WEST 41ST STREET



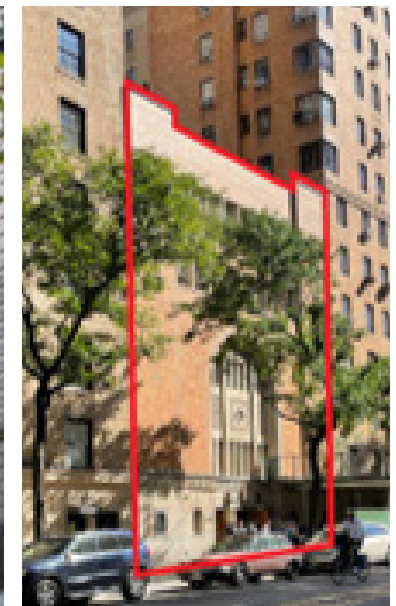
12 WEST 12TH STREET



558 BROADWAY



4 WEST 76TH STREET



15 WEST 86TH STREET

Base and Infill Scenarios
Income and Expenses - Exclusive of Real Estate Taxes

Potential Space Use		Base Scenario	Infill Scenario
Rentable Building Sq. Ft.		18,353	22,014
Rent PSF		\$50.00	\$50.00
PGI		\$917,650	\$1,100,700
Less: Vacancy and Collection Loss @ %		5.0%	5.0%
Less: Vacancy and Collection Loss @ \$		(\$45,883)	(\$55,035)
Effective Gross Income		\$871,768	\$1,045,665
Expenses			
Insurance PSF @	\$1.00	\$18,353	\$22,014
Professional Fees p/annum @	\$5,000	\$5,000	\$5,000
Utilities		Tenant	Tenant
Payroll	None	\$0	\$0
Repairs and Maintenance	Tenant	\$0	\$0
Structural Repairs PSF @	\$0.50	\$9,177	\$11,007
Management and Leasing % EGI @	6.00%	\$52,306	\$62,740
<i>Expenses BEFORE Amortized Dev Costs and RE Taxes</i>		\$84,836	\$100,761
NOI BEFORE Amortized Dev Costs and RE Taxes		\$786,932	\$944,904
Less: Amortized Development Costs		(\$1,095,129)	(\$1,142,114)
Net Operating Income (w/out Real Estate Taxes)		(\$308,197)	(\$197,210)

Base and Infill Scenarios
Depreciation Calculation
Renovation Costs

Annual Depreciation Allowance for Renovation:
 2% of Total Costs, plus the valuation of the improvements

Total Costs:
 \$49,774,153 plus an estimated \$100 per sq foot for tenant fit-out for a total of \$51,609,453

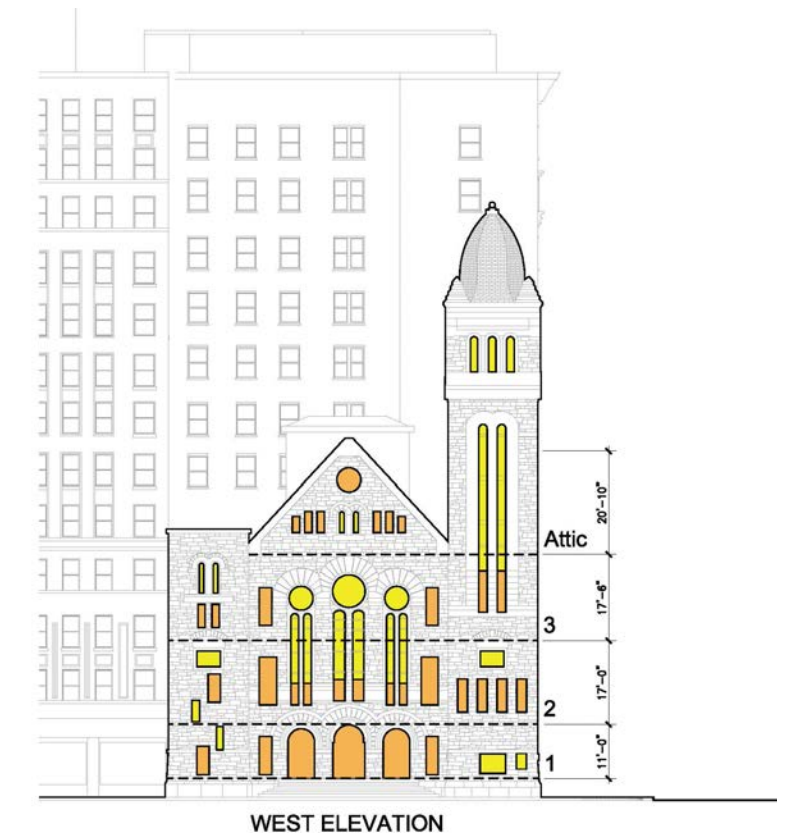
Valuation of the Improvements:
 Equivalent to the improvement assessment of \$3,147,000

Depreciated Development Cost Calculation			
Scenario		Base	Infill
Assessed Value of Subj Building Exclusive of Land (full market value)		\$3,147,000	\$3,147,000
Projected Renovation Cost (full cost)		\$51,609,453	\$53,958,710
Total		\$54,756,453	\$57,105,710
Annual Depreciation @	2.0%	\$1,095,129	\$1,142,114

Multi-Family Scenario

Overview of Comparable Data

- The Multi-Family conversion is proposed to be comprised of 20 units spread over the ground floor, second floor, third floor and attic
- The unit mix is comprised of
 - Five (5) studio units
 - Three (3) one-bedroom units
 - Two (2) two-bedroom units
 - Five (5) two-bedroom + den units
 - Five (5) three-bedroom units
- This analysis references market studies prepared by Douglas Elliman and CoStar
- We researched comparable rentals for buildings deemed competitive for the proposed project in the Upper West Side relying on renovated elevator buildings



- Legend
- Legal Windows with limited openings
 - Proposed New Windows
 - Floors

Multi-Family Scenario
Overview of Comparable Data

Statistical Summary of Rent Projections

Unit Type	# of Units	Min Rent	Max Rent	Avg Rent	Avg Rent PSF
Studio	5	\$3,300	\$3,900	\$3,580	\$70.54
1	3	\$4,250	\$4,700	\$4,517	\$65.61
2	2	\$6,200	\$6,400	\$6,300	\$69.74
2+Den	5	\$6,500	\$7,400	\$7,060	\$73.97
3	5	\$7,500	\$12,000	\$9,280	\$77.75
Totals	20			\$6,288	\$73.21

Multi-Family Scenario

Income and Expenses - Exclusive of Real Estate Taxes

Potential Space Use	Multi-Family	
Rentable Residential Sq. Ft.		20,613
Total # Residential Units	p/ Mo.	20
Potential Gross Income - Apartments	\$6,288	\$1,509,000
Potential Gross Income - Amenity and misc income	\$200	\$48,000
Total Potential Gross Income		\$1,557,000
Less: Vacancy and Collection Loss @ %		4.0%
Less: Vacancy and Collection Loss @ \$		(\$60,360)
Effective Gross Income		\$1,496,640
<i>Per Unit / Mo.</i>		<i>\$6,236</i>
<i>Per RSF - Annual</i>		<i>\$72.61</i>
Expenses	p/unit	Annual
Insurance Per Unit @	\$1,000	\$20,000
Utilities Per Unit @	\$1,500	\$30,000
Payroll p/annum @	\$5,000	\$100,000
Turnover and Cleaning Per Unit @	\$1,000	\$20,000
Service Contracts (elevator, virtual doorman)		\$12,500
Professional Fees p/annum @		\$7,500
Misc. and amenity operating expenses		\$10,000
Management and Leasing % EGI @	5.00%	\$74,832
Expenses Before Amortized Dev Costs and RE Taxes		\$274,832
<i>Expenses Per Unit/Month - Before Dev. Costs and RET</i>		<i>\$13,742</i>
<i>OpEx Ratio - Before Dev. Costs and RET</i>		<i>18.36%</i>
NOI BEFORE Amortized Dev Costs and RE Taxes		\$1,221,808
Less: Amortized Development Costs		(\$1,271,114)
Net Operating Income (w/out Real Estate Taxes)		(\$49,306)

Multi-Family Scenario
Depreciation Calculation
Renovation Costs

- **Annual Depreciation Allowance for Renovation:**
2% of Total Costs, plus the valuation of the improvements

- **Total Costs:**
\$60,408,701 for residential conversion costs

- **Valuation of the improvements:**
Equivalent to the improvement assessment of \$3,147,000

Depreciated Development Cost Calculation	
Scenario	Multi-Family
Assessed Value of Subj Building Exclusive of Land (full market value)	\$3,147,000
Projected Renovation Cost (full cost)	\$60,408,701
Total	\$63,555,701
Annual Depreciation @	2.0% \$1,271,114

Summary of Conclusions

Due to the lack of positive net incomes, the reasonable return analysis is unable to be completed. In all three (3) scenarios, there is no positive return, and do not meet the Reasonable Return threshold, as defined in N.Y.C. Admin. Code § 25-302.

A Reasonable Return, as defined, **can not be achieved** in any of the scenarios. A summary of the conclusions is presented below:

INCOME APPROACH SUMMARY			
Scenario	Base	Infill	Multi-Family
Net Operating Income - Subtotal	\$786,932	\$944,904	\$1,221,808
Less: Depreciated Costs	(\$1,095,129)	(\$1,142,114)	(\$1,271,114)
Net Operating Income	(\$308,197)	(\$197,210)	(\$49,306)

*We note that the above Net Operating Income does not include any real estate taxes as an expense.

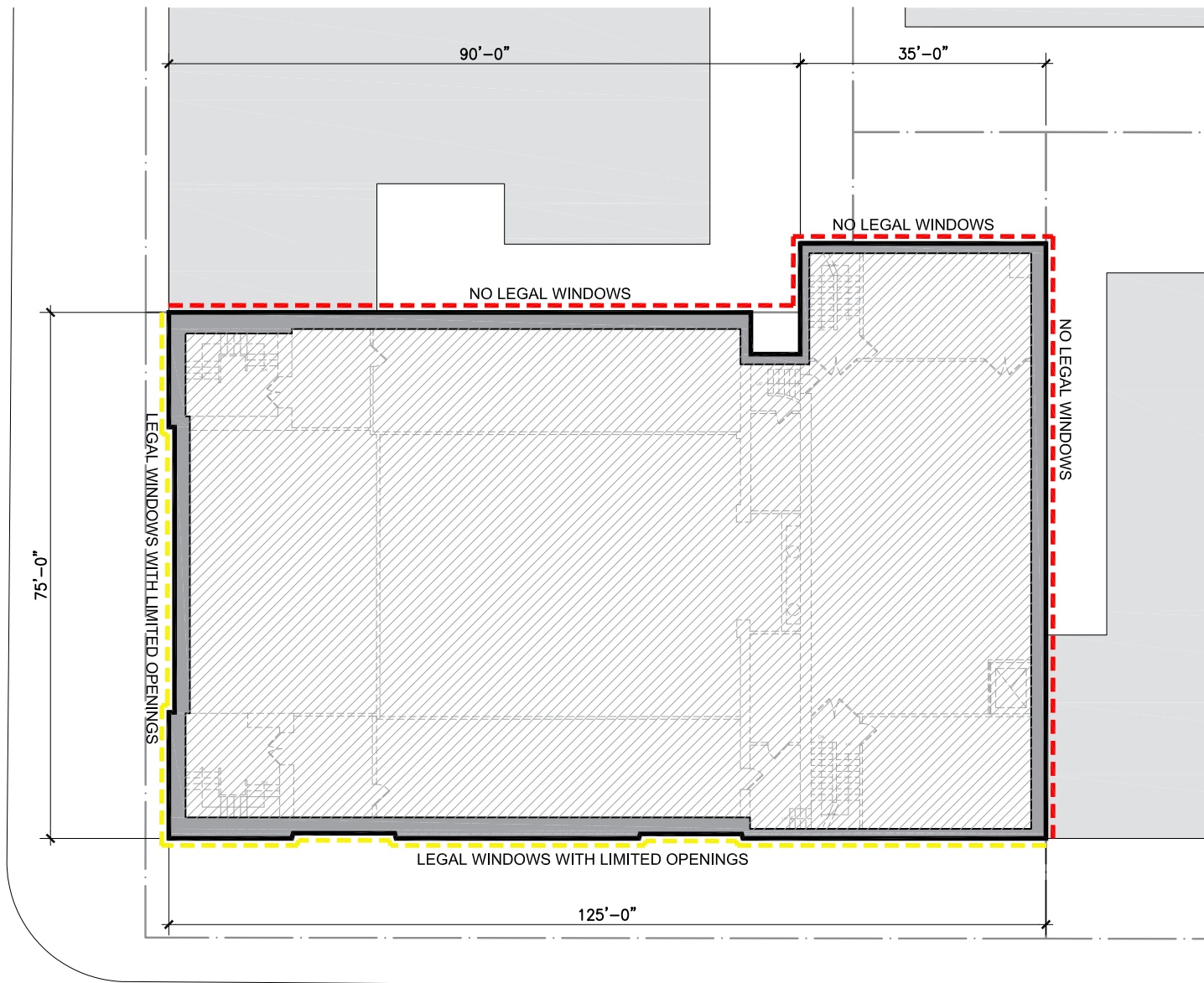
Residential Conversion and Partial Demolition Alternatives

Scenario 1

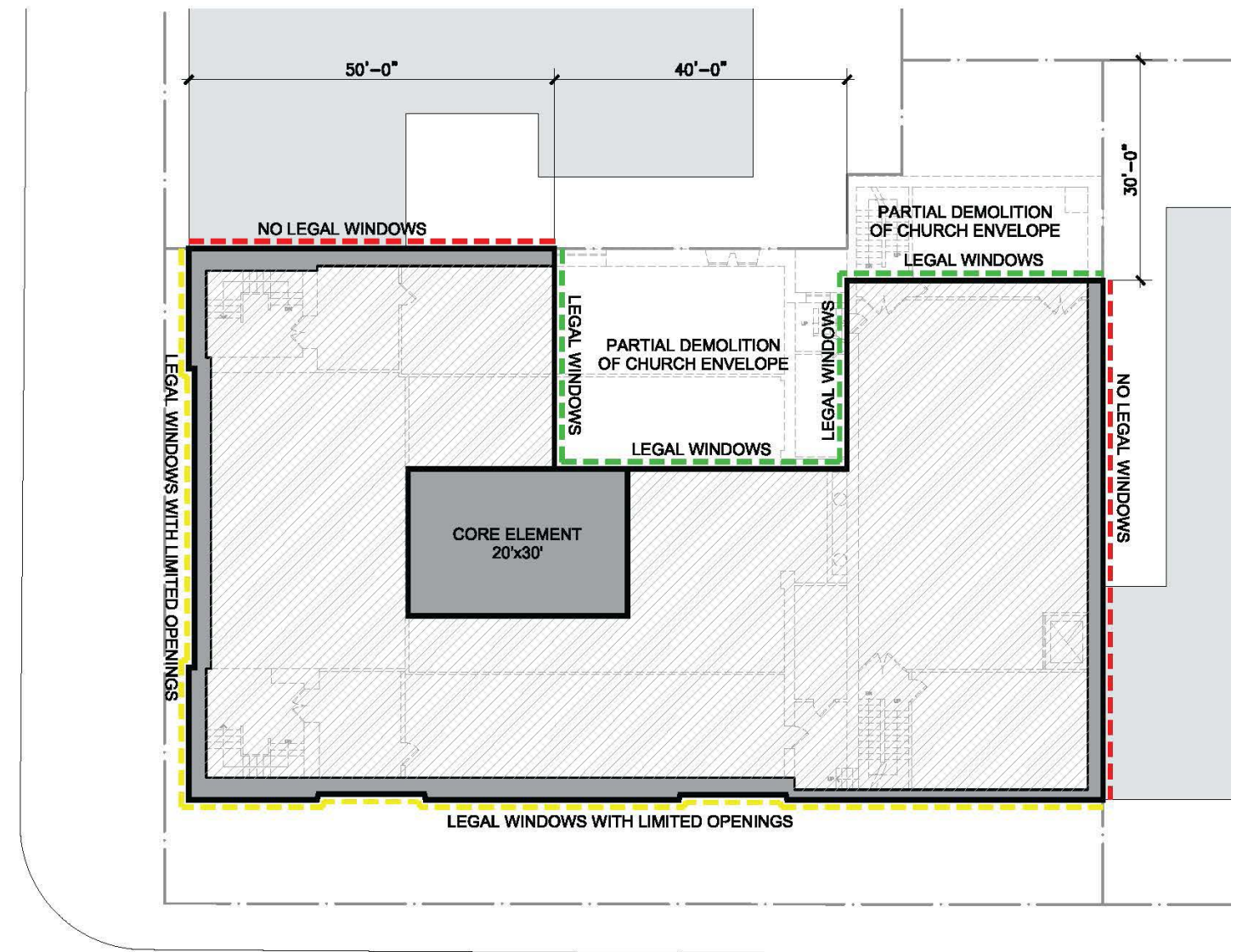
Convert existing buildings
to residential use

Scenario 1

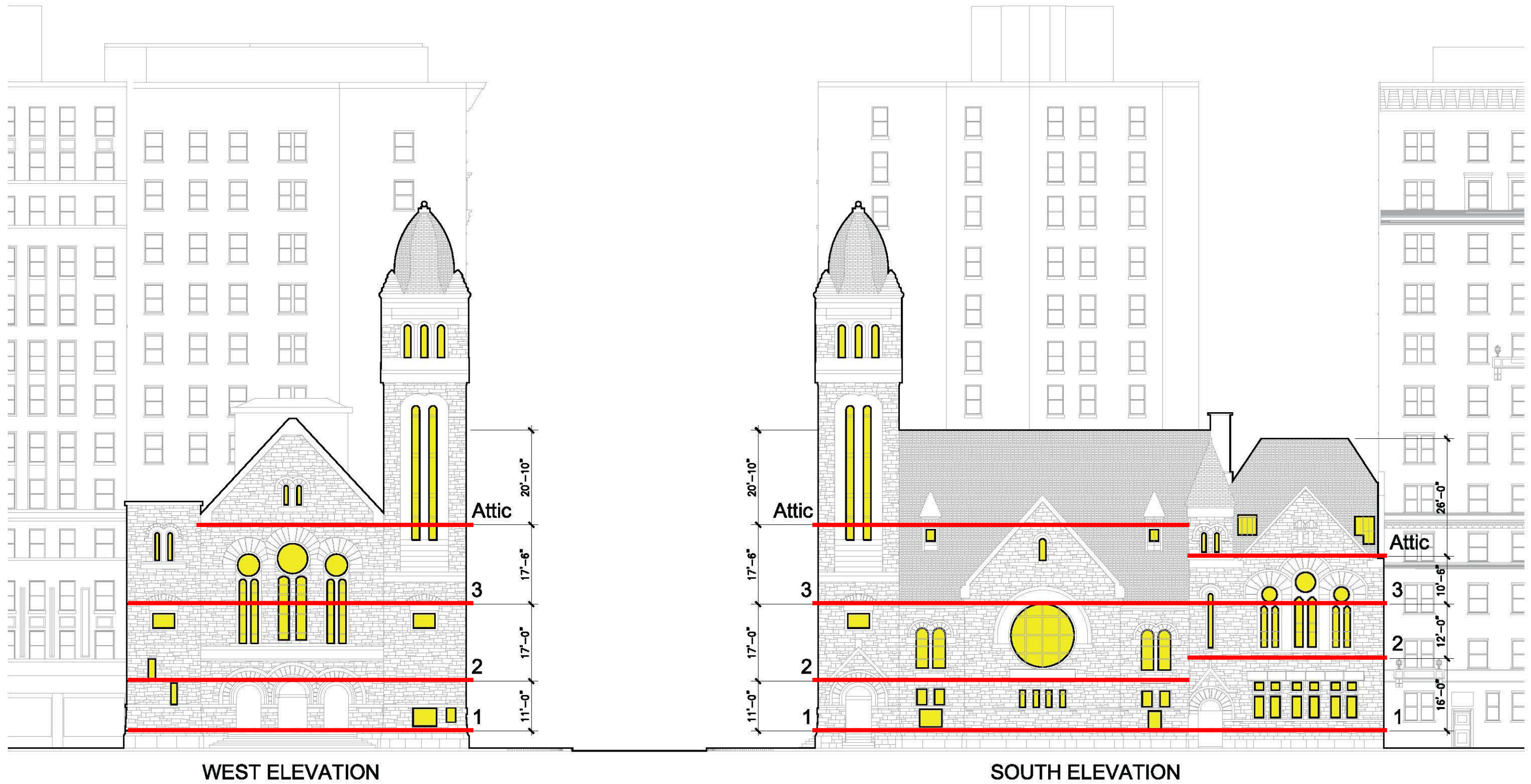
- A new Inner Court carved out of existing building for “Legal Windows”
- The existing facade will most likely need to be completely replaced.
- Existing internal structure to be replaced with new fireproof concrete structure.
- Four new floors added to align with existing windows.
- Existing windows make up roughly 10% of building’s facade and are irregularly spaced.
Contemporary residential buildings are typically in the 40% range.
- It is unlikely that LPC would approve the addition of new windows.
- Existing stained glass to be replaced with clear.
- Sub-par resulting floor area with almost no existing fabric remaining.



Plan showing extent of "Legal Windows"



Plan with Required Courts and Yards



Scenario 1 Existing Fenestration & Proposed New Floors



Scenario 1

Existing & Proposed New Fenestration & Proposed New Floors

Scenario 2

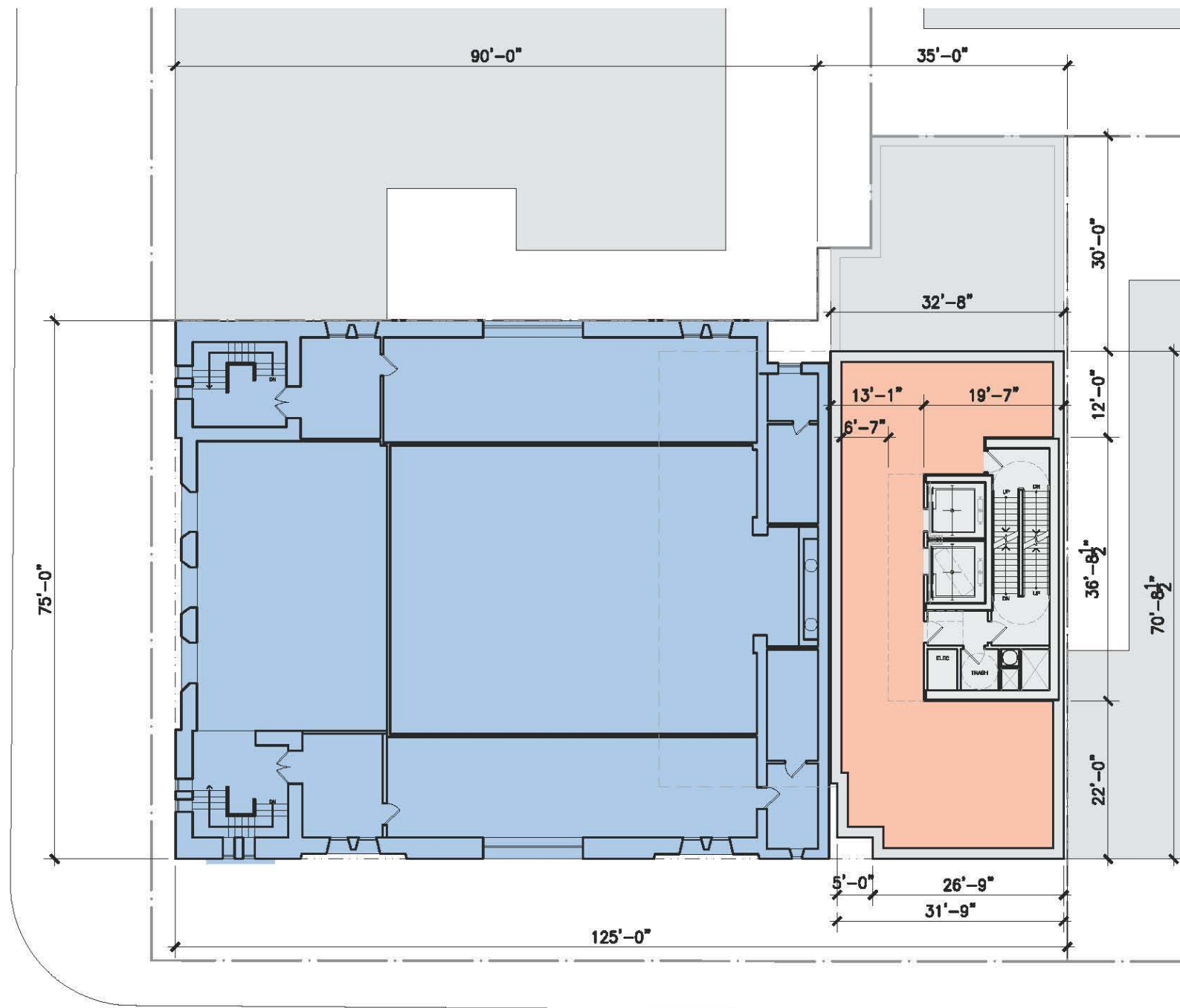
Demolition Parish House

Construct new residential building

Renovate Sanctuary as community facility

Scenario 2

- Parish House demolished.
- New residential building constructed in its place and cantilevers over sanctuary.
- Sanctuary renovated and used as a community facility.
- New residential building would be costly and complex to construct and would yield small, inefficient floor plans.
- The Existing facade will most likely need to be completely replaced.
- Utilizes only a quarter of the site's allowable area.



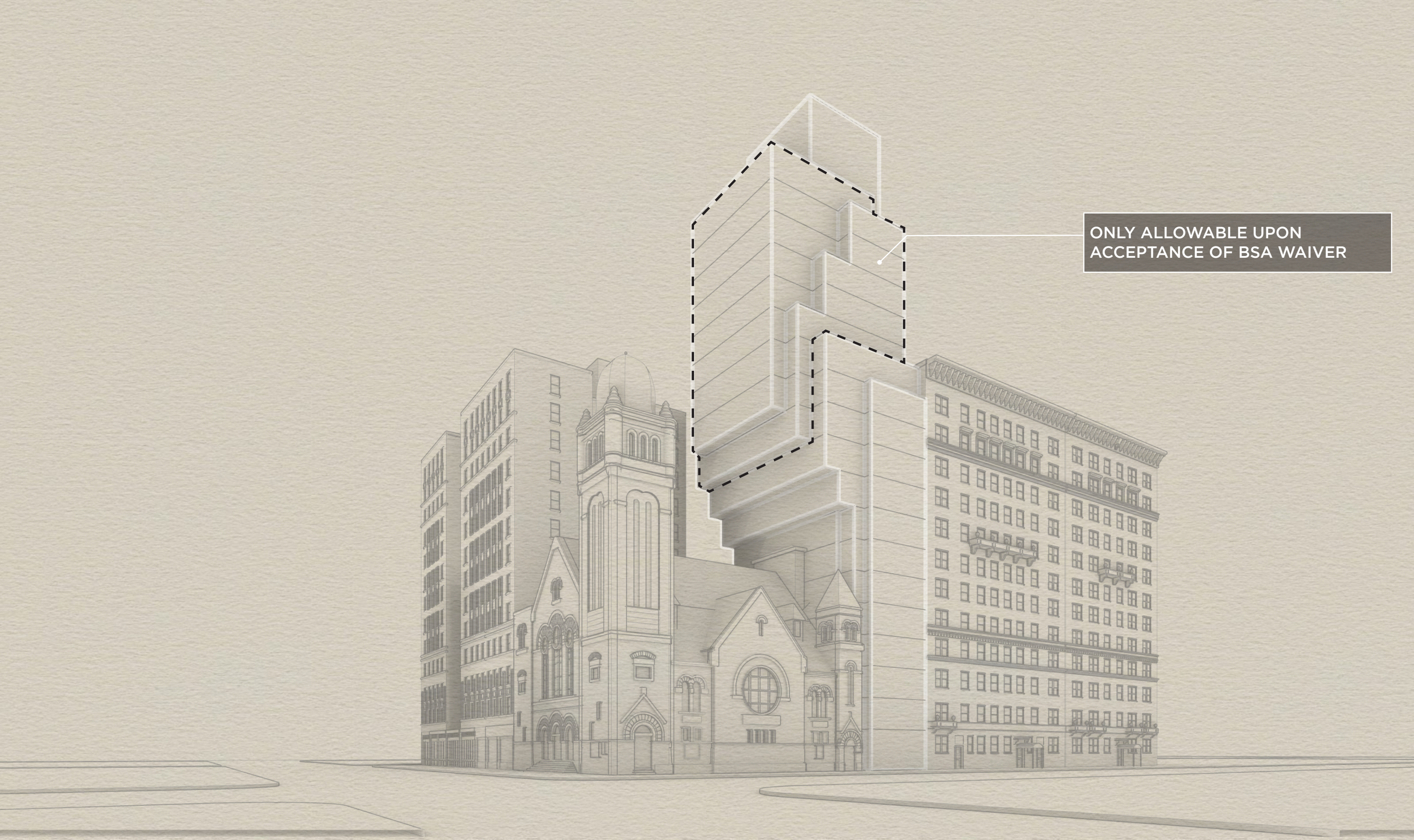


SOUTH ELEVATION



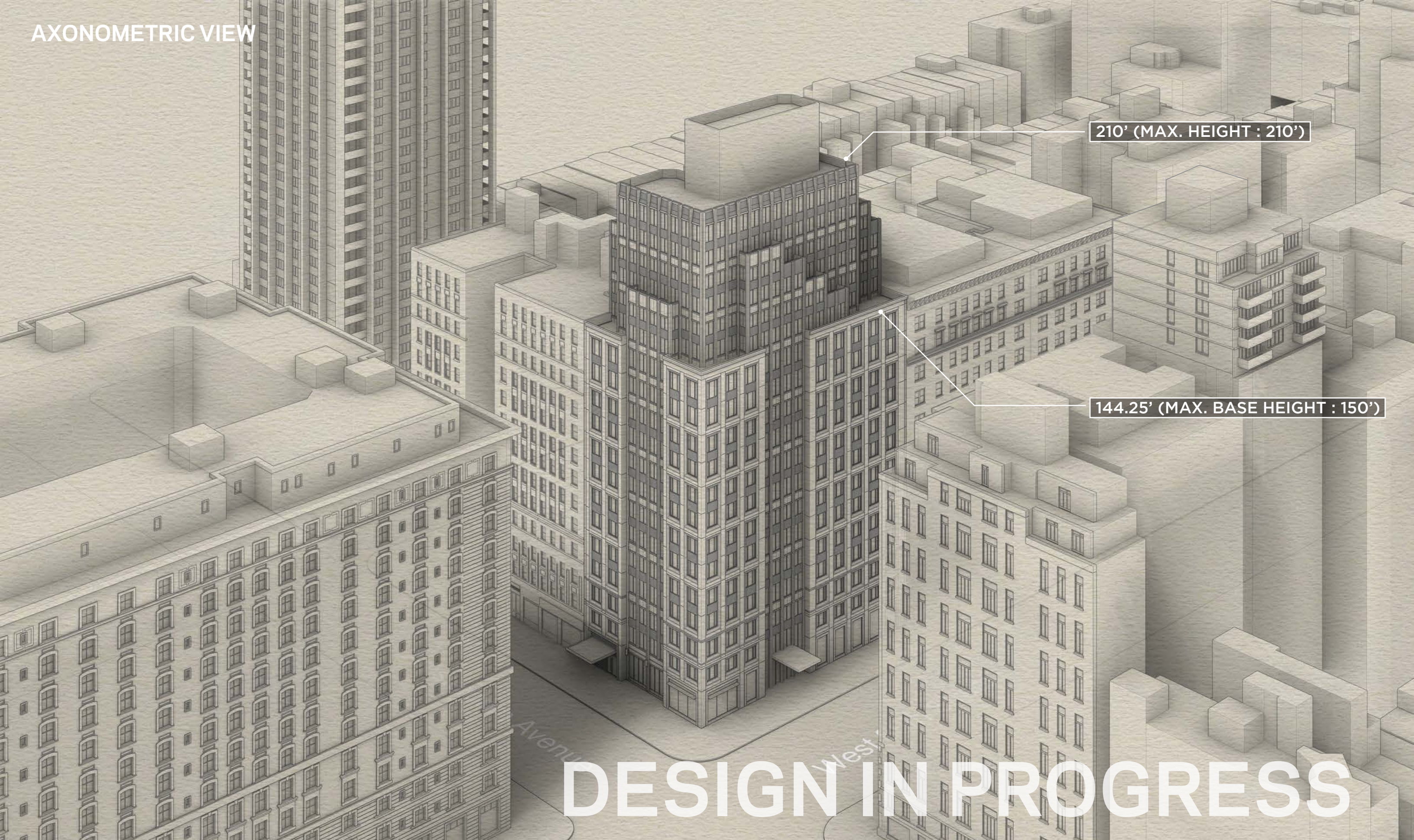
WEST ELEVATION





ONLY ALLOWABLE UPON
ACCEPTANCE OF BSA WAIVER

Proposed Building



210' (MAX. HEIGHT : 210')

144.25' (MAX. BASE HEIGHT : 150')

DESIGN IN PROGRESS

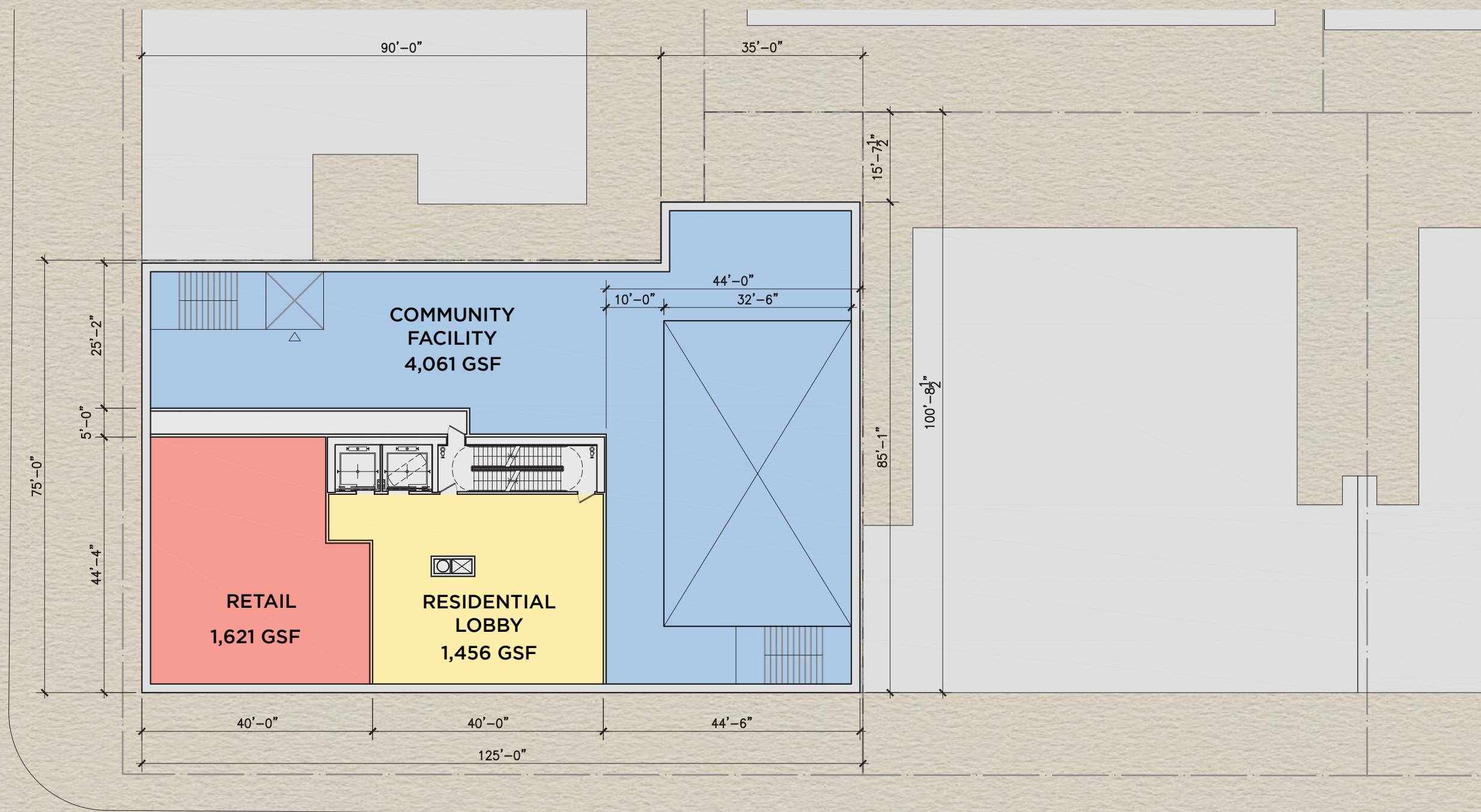




DESIGN IN PROGRESS



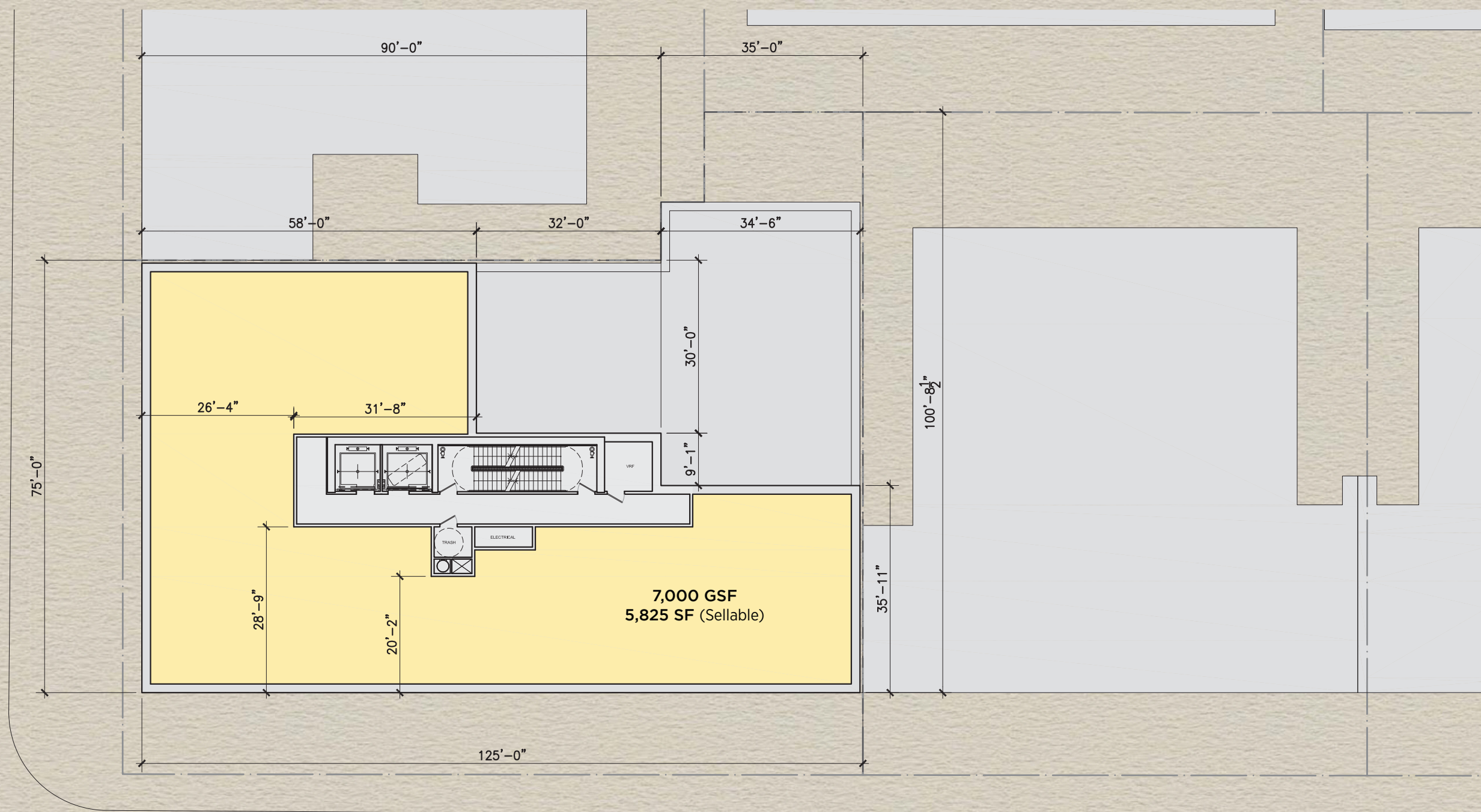
AMSTERDAM AVENUE
(100' - WIDE STREET)



WEST 86TH STREET
(100' - WIDE STREET)

DESIGN IN PROGRESS

AMSTERDAM AVENUE
(100' - WIDE STREET)

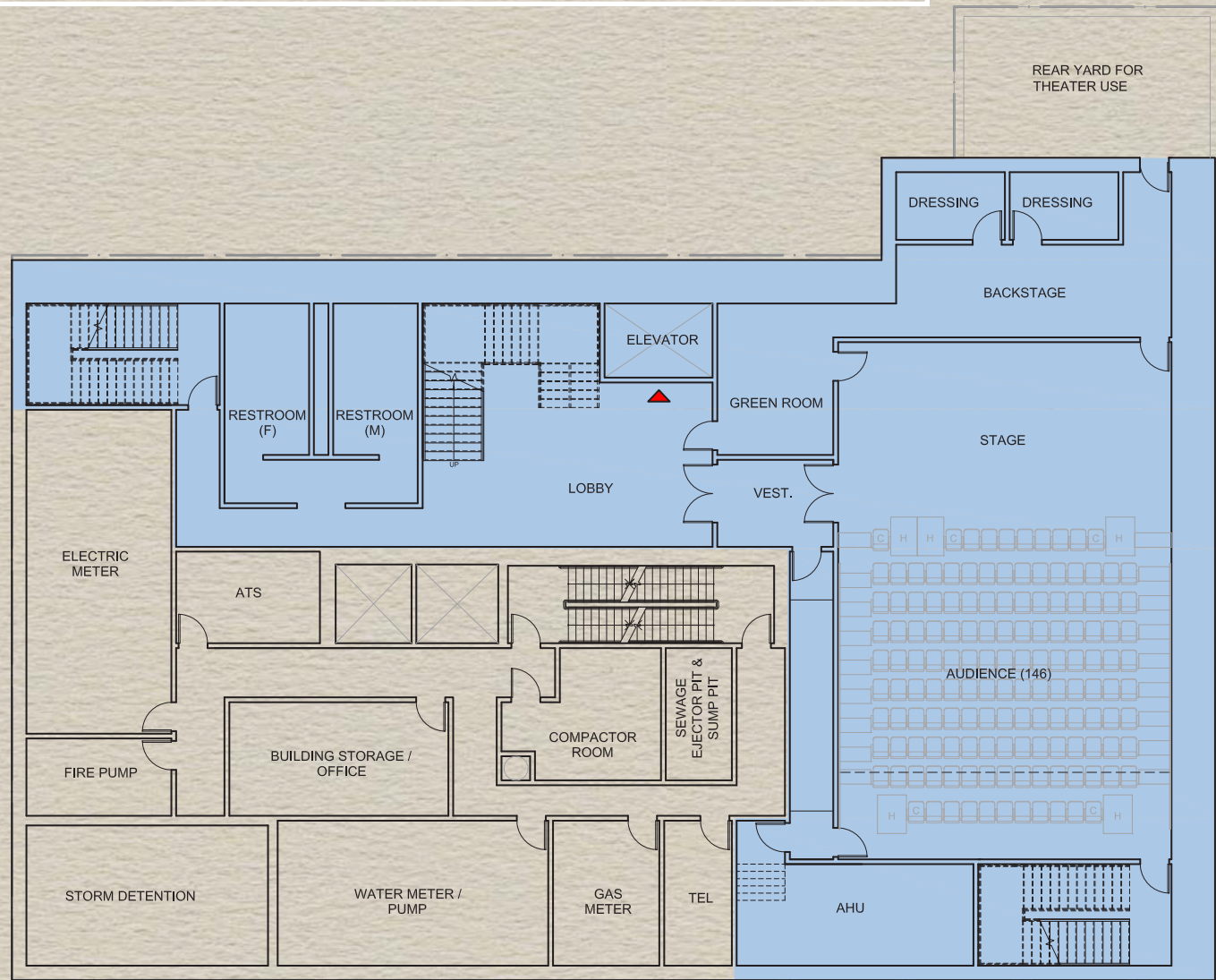


WEST 86TH STREET
(100' - WIDE STREET)

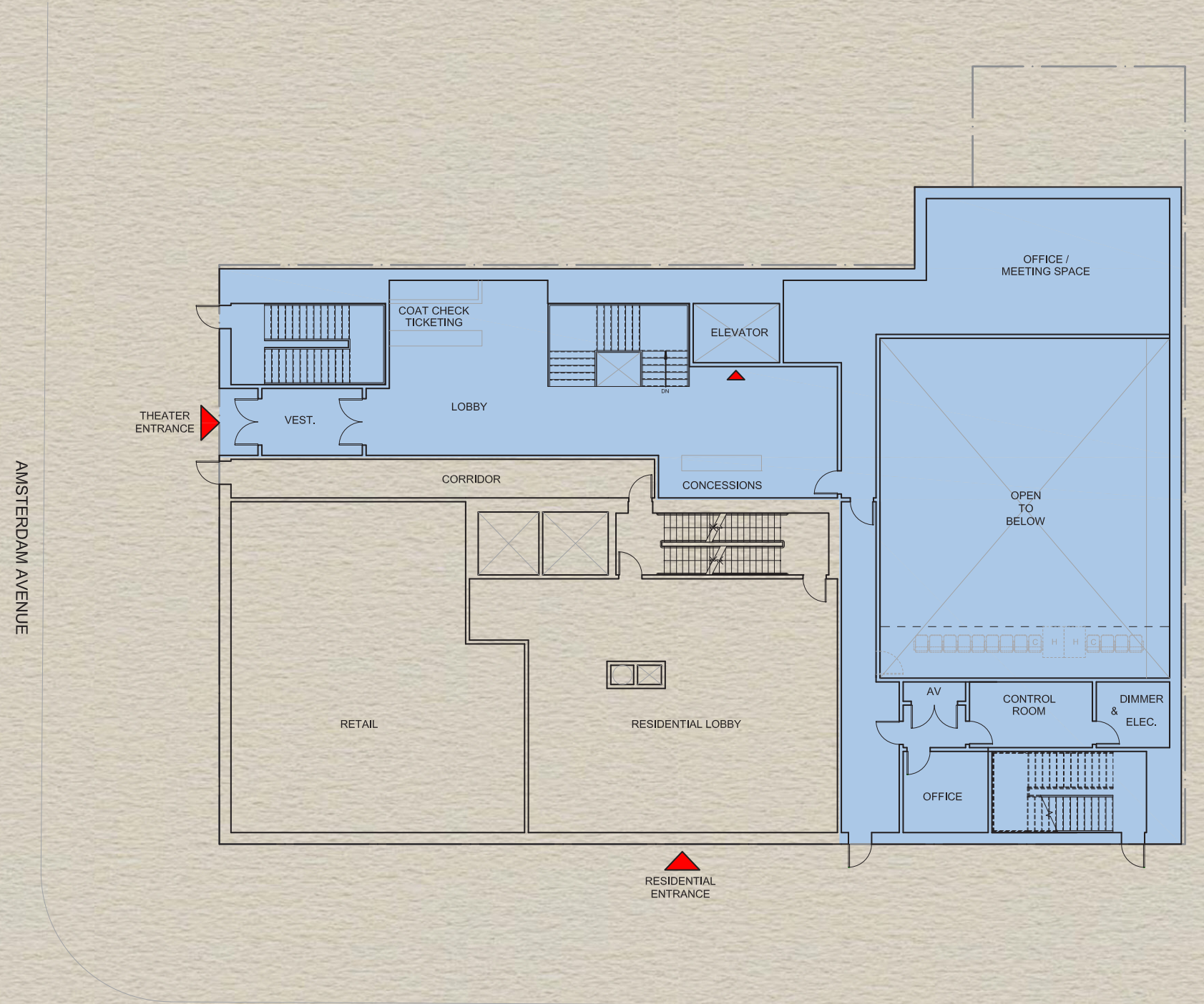
DESIGN IN PROGRESS

BLACK BOX THEATER (SEATING CAPACITY: 146)

General Note: plans are preliminary and conceptual in nature and are subject to change. In addition, eventual structural elements, including columns are not shown on these plans.



CELLAR: 6,099 SF



GROUND FLOOR: 4,100 SF

WEST 86TH STREET

DESIGN IN PROGRESS



**Center for Architecture,
536 LaGuardia Place**



**Irish Repertory Theatre
132 W 22nd St**

Discussion & Questions



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July 15, 2022

By Electronic Submission

Sarah Carroll
Chair, Landmarks Preservation Commission
Municipal Building
One Centre Street, 9th Floor North
New York, NY 10007

Re: West-Park Presbyterian Church
165 West 86th Street, Manhattan (Block 1217, Lot 1) ("Property")
Application pursuant to NYC Administrative Code § 25-309 (2)

Dear Chair Carroll:

I am submitting this letter in connection with the above-referenced application by the West-Park Presbyterian Church (the "Church") for a Notice to Proceed to demolish the Church's building at 165 West 86th Street (the "Building") on the grounds of financial hardship. This letter and accompanying materials respond to certain comments made during the Commission's public hearing on June 14, 2022 and in certain written submissions made by opponents to the application. The topics covered in the attached response to comments include the following:

- I. Building conditions: response to criticism of the building conditions reports and cost estimates submitted by the applicant's consultants.
- II. Statutory findings: further discussion of why the Church's building has ceased to be adequate for carrying out its charitable purposes, why the Church is entitled to a hardship determination, and a discussion of why the "judicial test" is not applicable to this application.



- III. Reasonable Return: responses to the financial analysis submitted by David Finehirsh, commissioned by Hiller, P.C. on behalf of The Center at West Park, and to questions about the use of historic tax credits.

In particular, I wish to call your attention to the analysis of the condition of the north and south walls of the Building, prepared by Krypton Engineering, which finds the walls to be leaning outward by up to eight inches. The Church commissioned this analysis in the course of its further investigation of the Building in response to comments and questions about the conditions reported in the Church's initial application. This condition is serious and potentially dangerous. The Church is studying solutions, and has installed monitoring devices on the north and south walls. Krypton Engineering has also been engaged to measure the deflection of the major trusses supporting the roof of the Building. It is important to note that the cost to address these conditions were not included in our initial cost estimate to address structural and code compliance issues.

The applicant and its consultants will be available to answer any questions about these materials at the Commission's upcoming meeting on July 19th.

Very truly yours,

Valerie Campbell

cc: Roger Leaf- West Park Administrative Commission
Kenneth Horn- Alchemy Properties
Mark Silberman, Esq. – Landmarks Preservation Commission

Response to Comments
Submitted to Landmarks Preservation Commission by West-Park Presbyterian Church
July 15, 2022

I. Building Conditions

1. The north and south walls of the Building are leaning.

The Church's application included a report by Severud Associates dated November 16, 2021 that noted that the south façade of the Building is separated from the roof by up to four inches, leaving an opening to the sky. The report notes that “[t]his condition is concerning because the wall is not adequately braced against wind loads and the roof and sanctuary ceilings are not adequately supported.”

In investigating this condition further, the Church commissioned an analysis of the south wall of the Building by Krypton Engineering dated July 4, 2022 to measure what appears to be a leaning condition. Krypton subsequently surveyed the north wall, and uncovered a similar condition. The analysis by Krypton indicates a gradually increasing outward lean to the walls as they increase in height, and measures an outward lean of up to 8 inches at the top of the south wall and four inches at the top of the north wall. In the opinion of Severud Associates, any outward lean of more than 2 inches at a height of 40 feet would be considered significant. See Attachment A.

It is not clear how long this condition has existed, but Severud noted that the area within the Building beneath the opening does not show signs of excessive water damage, which suggests that the gap is a new condition. A stabilization plan is being developed by Severud, and tilt monitors have been installed to monitor for signs of an increasing lean. The assessment will likely require the drilling of pilot holes through the north and south walls.

2. The Building's trusses are deflecting.

Severud's report included with the application indicates that the two main east-west trusses within the Building's Sanctuary, which provide the principal support for the roof, appear to be deflecting beyond what would be expected for a building of this age and type of construction. There are visible cracks in the wall at the bearing ends of both trusses, which Severud believes are evidence of deflection. The report noted that “These cracks occur at various locations along the span of the trusses, but they are particularly concentrated at the truss bearing ends. . . . The cracks indicate excessive deformation of the wood truss and/or excessive lateral movement or settlement in the

brick bearing walls at the truss bearing points. These findings constitute a structural issue, since the trusses support a vast majority of the roof and sanctuary ceiling." This condition was also discussed during the site visits with Commissioners on July 7th and 8th.

Severud recommended removing all finishes around the trusses in order to inspect their condition, and adding reinforcement to them as needed. The Church has also hired Krypton Engineering to measure the degree of deflection. Further study will be required to determine if the outward movement of the north and south walls is related to the condition of the trusses.

A report by WJE Architects and Engineers, P.C., dated June 13, 2022, which is addressed to Michael Hiller as counsel for The Center at West Park, discounts the potential severity of this condition. The WJE report argues that the condition of the trusses is not unusual for a building of this age, and that the Building was built with excess structural capacity, such that a deflecting truss is not a concern. WJE also asserts that the condition of the trusses could be investigated with a borescope or other non-destructive technology.

Severud believes that these conditions require further investigation and that a borescope is not sufficient to understand the condition of the trusses. Severud believes that the trusses need to be assessed with more invasive methods, which would require the removal and replacement of plaster around these structural elements.

3. Exterior wall condition

The Façade MD report included with the application assesses the condition of the exterior walls, and noted many spalls, cracks, and locations of mortar deterioration. A separate scope of work quantifies the number of stone elements that need to be repointed, repaired, and replaced. The WJE report asserts that the Façade MD report exaggerates the condition of the Building's façade, and that the Building requires less repair than the Façade MD report describes. WJE did not, however, view the Building façade from close up. Only Façade MD has viewed the upper levels of the Building from a boom lift, which has allowed them to view the walls from within two to four feet. Based on Façade MD's review, they estimate that between 25-50% of stones need to be repaired. They also believe this estimate is likely an undercount because water infiltration could have caused unseen damage to the façade. A supplemental report by Façade MD discussing their findings and possible restoration methods is included as [Attachment B](#).

4. The possibility of phased restoration

Several commenters noted that a phased restoration of the Building's façade would lower the costs of restoration. According to the Church's consultants, however, a phased restoration would lead to considerably higher costs. Apart from the general escalation of costs over time, a phased restoration would require additional costs for re-mobilization of contractors, including the erection of scaffolds, and the continuing need for repairs to the areas of the façade that have not been repaired. A phased restoration would also not allow the sidewalk shed to be removed until all repairs were completed, since the danger to the public would continue to exist.

5. The contingency and general conditions figure in the Church's cost estimates are not overstated.

Some commenters have argued that the contingency figure included in the Church's cost estimate is too high. This contingency figure is not 40% of total costs, as some have described it, but in fact a 10% design contingency and a 10% construction cost contingency because estimates were not done from construction drawings. In fact, significant additional costs for the new elevator in the community house have already been identified.

In addition to subtrade costs of \$32 million (which does not include any costs to correct the leaning of the north and south walls), the total \$50 million estimated cost includes General Conditions, Insurance, Construction Management, and Design and Construction Contingencies. A detailed breakdown of the cost estimate is below, and the full cost estimate is included in the application materials:

Line Item	% Applied	Estimated Amount	How Calculated
Subtrade Costs (SC)		\$ 32,036,915	
General Conditions (GC)	10.83%	\$ 4,164,799	% applied on SC, DC & CC
Design Contingency (DC)	10.00%	\$ 3,203,692	% applied on SC
Construction Contingency (CC)	10.00%	\$ 3,203,692	% applied on SC
CCIP	9.00%	\$ 3,834,819	% applied on SC, DC & CC
Insurance (Ins)	2.50%	\$ 1,065,227	% applied on SC, DC & CC
CM Fee (Fee)	4.00%	\$ 1,704,364	% applied on SC, DC & CC
SDI	1.75%	\$ 560,646	% applied on SC
Total Hard Costs		\$ 49,774,153	

It is important to note that these cost estimates do not include any "Soft Costs" for things like architects, engineering, permitting, accounting, legal and financing costs,

which would be part of any construction project of this scope and are typically in the range of 25% to 30% of hard costs.

Given the preliminary nature of the cost assessment and the absence of any soft costs in the estimate, the 10% Design Contingency is quite low. The 10% Construction Contingency reflects, among other things, the unknown condition of the underlying structure and the extent of the façade replacement that would be required once work is underway. Façade MD, in conducting its inspection, observed signs of extensive water penetration but did not perform an assessment of the underlying brick structure, which would have required probes of the stone facade. While we believe that further investigation would likely reveal conditions requiring a much higher contingency, it should be noted that even if the Construction and Design Contingencies were zero, the building would still not generate a reasonable return.

6. Fire Code and ADA requirements would be triggered by a change of the dominant occupancy use.

Some comments have argued that the costs in the repair estimate related to Fire Code and ADA improvements should not be included because the Center has been able to occupy the Building without making those improvements. But according to the Church's expediter, a change in the primary use of the Building or a change in ownership to a non-religious organization would require the issuance of a certificate of occupancy, which the Building does not have today. This would require that the Building be brought into compliance with Fire Code and ADA requirements, and the clearing of all safety-related DOB violations. That such improvements have not been necessary to date indicates that DOB has not examined the dominate use of the Building.

Not making these fire safety and ADA improvements to the Building would also be irresponsible. It would leave Building users more vulnerable to danger in the event of fire, and would limit the members of the public who can enjoy cultural events or religious services in the Building.

7. The fact that the Center has renewed its insurance policy is not relevant to the question of the condition of the Building.

The Center's representatives, in their comments at the public hearing, noted that they have been able to renew their insurance policy covering their space in Building without incident, and without any questions about the façade of the Building. However, the Center does not have insurance on the Building, which is owned by the Church. The

renewal of a general liability policy is not relevant as it does not prove anything about the condition of the Building.

II. Comments Regarding the Church's Eligibility for Hardship Relief

Many comments at the public hearing and in subsequent submissions argued that the Church is not entitled to hardship relief under the Landmarks Law either because the Building is still capable of being used for the Church's charitable purposes, because the any hardship is self-imposed, or because the hardship determination would result in a financial windfall to the Church. Other comments questioned whether the statutory standard under Administrative Code Section 25-309(2) is the correct standard to apply to this application. These comments are discussed below.

1. Has the Building "ceased to be adequate, suitable or appropriate" for the Church's use?

Administrative Code Section 25-309(2) requires a finding that "Such improvement has ceased to be adequate, suitable or appropriate for use for carrying out both (1) the purposes of such owner to which it is devoted and (2) those purposes to which it had been devoted when acquired unless such owner is no longer engaged in pursuing such purposes."

The charitable purpose of the Church, for which it has dedicated its use of the Building, is to carry out its mission of providing a place of worship and service to the community. This is its purpose today, just as it has been for the last 130 years. However, the Building is no longer suitable for this purpose because the overwhelming burden of maintaining the Building has made it impossible for the congregation to devote resources to any other purpose. Because of overwhelming Building maintenance costs, the Church has been without a pastor since 2017; it can no longer offer sanctuary or support to disadvantaged members of the community; and has been unable to support its traditional scope of community outreach programs.

Many congregations today occupy buildings that they cannot fill during the week, or outside of special holidays, and rely on use by other congregations, not-for-profits, arts groups, and others to maintain their buildings. However, even if the charitable purposes to which the Building is devoted are deemed to include such space rental, the serious life-safety, code compliance and accessibility issues, create a significant impediment to a profit-generating use by other entities that would support the Church's ability to maintain the Building. Indeed, the Church's good faith efforts to activate the Building

in this way and thereby generate additional funds for its maintenance have proven to be unsuccessful.

As discussed in the application, the Church created the Center at West Park in 2016 as a way to generate space-use income and to attract funding that might not be available to a religious organization. This strategy, however, has been unsuccessful. No space use income has been paid to the Church, no major funds have been raised to restore the Building, and the Church has ended up subsidizing the operations of the Center. The Center's operations are barely breaking even, and any funds it has raised have gone primarily to support its arts programs. It has not attracted any appreciable funds to restore the Church or to pay for emergency repairs. The relationship with the Center has not made the Building more sustainable, or the Building more suitable, adequate, or appropriate for the Church's most basic Christian mission. In fact, the relationship with the Center has only exacerbated the financial burdens borne by the congregation.

The Center pays a nominal rent to the Church (about \$2,500 per month) for the use of the Building, which it sublets to arts organizations at much higher rents, and it augments this rental income with annual fundraising events. According to its Form 990 tax returns filed with the IRS, from 2017 to 2020 (the period for which its financial statements are publicly available) the Center has an aggregate operating loss of \$185,000, and on December 31, 2020 had total assets of just \$79,000 and total liabilities of \$265,000. In addition, the Center's operations have not attracted any appreciable funds to restore the Church; it has not maintained the Building pursuant to its lease with the Church; and it has offered no help in addressing the existing Department of Building violations. The Center's lease requires the Center to "[S]eek and spend funds for the maintenance, renovation, restoration and upgrade of the Premises," and to "[r]esearch, prepare, and launch a long-term capital campaign for the restoration of the exterior façade of the Premises" The lease is set to expire on December 31, 2022, and the Church does not have the financial resources to continue to subsidize the Center's operations or to continue to shoulder the burden of ongoing building repairs.

The Center is not a typical tenant. It was created by the Church as a 501c-3 because it was believed that such an organization would be more successful in raising funds from groups that might not be willing or able to give to a church. But over time, relations between the Church and the Center have become increasingly contentious. The Center's lease guarantees that up to three seats on its Board of Directors will be members nominated by the leadership of the Church, but the Center has summarily removed all Church-appointed members from its Board, which appears to have been essentially been co-opted by Board members who are occupants of neighboring

buildings with apartments that currently enjoy views over the Building. The Center's challenge of the Church's hardship application is now essentially divorced from its support of both arts programs and the religious mission of the congregation (bearing in mind that the Church's hardship application would provide 10,000 square feet of sustainable arts space on the site).

Moreover, the Center has not demonstrated that it has the resources to buy the Building or to fund the improvements that would be required in order to obtain a certificate of occupancy to accommodate a non-church use. For this reason, the Center's recent offer to purchase the Building for \$3.5 million and incur the tens of millions of dollars to obtain a C of O is simply not credible. As discussed above, the Center barely breaks even today, and then only because it does not bear the full cost of maintaining the Building. The Center has been able to avoid having to make these basic improvements to the Building based on its grandfathered dominant use as a church, but if it were to acquire the Building and change its dominant use, these improvements would be unavoidable. It is the height of cynicism for the Center to claim that it is willing to take over the Building without regard to the accessibility, life safety, and façade improvements that the Building desperately needs.

Use of the Building by other religious organizations is similarly unsustainable. The periodic use of the Building's sanctuary by the Lighthouse Ministry and other religious organizations is welcomed by the congregation. However, neither Lighthouse or any other religious organization has ever indicated an interest in purchasing the Building or to share in the heavy burden of its maintenance. This burden rests solely on the West Park congregation. The fact that no religious organization of any denomination has expressed any interest in purchasing the Building further evidences the conclusion that the Building is no longer suitable or appropriate for use as the home for a religious organization.

Because of life-safety and other condition issues, the potential revenue from the Building is highly limited. In its current condition, the Church cannot pay the basic operating costs, much less the needed repairs.

2. Self-imposed hardship

Some commenters have argued that any hardship faced by the Church is self-imposed because it intentionally refused to take steps to restore the Building after it was landmarked in 2010. To understand why this claim has no merit, there are several issues that need to be clarified.

First, the Building is owned by the West Park congregation, which is solely responsible for its upkeep. Over many years, it has pursued several strategies to raise funds to maintain the Building. On two occasions, most recently in 2009, it pursued adaptive reuse approaches with developers to construct affordable housing on a portion of the site, and use the proceeds from the development to restore the majority of the building. Since the most recent plans were thwarted by landmarking in 2010, the Church has sold its manse and reduced staff to raise funds for repairs; it started the Center at West Park in part as a fundraising tool, which proved ineffective; and it continued to spend what resources it had on building maintenance until it was out of money, and even went into debt to make emergency repairs to the Building.

Second, the Presbytery of NYC has only limited resources to assist its 89 member churches, and is under no obligation to go to extreme measures to assist any one church to the detriment of others. Its annual budget includes roughly \$100,000 for grants to churches for building repairs, and to allocate more would take funding away from its other essential operations, like paying rent or salaries. Moreover, a loan or grant of more than \$50,000 to any one church would require the approval of the full Presbytery, which would be extremely difficult to obtain. In fact, on June 7th of this year, the Presbytery voted 91 to 3 in support of West Park's plan for the Building rather than to provide additional funds for restoration.

Third, it is also not appropriate to look to The Presbyterian Church (USA) to fund the repair of the Building. The Presbyterian Church is not organized as a hierarchy, but rather as a federalist system of governance that goes back hundreds of years, predating even the founding of our nation. There are over 8,500 Presbyterian Churches nationwide that are members of this national organization, but each one, as with West Park, owns and is responsible for its own building. The Presbyterian Church (USA) does have a program to make loans to individual congregations, but such loans are on market terms with creditworthiness standards similar to a typical bank loan. The Church is certainly not able to qualify for a loan of this kind. A letter from The Presbyterian Church (USA) describing its organization and its relationship to the Church is included as Attachment C.

It is undeniable that the Building was in extremely poor condition at the time of its designation in 2010. This condition was documented in the Martin Weaver study in 2001 and the LZA study in 2001, and the Building was unoccupied at the time it was landmarked. At the designation public hearings, members of the congregation testified at length about the conditions of the building and the congregation's lack of resources. Even before designation, in 2004, the Friends of West Park had proposed a radical plan to alter the Building to create more flexible space for the congregation

and other not-for-profit organizations. This plan included restoration of the facades and an entirely new domed roof, but was never realized because the needed funds were never raised. As previously referenced, in 2011 the Sciamé report estimated the cost of the façade restoration to be in excess of \$14.5 million. Whether phased or not, it is clear that the Building has needed millions of dollars for repair and restoration.

The Church has a small congregation and limited means. It has exhausted its resources and is currently in debt just to keep the lights on. The Church's mission has been subsumed to its efforts to save the building. These efforts have included:

- The Church negotiated an agreement with a developer – Richman Housing Group – prior to landmark designation that would have partially preserved the building, while allowing a new building on the Parish House site and a portion of the Chapel. Richman backed out of the project when designation became likely.
- The Church has spent approximately \$1 million since 2014 maintaining the building.
- The Church hired Cushman & Wakefield in 2012 to market the Building to potential tenants or buyers, primarily not-for-profits. After a year, Cushman found no tenants because of the building condition issues. Potential buyers were put off by the enormous renovation costs and the landmark restrictions.
- The Church sold its manse (a pastor's residence) in 2013 to raise funds for repairs, and in 2017, it was no longer able to continue paying its pastor. The small congregation currently meets for self-directed worship and bible study.
- The Church voted to create the Center at West Park in 2016 to activate the Building and to assist with fundraising. But in the five years since it has been active, the Center has not been able to raise anywhere near the funds necessary to repair the Building and has not put forward a viable, realistic plan to do so.

The Church has received small grants over the years to pay for immediate repairs, but the effusive declarations of financial assistance made by neighbors and elected officials when designation was being considered have not materialized. Now 12 years after designation, the congregation has completely depleted its financial resources and lost its pastor. Any claim that this actual and demonstrated hardship is self-created by the congregation ignores the considerable and crippling efforts that have been

expended by the congregation to maintain the Building since designation. If a hardship application is not warranted under these circumstances, it is hard to imagine any situation where a religious institution would be entitled to claim a hardship under the Landmarks Law.

3. Has Church taken sufficient efforts to raise funds for the restoration?

The Commission's prior hardship determinations regarding not-for-profit organizations, as well as judicial precedents, confirm that the resources of the applicant are relevant to the determination of whether the applicant's building can be restored. For example, in the Commission's decision in *St. Paul and St. Andrew* (LPC 89-1342, May 9, 1989), the Commission denied the application, in part, because the church had not explored community efforts to raise funds for the church and had not explored a proposal to sell development rights. Similarly, the court in the Second Circuit decision regarding *St. Bartholomew's Church, The Rector, Wardens, and Members of the Vestry of St. Bartholomew's Church v. City of New York*, 914 F. 2d 348 (2d. Cir. 1990), determined that the church had not submitted sufficient evidence of its inability to use available sources, including pledges and offerings, investment income from its endowment, and sponsorship income, to fund repairs to its building,

In contrast, the Church here is without any funds. It has relied on loans from the Presbytery to fund emergency repairs of the Building and provide basic upkeep, but the Presbytery's own funds are limited, as described above. The Church has relied on grants and fundraising from outside groups over the years, including the Landmarks Conservancy, which funded the 2011 Sciame study of the Building's exterior and a \$15,000 grant in 2011 to repair the Building's roof. The Church also received a \$35,000 grant from then-Councilwoman in 2011 to repair the Building's boiler. These grants have allowed the Church to do immediate repairs but have not addressed the Building's long-term needs. The Church created the Center in 2016 specifically to be a not-for-profit fundraising vehicle for the upkeep of the Building, but it has not been able to raise sufficient funds. And while elected officials have been promising funding for the Building for years, no substantial funding has materialized. As described below, other potential mechanisms to raise money to preserve the Building are either unrealistic or have proven unsuccessful.

Regarding the potential sale of development rights, as described in the Church's application, there are no receiving sites to which development rights could realistically be transferred. The Center at West Park, through its counsel Michael Hiller, submitted an analysis by George M. Janes and Associates ("GMJA"), which claims that the Church has failed to pursue the sale of its "extraordinarily valuable" development rights. The

GMJA analysis identifies three “prime receiving sites” for the Church's development rights. However, as discussed in the enclosed memorandum prepared by FX Collaborative (see [Attachment D](#)) each of these sites are occupied by substantially built residential buildings, and could not utilize any transferred development rights without extensive and intrusive structural interventions that would be highly disruptive to current residents. In addition, transfers to the potential receiving sites located across West 86th Street, would require a Section 74-79 special permit, which, in addition to being a lengthy and expensive discretionary process, would require, as a condition, that the Building be put into “sound, first-class condition.” Thus, all of the repair costs identified by the Church's consultants would need to be incurred, and the limited transfers proposed, even if they were desired by the owners of the receiving site buildings, would not generate sufficient funds to support these extraordinary costs.

The Church's efforts to find another user to take over the Building, either through a sale or lease, has proven unsuccessful. As noted above, the Church hired Cushman & Wakefield in 2014 to market the Building to potential partners or tenants, but found no interest after a year of marketing efforts.

The impracticality of either selling the Building to another buyer or financing these repairs itself is discussed in the attached letter from real estate broker Ira Schuman, in [Attachment E](#). Schuman, an experienced broker in New York City, has toured the Building and finds that it is not rentable in its current condition, and that the costs to make it rentable would require expenditures that could not be justified by the rents that the space would command, and for which funding would not be available.

4. Applicability of the “Judicial Test”

Some commenters have argued that the “judicial test” for hardship applications rather than the statutory test of Administrative Code Section 25-309(2) should be applied here. The judicial test only applies where a not-for-profit does not intend to sell its property, but even if it were applied here, it would make no difference to the result.

The Commission applies the judicial test for hardship originally set forth in [Matter of Trustees of Sailor's Snug Harbor v. Platt](#), 35 N.Y. 2d 121, 359 N.Y.S. 2nd 7 (1974)¹ only when a not-for-profit entity does not seek to sell its property and demonstrates that the sale of the property would frustrate the applicant's charitable purposes. See discussion in LPC Notice to Proceed (No.82292) issued to Marymount School of New York dated February 2, 1983, pages 10-11. The court in [Snug Harbor](#) clarified that the judicial test is an

¹ Also see [Lutheran Church in America v. City of New York](#), 316 N.E.2d 305, 35 N.Y.2d 121 (1974) and [Society for Ethical Culture v. Spatt](#), 68 A.D. 2nd 112 (1969) aff'd 51 N.Y. 2d 449 (1980).

alternative that is available where the statutory test is not applicable, and that the statute “must be interpreted as giving power to the commission to provide relief in the situation covered by the statute, but not restricting the court from so doing in others.” Snug Harbor at 378.

The judicial test as originally articulated in Snug Harbor stated that when a charity did not wish to sell its property a comparable test would be “where the maintenance of the landmark either physically or financially prevents or seriously interferes with the carrying out of the charitable purpose.” The court added that “[i]n this instance, the answer would depend on the proper resolution of the subsidiary questions, namely whether the preservation of the buildings would seriously interfere with the use of the property, whether the buildings are capable of conversion to a useful purpose without excessive cost, or whether the cost of maintaining them without use would entail a serious expenditure—all in the light and resources of the petitioner.” Snug Harbor at 314.

As explained in the Marymount Determination, when a not-for-profit applicant does not want to sell the building, “the Commission, constrained by the determinations of the New York Courts on the constitutionality of the New York City Landmarks Law, as applied to the owners of charitable properties, must apply the test defined by the courts rather than require the owners to establish the specific findings of Section 207-8.0a(2).”² Marymount at p.11. In this instance, the Church does wish to sell the building, and has a contract to do so that is contingent on the Commission’s approval of a Notice to Proceed so the statutory test is clearly applicable.

However, the Marymount Determination noted that the findings of fact that must be made in applying the judicial test “are basically the same ones that the Commission must make under the third and fourth findings of Section 207-80a(2).”³ Both tests require a consideration of both the physical limitations of a building and the financial burden of addressing those limitations. The Commission’s precedents in considering judicial hardship applications are thus instructive in informing the relevant factors for a statutory hardship.

In its 1986 decision regarding St. Bartholomew’s Church (LPC 86-0345), the Commission considered both a statutory analysis and a judicial analysis, and under both tests decided that applicant had failed to demonstrate a hardship. The Commission considered both physical and financial factors, including both the cost of repair and the resources of the church, and determined that the church had failed to establish

² Now codified at Section 25-309(2).

³ See Note 2 above.

that its current space was inadequate and could not be feasibly enlarged. The Second Circuit Court of Appeals later upheld this decision against both a Takings and Free Exercise challenge brought by the church. The Rector, Wardens, and Members of the Vestry of St. Bartholomew's Church v. City of New York, 914 F.2d 348 (2d Cir. 1990). Similarly, in Ethical Culture v. Spatt, 51 N.Y. 2d 449 (1980) the court, applying the judicial test, found that even though the applicant had argued that its building was ill-adapted or unsuited to its present needs, the applicant had not shown that only feasible solution was demolition. Ethical Culture at 455.

Here, in contrast, the tremendous costs to renovate the Building have been well-documented. The Church has spent all of its available resources to maintain the Building and has no ability to raise funds on the scale necessary to fund these repairs. The financial burden of maintaining the building renders it unsuitable for the Church's use, and in fact for any use.

5. Is the Church entitled to the highest market value for its land?

Some of the comments at the hearing seemed to take issue with the idea that the Church, if the Notice to Proceed is approved, would be entitled to realize the fair market value for its land.

The Church does not dispute that there is no constitutional requirement that a landowner must always be allowed the most beneficial use of the property. Goldblatt v. Town of Hempstead, 309 U.S. 590, 592 (1962). However, it highly misleading to suggest that this general precept of land use law would prohibit it from satisfying the financial hardship standard under Section 25-309(2) of the Landmarks Law. The availability of the hardship remedy, whether under the statutory or the judicial test, is a constitutionally required component of the regulatory scheme established by the Landmarks Law. In the event that a hardship has been demonstrated under either standard, there is no legal impediment that would prevent the Church from selling the property at market value and devoting the proceeds from the sale to its religious mission. To deny the Church the ability to do so would be confiscatory, and would undermine the essential constitutional purpose of the hardship remedy. Moreover, to suggest that the Church should be compelled to transfer its property to a non-religious organization in order to enjoy the full measure of its property rights would be constitutionally suspect, in placing additional burdens on religious organizations and treating them unequally.

III. Reasonable Return

1. The David Finehirsh Report

A letter submitted by David Finehirsh, dated June 13, 2022, which is referenced in the submission by the Center's counsel, Hiller, P.C., criticizes the Church's financial analysis by Appraisers & Planners ("A&P"). Finehirsh argues that A&P's analysis should have included potential returns from a retail project and a residential condominium project, and that it incorrectly analyzes reasonable return under the Landmarks Law. However, the Finehirsh analysis is actually incorrect as explained in A&P's response to those comments attached as Attachment F.

2. Use of Historic Tax Credits

Some commenters argued that the financial analysis should have considered the potential use of historic tax credits, because these credits would have lowered the cost of repairing the Building and made such repair feasible. The attached analysis by A&P, in Attachment G, evaluates the impact of historic tax credits on the financial analysis, and finds that the credits would not appreciably change the analysis and would not result in the Building earning a reasonable return.

Attachment A

Krypton Engineering Surveys

REVISIONS:

PROJECT:
 165 WEST 86th St.
 New York, NY

**SURFACE MAPPING
 SOUTH FACADE**

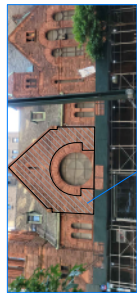
SCALE: BOUNDARY

DATE: 11/14/2022
 DRAWN BY: JMD
 PROJECT: 165 WEST 86th St.
 SCALE: 1" = 10'-0"
 SHEET: 07 OF 15

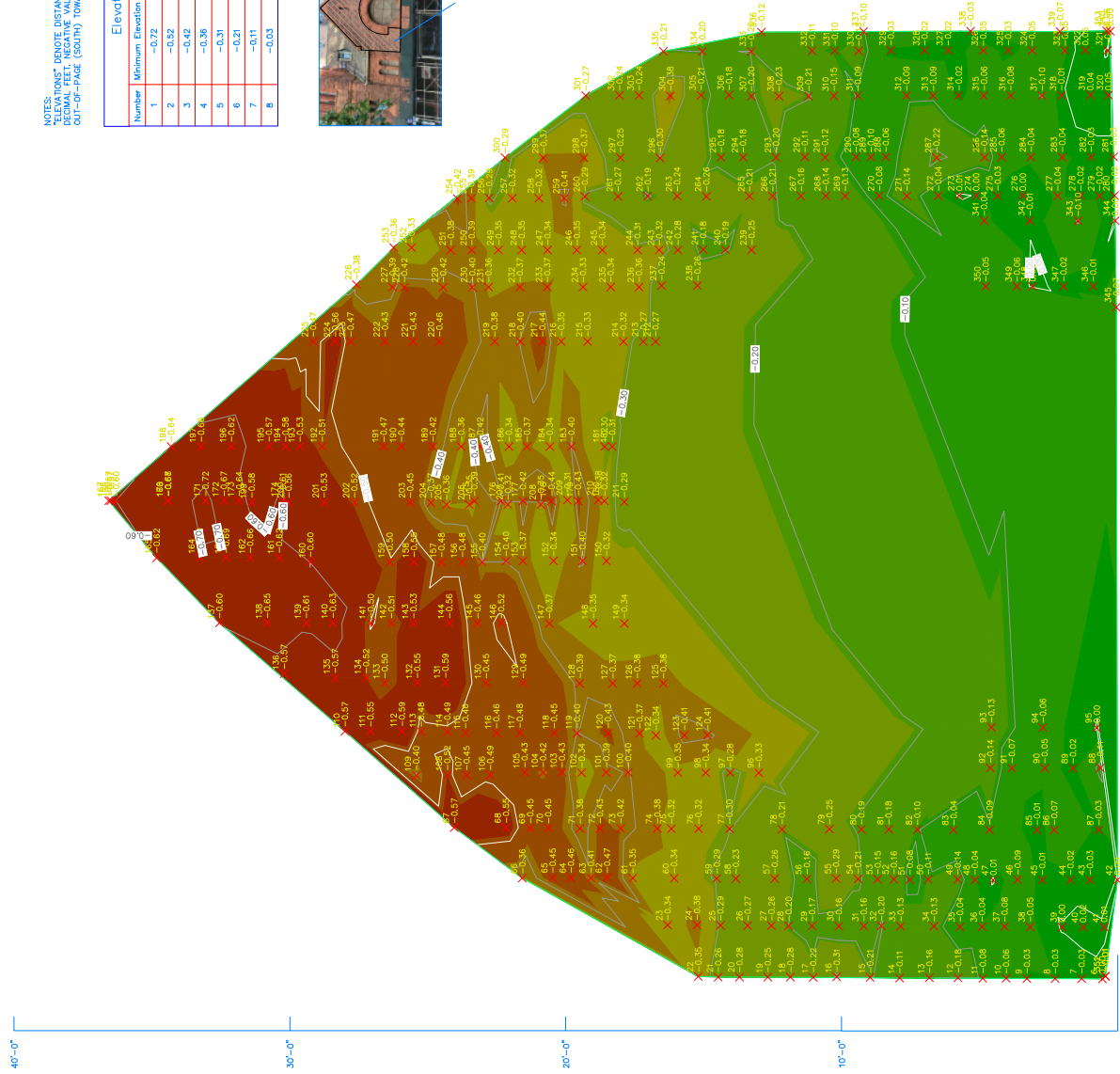
MP-100.00

NOTES:
 1. ELEVATIONS DENOTE DISTANCE INTO PAGE (NORTH) IN FEET.
 2. NEGATIVE FEET VALUES INDICATE PROTRUSIONS OUT-OF-PAGE (SOUTH) TOWARD 86th St.

Number	Minimum Elevation	Minimum Elevation Area	Color
1	-0.72	87,662	Dark Red
2	-0.62	90,994	Red
3	-0.42	89,674	Orange
4	-0.36	89,721	Light Orange
5	-0.31	155,006	Yellow
6	-0.21	179,361	Light Green
7	-0.11	170,591	Green
8	-0.03	92,844	Dark Green

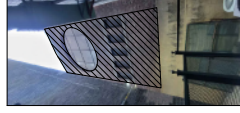


X RECORDED POINT, SEQUENCE NUMBER, & DEPTH (FT)

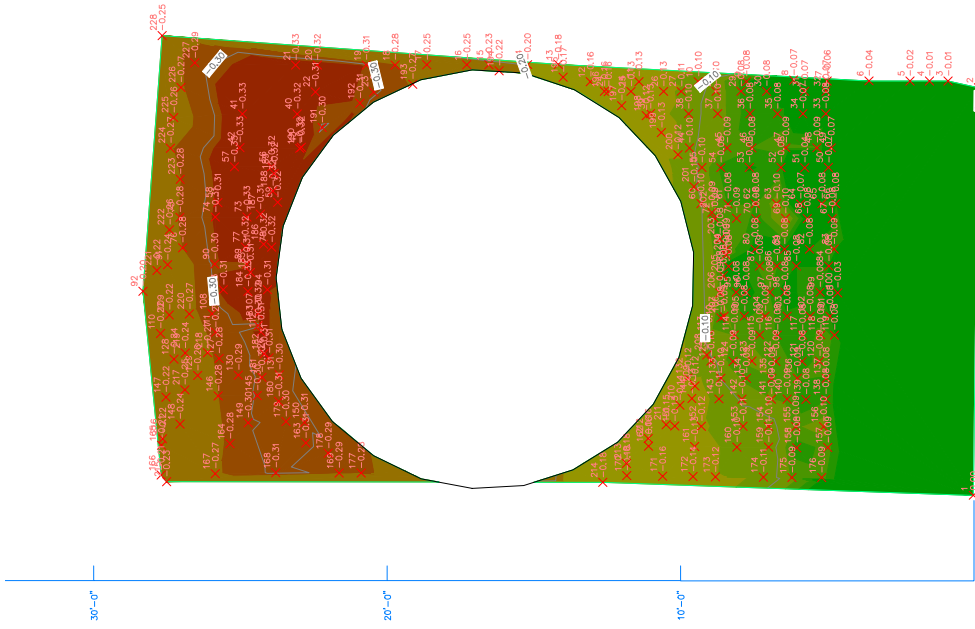


NOTES:
 1. "ELEVATIONS" DENOTE DISTANCE INTO PAGE (SOUTH) IN DECIMAL FEET. NEGATIVE VALUES INDICATE PROTRUSIONS OUT-OF-PAGE (NORTH) TOWARD W 87TH ST.

Elevations Table				
Number	Minimum Elevation	Maximum Elevation	Area	Color
1	-0.33	-0.31	26.38	Red
2	-0.31	-0.28	13.93	Orange
3	-0.28	-0.20	29.62	Yellow
4	-0.20	-0.12	20.28	Light Green
5	-0.09	-0.09	23.04	Green
6	-0.08	-0.08	18.53	Dark Green
7	-0.08	0.00	78.97	Lightest Green



✗ RECORDED POINT SEQUENCE NUMBER, & DEPTH (FT)



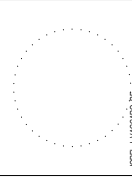
REVISIONS:

DATE: 11/11/2022
 PROJECT: 165 WEST 86TH ST.
 NEW YORK, NY

PROJECT: 165 WEST 86TH ST.
 NEW YORK, NY

**SURFACE MAPPING
 NORTH CHURCH FACADE**

SCALE: 1" = 10'-0"



DATE: 11/11/2022
 PROJECT: 165 WEST 86TH ST.
 NEW YORK, NY
 DRAWN: JMM
 CHECKED: JMM
 SCALE: 1" = 10'-0"
 PAGE: 1 OF 15

MP-110.00

Attachment B

Façade MD Supplemental Report



362 Fifth Avenue
11th Floor
New York, NY 10001
(212) 560-9292
(212) 560-9746 fax
www.FacadeMD.com

July 15, 2022

Supplement to Façade Conditions Report dated December 2, 2021 ("Façade Study")

As noted the Façade Study, the street-facing elevations of this building are clad in 2 types of sandstone:

1. A finer-grained red sandstone is used for more delicately carved ornamentation around appurtenances and architectural features. This stone is believed to be Lake Superior Sandstone from Portage, Michigan. For purposes of this letter, we will refer to this stone as the "decorative stone".
2. The majority of the sandstone on the street-facing elevations is a brown-colored stone, apparently Red Longmeadow Sandstone, from East Longmeadow, Massachusetts. For purposes of this letter, we will refer this stone at the "field stone".

Most of the readily noted deterioration of façade stone is of the decorative stones which accounts for the majority of the estimated stone repair and replacement of stones. We have been cautious in our evaluation process not to jostle the stones through probing or other methods, as we are concerned that the advanced degree of deterioration could cause large portions of the stones or façade to detach and fall.

The largest percentage of stone on the façade is of the brown field stones, which on visual observation from far and close range, appear to be largely intact. However, closer examination, with the aid of a sounding hammer, reveals that more than 50% of the stones at the street level and above the sidewalk bridge, sound hollow when struck with the plastic-headed sounding hammer.

The hollow sound is an indication of flaws in the stone, such as the following:

- a) Separation between bedded layers within the stone. Recall that the natural orientation of bedding layers in sandstone is horizontal, but in this building the bedding layers are oriented vertically, referred to as "face-bedded". This is common, as sandstone is much easier to cut and finish along the bedded layers. Unfortunately, face-bedded orientation makes the stone vulnerable to deteriorated and separation in large sections of stone, rather than small fragments of stone. The cohesion of the bedded layers is therefore essential to the stability of the stone.
- b) Missing or corroded stone anchors. Stones are often held in place with ferrous anchors secured to notches in the edges of the stone. If these anchors are deteriorated or missing, portions of the stone could be detached from the brick back-up wall. Ferrous anchors can expand while corroding, often forcing the stones to crack or spall.

- c) The setting mortar has deteriorated. The mortar placed around the stone when the stone was installed may be deteriorated or eroded, creating a situation where the stone is unevenly supported by surrounding stones.

The extent of investigative physical probes performed to date is extremely limited. This is the consequence of our significant concerns regarding the visually apparent extent of stone deterioration discovered during our close-range examination from a boom lift in November, 2021. At that time, from a distance of between 2 and 4 feet, we determined that physical contact with the stone surfaces could result in large areas becoming unstable, and significant additional protective measures were needed prior to touching any of the stones. In our opinion, the condition of each stone will need to be evaluated physically on an individual basis, possible only after additional protective measures are installed, such as extensive pipe scaffolding. In our professional opinion, there is a high probability that every stone on the façade will need to be either removed, repaired and reset or replaced.

Exploration of façade stone repairs:

- 1) Replacement Stone- The Lake Superior and East Longmeadow quarries have been closed for decades and replacement stones to match will need to be sourced and confirmed. A suitably durable replacement stone could likely be located, as well as stone mason craftsmen able to replicate the original stone texture and surface. The replacement stones would then need to be sized and affixed to fit into the original position.
- 2) Rotate Stone – Turn the existing stones around and tool the back surface to resemble the rusticated surface of the front. Existing stones are typically 5” to 8” in depth. This method could only produce acceptable results if there is enough intact cross-sectional thickness remaining, perhaps 75% of the original. It is highly possible that the rear side of existing stones is damaged or otherwise undesirable, thus requiring further finishing (and therefore cross-sectional thickness loss) to provide a durable and visually acceptable surface. The rusticated decorative surface, when turned around, would create a void area that could be filled with mortar. This loss of cross-sectional area is critical at the stone edges as well, where new slots to accept lateral anchors will need to be installed.
- 3) Retooling – Retooling or the removal of the deteriorated portion of a stone. This method assumes that the only deteriorated aspect of the stone is that the surface has eroded or spalled. The shaped stone depth is reduced. It is very difficult to reshape stones in situ, as necessary tool angles to create rusticated and detailing are often unachievable. The decrease of the cross section often leads to unacceptable finished results – unacceptable depth of stone, inconsistent façade depth, new shadows, horizontal surfaces to collect precipitation, expose anchors (rendering them ineffective).
- 4) Patching- Removal of deteriorated portions of stone and addition of a specially formulated mortar patch. This is the least desirable repair method, as it necessarily involves loss of cross-sectional thickness, with adverse results as discussed above. Patch material is not original stone and will be extremely difficult to match the surrounding original stone in terms of color and surface texture (particularly when used at the rusticated areas), weather differently, become darker when wet, and result in a patchwork appearance that will generally lower the overall appearance of the historic exterior. Differences in the coefficient of expansion with the original stone make the patch susceptible to delamination from the stone substrate - creating a safety concern.

Attachment C

Presbyterian Church (USA) Letter

July 15, 2022

Chair Sarah Carroll & Commissioners
Landmarks Preservation Commission
Municipal Building
One Centre Street, 9th Floor North
New York, NY 10007

Re: West-Park Presbyterian Church
165 West 86th Street, Manhattan

Dear Chair Carroll and Commissioners:

This letter has been prepared at the request of the West-Park Presbyterian Church in the City of New York to explain the relationship between the different entities within the Presbyterian Church (U.S.A.), and to provide greater clarity to their respective duties and responsibilities. In particular, it outlines the extent to which such entities may provide funding to individual congregations within the denomination, as well as the limitations of such funding. Information included in this document is from various public sources, including <https://www.pcusa.org/>, <https://www.presbyterianmission.org/>, <https://pilp.pcusa.org/>, and <https://www.pcusa.org/acorp/>, and represents my current understanding of the structure. The structure and organization of the denomination is complex with hundreds of years of history. Therefore, there are nuances that could inform and influence the discussion of the structure and organization.

Background

For over 200 years, Presbyterians have been responding to the call of Jesus Christ, taking the gospel into all the world, and bearing witness to Christ's saving love to the ends of the earth. The Presbyterian Church (U.S.A.) ("PCUSA"), is a mainline Protestant denomination in the United States. The PCUSA has congregations in every state with over 1 million members and with over 8,800 congregations.

The PCUSA has implemented a structure to carry out its work. The structure is consistent with its Reformed Theology heritage. While some denominations can be viewed as "top down", the PCUSA is a denomination with responsibilities and resources that flow up. This paper attempts to explain this structure.

Structure Overview

The PCUSA congregations are members of regional councils called presbyteries and presbyteries are organized by synods. A congregation is governed by its session. The session is responsible for

all decisions regarding the program, mission and policies of its congregation. This includes annual operating budgets and capital expenditures, which includes the maintenance and upkeep of facilities. Church buildings and real estate are owned by particular congregations. The maintenance of buildings and facilities are the congregation's responsibility.

The presbytery is a council that provides oversight with respect to the life and missions of the Presbyterian Church (U.S.A.) congregations within its bounds. The presbytery has the power to organize new congregations, to merge or to divide congregations, to dismiss a congregation to another denomination or dissolve a congregation, all this being done in consultation with the members of the congregation involved. Presbytery budgets support this work and presbytery funding comes from per capita, congregational donations, and endowment income, if any. The presbytery's voting members are the local pastors admitted to membership in the presbytery and ruling elder commissioners elected by congregations to represent them in the presbytery.

The synod is a council that provides oversight for the mission of at least three presbyteries within a particular geographic region. Synod funding is derived from and similar to presbyteries. Presbyteries elect representatives to synods.

The highest council of the Presbyterian Church (U.S.A.) is the General Assembly, an unincorporated body of believers. The General Assembly sets parameters for the mission of the entire denomination, determining priorities, developing objectives and strategies, and approving budgets to provide resources to carry out specific national and international work. There is a distinct difference between the work of the General Assembly and local congregations. Funding for the General Assembly focuses on its national and international mission and is not used to support local congregation maintenance and upkeep. Under the Form of Government of the Presbyterian Church (U.S.A.), assets of the denomination are not assets on which local congregations have any claim.

There are four applicable separately incorporated legal entities that are secular corporations to carry out the work of the General Assembly: the Presbyterian Church (U.S.A.), A Corporation (the "A Corp."), the Presbyterian Church (U.S.A.) Investment and Loan Program, and the Presbyterian Church (U.S.A.) Foundation (the "Foundation"). The A Corp. is a Pennsylvania corporation originally formed on March 28, 1799. Its purpose is to hold short term assets and real estate of the General Assembly, to serve as a disbursing agent for the missions of the General Assembly, and to facilitate the management of the General Assembly's corporate affairs. The A Corp. is subject to the Constitution of the Presbyterian Church (U.S.A.) and the direction of the General Assembly. The assets of the A Corp., including its beneficial interest in long term financial assets managed by the Presbyterian Foundation, and any short-term investments, cash, and non-financial property, are held by it primarily for the benefit of the ecclesiastical agencies of the Presbyterian Church (U.S.A.), which are the Office of the General Assembly and the Presbyterian Mission Agency.

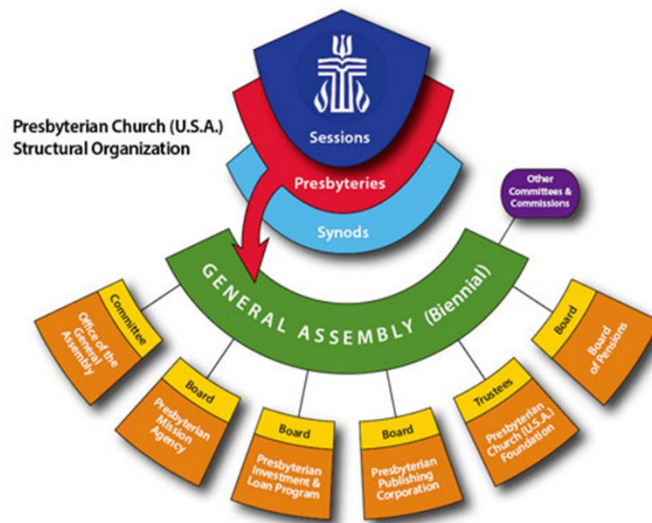
The Presbyterian Investment and Loan Program ("ILP") exists to provide loans to congregations for construction and renovation. It underwrites and manages such loans on a commercial basis. It currently has approximately \$101 million in loans outstanding against a capacity, according to its

most recent Offering Circular, of approximately \$150 million in funding to serve the over 8,500 churches in the denomination.

The Presbyterian Foundation (the “Foundation”) manages and administers mid to long term gifts of the denomination. The gifts the Foundation holds are either restricted by donors or unrestricted by donors. The Foundation has no discretion on restricted gifts as it must follow donor designation.

West Part Presbyterian Church is not such an entity designated by any donor. The General Assembly requires that the Foundation pay the investment returns or other funds from all unrestricted gifts to the A Corp. for disbursement to the national and international programs of the Office of the General Assembly and the Presbyterian Mission Agency.

The diagram below is an illustration of the structure of the PCUSA. As noted by the arrow, congregations and their sessions, presbyteries and synods support the work of the General Assembly. This is important as it demonstrates the flow of resources.



This paper will now discuss funding options for local congregations including grants and loans.

Grants

The only entity at the national level that might provide grants to an individual congregation such as West Park Presbyterian Church is the Presbyterian Mission Agency. From time to time, it provides small grants to new church developments and communities. Larger grants (over \$100,000) are not considered financially sustainable. It is my understanding that grants are not available for capital improvements such as those needed by West Park Presbyterian Church.

Chair Sarah Carroll & Commissioners
July 15, 2022
Page 4

Loans

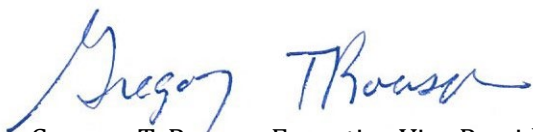
ILP provides low-cost loans to congregations, governing bodies, and related entities of the denomination. The loans are for the construction or purchase of buildings, renovations, and refinancing of existing debt. The total outstanding loans for ILP at end of 2021 were approximately \$100 million. This total is for the entire denomination. ILP has no loan even close to the size of the funds needed by West Park Presbyterian Church.

In general, ILP follows commercial underwriting standards for its loans, including a requirement for collateralization (typically at 80% of the loan value) with collateral on which ILP could realize in case of default and a requirement of a guaranty from the local presbytery of any congregational borrower. Collateral that could not be converted to cash—such as property with significant restrictions on use or disposition—would not be adequate.

These results are not a sign that the Presbyterian Church (U.S.A.) is not committed to the mission of its churches in the world. To the contrary, they are a direct result of one of the things that makes our denomination special: its form of governance in which local power is vested in the sessions of individual churches, which then provide representatives to the higher councils of the denomination.

Indeed, this form of government—unique in the late 1700s and the very opposite of episcopal forms, such as that of the Church of England or the Roman Catholic Church—had a strong influence, one well recognized by historians, on the form of government that is now that of our United States. The West-Park Presbyterian Church has no claim of right to the assets of the Presbytery of New York City, or of the national denomination, to repair its interior or façade.

Very truly yours,



Gregory T. Rousos, Executive Vice President

cc: Mark Silberman, Esq., Landmarks Preservation Commission
Roger W. Leaf, Chair, West Park Administrative Commission
Robert Foltz-Morrison, Executive Presbyter, Presbytery of New York City

Attachment D

FX Collaborative Section 74-79 Analysis

West Park Presbyterian Church TDR Receiving Site Analysis 10 July 2022

FXCollaborative was retained by the Applicant to review the receiving site analysis produced by George M. Janes and Associates (GMJA) contained in their letter to Chairperson Sarah Carroll, dated June 10th, 2022.

West Park Presbyterian Church (WPPC) is under built, with approximately 85,500 ZSF of unused development rights. These are theoretically available for sale and transfer to adjacent properties. The GMJA analysis considers simple lot mergers, more complex multi-party zoning lot mergers, and discretionary ULURP Special Permit via provision ZR 74-79. A total of 5 sites are identified as receiving sites. All of these have significant existing occupied residential buildings on them. As the GMJA analysis recognizes, absent demolition and redevelopment of these sites, vertical additions are the only way that WPPC's floor area is usable.

Key Findings

We have reviewed the GMJA analysis and while we concur with the narrow technicalities of the zoning analysis, the substantial vertical expansions contemplated are unfeasible. The impacts and disruption that these additions will have on the existing buildings are overwhelming. Transfer of the WPPC's unused development rights to receiving sites is extremely unlikely.

In addition, 3 out of the 5 sites identified by GMJA require a discretionary 74-79 Special Permit to allow for the transfer of development rights from a Landmark. As a condition of permitting such transfers, the Commission must determine that there is a program for continuing maintenance that will result in the preservation of the landmark [ZR 74-792 (e)(2)]. In practice, this requires a plan that will put the building in a "sound, first-class condition." As identified in the Applicant's engineering reports, the costs for stabilizing and repairing WPPC's façade and structure is approximately \$25M. Additionally, legal and professional fees for a Special Permit would likely exceed \$750,000. These additional costs would significantly reduce the value of any development rights that could be transferred through a special permit

Sites Analyzed

151-161 West 86th Street (Block 1217, Lots 6 and 11)

The simplest possible transfer of floor area GMJA studied is from WPPC to its eastern neighbor, 151-161 West 86th Street by means of a zoning lot merger. This site consists of 2, 12 story cooperative apartment buildings completed in 1914. These two lots are already underbuilt with 28,028 ZSF of unused development rights. The GMJA analysis assumes a vertical expansion of 6 additional stories; 4 floors containing floor area already available on site and top floors utilizing 16,840 ZSF.

A 6-story roof top addition would require extremely invasive structural work. A new lateral bracing system (that resists the code-dictated wind and seismic forces) would need to be integrated throughout the existing building. This would likely take the form of 3-4 new reinforced concrete shear walls 10'-15' long 12"-18" thick, on every floor. Alternatively, steel cross bracing in similar length and thickness could be used. In addition, there would need to be reinforcement of a substantial number of the existing columns, expanding their footprint by at least 6" all around, and/or the addition of new columns to support the overbuild. Any of these new columns would require new foundations on suitable bearing material, below the elevation of the lowest cellar. The existing columns that are needed to be reinforced may also require their footings to be reinforced, which will require excavation and new reinforced concrete installation below the lowest cellar level. Given the ceiling height of the existing cellar, heavy machinery likely would not be an available option to perform this work. Internal excavation would need to be done by hand making the process take longer and incur additional expense than would be typical. New foundations or foundation reinforcement may involve underpinning of existing adjacent footings. The vast majority - if not every - apartment, would have to accommodate new or expanded structural elements. This would impact the apartments' usable area, functionality and finishes.

In addition to the structural work, the elevators and water tanks would need to be raised, the egress stairs brought up to current code, and new mechanical and electrical risers threaded through the existing building. It is possible that the upgrade of the stairs would entail their widening, which would encroach on adjacent apartments.

The disruption during construction (assumed to be 18-24 months) would likewise be enormous to the existing residents. The top two floors (11th and 12th) and the apartment lines that include the shear walls would need to be vacated entirely during the period of the structural work. The elevator, water and gas service would all be impacted over an extensive period. An exterior construction hoist would be needed, blocking a vertical line of windows.

It is hard to imagine the residents agreeing to such invasive, adverse and disruptive work. The immense impracticality and costs are surely the reason the co-op hasn't already utilized its own, existing – and free - floor area. Nor have they approached the Church to offer to purchase the additional floor area.

The GMJA analysis also considers the possibility of adding even more floor area through the 74-79 Special permit. This has the fundamental impediments to the 74-79 route as outlined above. In addition, the structural impacts to the overbuild would be even greater.

168 West 86th Street (Block 1216, Lot 60)

This site consists of a 15-story rental apartment building completed in 1923. The building is underbuilt with 2,128zsf of unused development rights. The GMJA analysis assumes a vertical expansion of 3 additional stories utilizing this area plus 20,434 ZSF, the maximum amount of area that the WPPC can transfer with a 74-79 Special Permit. (74-79 limits the amount a receiving site can accept from a granting site to 20% of the receiving site's maximum floor area).

This approach has the fundamental impediments to using the 74-79 Special Permit development rights as discussed above. Moreover, even if they were to be transferred, the construction impacts render the use of the development rights unfeasible.

A 3-4 story roof top addition would require invasive structural work. The new lateral system and column reinforcing would be significant and while a bit less than those outlined above for 151-161 West 86th Street, would nevertheless be highly impactful.

In addition to the structural work, the elevators and water tanks would need to be raised, the egress stairs brought up to current code, and new mechanical and electrical risers threaded through the existing. It is possible that the upgrade of the stairs would entail their widening, which would encroach on adjacent apartments.

The disruption during construction (assumed to be 12-18 months) would likewise be enormous to the existing residents. The top floor would need to be vacated and demolished, and one or two floors below floors would need to be vacated during the period of the structural work. The elevator, water and gas service would all be impacted over an extensive period. An exterior construction hoist would likely be needed, blocking a vertical line of windows.

170 West 86th Street (Block 1216, Lot 7501)

This site consists of a 11-story rental apartment building completed in 1986. The building is slightly underbuilt already with 540zsf of unused development rights. The GMJA analysis assumes a vertical expansion of 4 additional stories utilizing 6,130 ZSF, the maximum amount of area that the WPPC can transfer with a 74-79 Special Permit. (74-79 limits the amount a receiving site can accept from a granting site to 20% of the receiving site's maximum floor area).

This approach has the fundamental impediments to using the 74-79 Special Permit development rights as discussed above. Since there are so little development rights available for transfer to this site, the cost of going through Special Permit process itself - not including the *actual* purchase of development rights - would be approximately \$200 SF. Moreover, even if they were transferred, the construction impacts render the use of the development rights unfeasible.

A 3-4 story roof top addition would require invasive structural work. The new lateral system and column reinforcing would be significant and while a bit less than those outlined above for 151-161 West 86th Street, would nevertheless be highly impactful.

In addition to the structural work, the elevators and water tanks would need to be raised, and new mechanical and electrical risers threaded through the existing.

The disruption during construction (assumed to be 12-18 months) would likewise be enormous to the existing residents. The top 2 or 3 floors would need to be vacated during the period of the structural work. The elevator, water and gas service would all be impacted over an extensive period. An exterior construction hoist would likely be needed, blocking a vertical line of windows.

145 West 86th Street (Block 1217, Lot 14)

This site consists of a 15-story co-operative apartment building completed in 1925. The building is overbuilt by 5,826 zsf. GMJA analysis assumes a vertical expansion of 5 additional stories at approximately 4,800 SF, utilizing approximately 24,000 sf. To build this addition, a total of about 30,000 sf is needed (the overbuilt area plus the proposed floor area). To realize this, GMJA proposes a Zoning Lot Merger with WPPC and the three intervening Lots, 6, 11 and 113.

The GMJA analysis is incorrect to assert that a merger with WPPC is needed to realize the expansion. Lot 113 has approximately 9,000 SF of available floor area and as noted above, Lots 6 + 11 have approximately 28,000 SF. A zoning lot merger with these the lots is all that's needed to generate the floor area for the expansion. In addition, these lots are the "gate keepers" to the WPPC development rights; they have no incentive to allow 145 to purchase WPPC's development rights.

Even if the WPPC's development rights were to be transferred, the construction impacts render the use of the development rights unfeasible.

A 5-story roof top addition would require extremely invasive structural work. Like the case of 151-161 West 86th Street, a new lateral bracing system (that resists the code-dictated wind and seismic forces) would need to be integrated throughout the existing building. This would likely take the form of 3-4 new reinforced concrete shear walls 10'-15' long 12"-18" thick, on every floor. Alternatively, steel cross bracing in similar length and thickness could be used. In addition, there would need to be reinforcement of a substantial number of the existing columns, expanding their footprint by at least 6" all around, and/or the addition of new columns to support the overbuild. Any of these new columns would require new foundations on suitable bearing material, below the elevation of the lowest cellar. The existing columns that are needed to be reinforced may also require their footings to be reinforced, which will require excavation and new reinforced concrete installation below the lowest cellar level. New foundations or foundation reinforcement may involve underpinning of existing adjacent footings. The vast majority - if not every - apartment, would have to accommodate new or expanded structural elements. This would impact the apartments' usable area, functionality and finishes.

In addition to the structural work, the elevators and water tanks would need to be raised, the egress stairs brought up to current code, and new mechanical and electrical risers threaded through the existing. It is possible that the upgrade of the stairs would entail their widening, which would encroach on adjacent apartments.

The disruption during construction (assumed to be 18-24 months) would likewise be enormous to the existing residents. The top two floors (14th and 15th) floors and the apartment lines that include the shear walls would need to be vacated during the period of the structural work. The elevator, water and gas service would all be impacted over an extensive period. An exterior construction hoist would be needed, blocking a vertical line of windows.

It is hard to imagine owners agreeing to such disruptive work.

Conclusion

The five receiving sites identified by the GMJA analysis all have enormous regulatory and practical impediments to utilizing WPPC's excess floor area. The impacts and disruption of utilizing WPPC's floor area for vertical expansions on the existing buildings is so extreme as to render the floor area worthless. The adjacent under-built sites have not taken advantage of using their own free floor area; the suggestion that they would be willing to acquire additional development rights from WPPC is extremely unlikely. These barriers are proven as reflected in the actual experience of WPPC. The possibility of a zoning lot merger with 151-161 and the lots further east have been available for decades. The transfer by means of a 74-79 Special Permit has been available since WPPC was landmarked in 2012. During this time, there has been no meaningful offer of WPPC's development rights.

Attachment E

Ira Schuman Letter

Ira Schuman
Vice Chairman, Director, Co-Branch Manager
Savills New York

E: ischuman@savills.us
T: +1 212 326 1004
M: +1 212 326 1000



Savills
399 Park Avenue
11th Floor
New York, NY 10022

July 13, 2022
Chair Sarah Carroll & Commissioners
Landmarks Preservation Commission
Municipal Building
One Centre Street, 9th Floor North
New York, NY 10007

**Re: West-Park Presbyterian Church
165 West 86th Street, Manhattan**

Dear Chair Carroll and Commissioners.

The purpose of this letter is to offer my opinion on the leasing marketability of 165 West 86th Street.

Before I do, permit me to offer my credentials.

I have been a commercial real estate broker in Manhattan for 45 years. I was principal, Vice Chairman and a Board Member in the Studley firm when we sold the firm to Savills of London a few years ago. My practice specializes in the not-for-profit sector, representing houses of worship, universities, hospitals, social service agencies and a host of other major organizations. I have won the Real Estate Board of New York's, Most Ingenious Deal of the Year Award four times in the last twelve years, generally considered highest honor in the industry.

I have inspected the property at 165 West 86th Street, and evaluated its leasing marketability and have come to three different conclusions.

First, given the condition of the building, the presence of the sidewalk bridge, the lack of code compliant fire protection systems and egress and the potential safety hazards, I believe no responsible party would occupy the building at any price if all these conditions and issues were disclosed.

Ira Schuman
Vice Chairman, Director, Co-Branch Manager
Savills New York

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M: +1 212 326 1000



Savills
399 Park Avenue
11th Floor
New York, NY 10022

Second, in order to bring the building to a condition that it can be safely occupied, the costs would be so high, the rents needed to justify the costs far exceed what any rational market participant would pay.

Third, there is no way the building and its income producing potential could get the commercial financing necessary to fund the needed repairs without some external support, guarantee or grants.

Let me discuss each of my conclusions.

Safety Issues

Reports by outside consultants have made the following conclusions:

A) By FacadeMD: “Many of the conditions noted on the facade through our observations are unsafe.”

B) By CCI: “Based in CCI’s visual survey, the existing WPPC building is in significant disrepair and would require significant and intensive upgrades to comply with any of the currently adapted and enforced New York City construction codes”

C)Also By CCI: “The existing West Park Presbyterian church is inaccessible, as any person using a wheeled mobility device cannot enter or move through the building or utilize the building with full or equal enjoyment.”

D) By Severud, (among many other meaningful findings):

“Various cracks and water discoloration in finishes were observed at the sanctuary ceiling or walls near or at the underside of existing wood trusses, but they are particularly concentrated at the **truss bearing ends**.

(Emphasis add)

The cracks indicate excessive deformation of the wood trusses and/or excessive lateral movement or settlement in the brick bearing walls at the truss bearing points. These findings constitute a structural issue, since the trusses support the vast majority of the roof and the sanctuary ceiling.”

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Please note that after the inspection by FacadeMD, the Building Department needed to be notified, 911 was called and 3 violations were issued, and an emergency repair order was issued.

It is my understanding that emergency repairs were made to address one of the three violations. Two violations remain outstanding.

Based on the above I believe occupancy in the building could constitute a life safety hazard and hence the building should not be rented at this time.

Costs of Repair

With respect to improving the building, LBG has estimated the cost to renovate the building, to a condition where it can be occupied in a safe and commercially reasonable manner would cost almost \$50 million.

Assuming the church was a highly rated credit, (which it is not), the best rate at which it could be expected to borrow, on a tax-exempt basis would be approximately 4 percent on a 30-year year loan.

Based on the above the interest and amortization to pay back the loan would be over \$3 million per annum.

The above assumes capitalization of interest over the first 3 years of the loan, during the construction and rent up period

Beyond that the church would have additional costs for annual operating expenses and the one-time cost of the leasing commission, which would also be capitalized in the loan.

Taken together,
the annual rent to cover all costs would need to be at least \$140 per gross square foot.

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Even if you assume the costs are \$25 million and not \$50 million the rents needed still exceed what the market would support for that space.

Financing.

All of the above is somewhat unrealistic as there is no lender that would lend to the church. First because the church has no ability to repay the loan and the underlying collateral which is the church building, has essentially zero value if it remains a landmark structure.

In conclusion, in my judgement there is no way the building can be leased to any party to cover the cost of necessary repairs and repay the debt service.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ira Schuman", written in a cursive style.

Ira Schuman

Attachment F

Appraisers & Planners Response to David Finehirsh Letter

Uniform Response David Finehirsh's Letter to LPC re: West Park Presbyterian Church**7/15/2022**

We have reviewed the June 13, 2022 letter prepared by David Finehirsh ("Finehirsh") to the New York City Landmarks Preservation Commission (LPC) setting forth claims that the economic analysis contained within the initial hardship application is "faulty and deficient" and that the Reasonable Return calculation does not adhere to the Landmarks Law. Finehirsh's conclusions are based on several flawed and unsupported assumptions and rely on calculations that are in direct opposition to the Landmarks Law and LPC precedent governing hardship applications, most notably the Denial of Notice to Proceed in LPC-127519 concerning Stahl York Avenue Co., LLC property at 429 East 64th Street and 430 East 65th Street ("Stahl York").

Finerhirsh Suggested Alternative Uses:

The Finehirsh letter states incorrectly that, "Significantly, both retail and residential condominiums would produce far more revenue than either residential rental space or a community facility presented as test cases by the Applicant"¹ Neither of these claims are supported, or accurate.

Retail: In support of this claim, Finehirsh assumes the property can be programmed with retail use totaling 11,901 square feet across three (3) retail units ranging in size from 2,428 square feet to 6,075 square feet. Finehirsh estimates that these spaces could be rented for a blended average of \$114 per square foot. Finehirsh is unable to provide any comparable data supporting this estimate, which are excessive given the restrictive physical attributes of the building. We are not aware of any recent, relevant comparable rentals in the subject's submarket, specifically along Amsterdam Avenue, that would support rents in this range, especially for spaces of this size.

Within this area of the Upper West Side, Amsterdam Avenue is generally considered an inferior corridor to Columbus Avenue and Broadway, both of which are still experiencing elevated vacancy rates. There has been limited retail leasing activity in the market since the pandemic, and we have uncovered a selection of retail lease comparables on Avenues in the Upper West Side, namely Amsterdam Avenue. Most leasing activity along Amsterdam Avenue concerns leases of small spaces, generally less than 1,500 square feet. These spaces are largely geared towards small food and beverage outlets. Rents uncovered for these spaces range from \$70 to \$130 per square foot with free rent ranging from three (3) months up to eight (8) months. The exposures, signage and transparency of the comparable rentals are measurably superior to the subject property.

Finehirsh contemplates spaces up to 6,075 square feet. Larger spaces are increasingly difficult to lease, and command significant pricing discounts per square foot. Our search did not uncover any leases greater than 3,000 square feet at grade with the exception of a 1Q 2020 lease in 622 Amsterdam Avenue at West 90th Street measuring 4,320 square feet at grade and 3,130 square feet in the basement. The total annual rent of \$395,000 results in a blended rent of \$53 per square foot, or \$91 per square foot of grade space, as enhanced by the basement. This space has notably superior transparency and exposure than the subject offers.

¹ Page 2 of Finehirsh Letter

The property has poor street exposure for a retail use, limited windows and no established store fronts, let alone, space for three (3) potential store fronts. Furthermore, given the landmark status of the building, signage will be extremely limited; when competing for foot traffic at the corner of two (2) busy thoroughfares, signage is a key component of a retail property. If a retail property lacks signage and glazing, it will be extremely challenging to acquire a tenant. Furthermore, access for a retail use is limited given the number of stairs one has to climb to enter the property, lack of loading, unusable basement space, etc.

In defense of a “retail” use of the property, Finehirsh cites 652 Sixth Avenue, at the corner of Sixth Avenue and West 20th Street. Setting aside the superior location of this property for a commercial use, and superior physical attributes of this property as compared with the subject, retail operation has not been successful at this project. Since the Limelight club exited the property in 2007 there has been a rotation of uses, many of which have failed. The most successful operations at the property include a restaurant use which only occupies a small portion of the property and can take advantage of the property’s attractive interior courtyard. The subject property does not enjoy that same amenity.

Condominium: The condominium analysis was not undertaken by the Applicant team because, simply, the costs to convert the property to residential use far exceed the net condominium proceeds an investor could expect to realize at the property. The total estimated costs to renovate, restore and convert the property for residential use were estimated to be \$60,408,000 (rounded), excluding any premia associated with an upgrade from a rental property to a condominium. If converted to residential use, the site would offer four stories of residential occupancy; we remind the Commission that the property sits on the corner of two busy wide streets, and that low-floor residential uses are considerably inferior to higher floor units on busy streets.

We have studied condominium sales in projects deemed comparable to the subject property, relying primarily on low-floor sales at both the Marlow at 150 West 82nd Street and the Belnord at 225 West 86th Street, the latter of which is located directly opposite the subject property. Four (4) recent sales at the Marlow indicate pricing of \$2,110 per square foot. There are an additional 12 units on floors 1 through 6 listed for sale and under contract with a blended asking price of \$2,105 per square foot.

Pricing at the Belnord revealed a similar range. For units on floors 1 through 6, a mix of closed, under contract and asking prices revealed a blended price of \$2,090 per square foot. We would note that the Belnord is a grand, full-block property, with an interior courtyard, and full amenity package that includes on-site parking. We developed an opinion of unit pricing which resulted in a blended price of \$2,188 per square foot, which is greater than pricing on floors 1 through 6 in both the Marlow and Belnord. The estimated pricing is presented on the following page:

the subject market. We have conservatively estimated a 5% premium to upgrade the LBG costs in the initial submission to condominium finishes, brining the total costs to \$63,400,000, rounded.

Total Development Costs (rd.)		\$60,408,000
Plus: Condominium Finish Premium @	5.0%	<u>\$3,020,400</u>
Total Development Costs (rd.)		\$63,400,000

The total restoration, renovation and conversion costs exceed the estimated net unit pricing by approximately **\$21,500,000** illustrating the unfeasibility of a condominium conversion, and the reason why this analysis was eliminated in the initial application.

Total Gross Sellout		\$45,100,000
Less: Broker's Commissions @	5.50%	(\$2,480,500)
Less: Marketing and Admin Expenses @	1.50%	<u>(\$676,500)</u>
Net Condo Sellout		\$41,943,000
Rounded		\$41,900,000 a
Total Development Costs (rd.)		\$60,408,000
Plus: Condominium Finish Premium @	5.0%	<u>\$3,020,400</u>
Total Development Costs (rd.)		\$63,400,000 b
Total Return - Condo Scenario		(\$21,500,000) (a-b)

Finehirsh Claim: Incorrect Method of Calculating Reasonable Return

In his critique of the Applicant's submission, Finehirsh states, "However, the Applicant does not use either the correct Assessed Value, nor the correct values for depreciation, instead using an Assessed Value of the property based on a cost approach - the most expensive method for assessing property made even higher by the inflated estimate of cost – one that the Department of Finance would reject in favor of an assessment based on an income approach."

Finehirsh isolates a passage from NYC Administrative Code 25-302, which reads,

"(a) Net annual return shall be the amount by which the earned income yielded by the improvement parcel during a test year exceeds the operating expenses of such parcel during such year, excluding mortgage interest and amortization, and excluding allowances for obsolescence and reserves, but including an **allowance for depreciation of two per centum of the assessed value** of the improvement, exclusive of the land, **or** the amount shown for **depreciation of the improvement in the latest required federal income tax return, whichever is lower**; provided, however, that no allowance for depreciation of the improvement shall be included where the improvement has been fully depreciated for federal income tax purposes or on the books of the owner."

While the text in this passage is applicable to the method of calculating the Reasonable Return, it does not include the full process for calculating Reasonable Return under the LPC Statute, and as established by LPC precedent. Finehirsh, either accidentally or deliberately, ignores the proper calculations of depreciated repair costs established in the aforementioned Stahl York matter. In

section VIII. Depreciation of the LPC Response to Stahl York, the calculations for depreciated repair costs are clearly stated,

“The hardship test includes as an expense a depreciation allowance of "two per centum of the assessed value of the improvement, exclusive of the land, or the amount shown for depreciation of the improvement in the latest required federal income tax return, whichever is lower." §25-302(v)(3)(a). The assessed value of the property for the 2009/2010 tax year is \$2,533,500, of which the buildings were valued at \$733,500. Two percent of \$733,500 is \$14,670.34. In addition, to account for the capital cost required to renovate the 53 apartments that were vacant at the time of designation, the Commission finds that it is reasonable to include two percent of the renovation costs in the depreciation allowance.” (*emphasis added*)

Put simply, the calculations presented by the Applicant in the initial submission are correct, as the renovation costs were correctly included in the analysis. The Applicant multiplied the total renovation, restoration and conversion costs under each of the three (3) scenarios by 2% to develop an annual depreciated repair cost, which is included as an expense in the net operating income for the Reasonable Return calculation. Following the Landmarks Law, and the precedent established by LPC, a reasonable return was unable to be produced in any of the three (3) scenarios.

Finehirsh’s incorrect, and incomplete interpretation of the Landmarks Law and LPC precedent should be ignored.

Attachment G

Appraisers & Planners Analysis of Historic Tax Credits

Response to LPC Questions Regarding Historic Tax Credits - 7/15/2022

Use of Historic Tax Credits

The use of Federal Historic Tax Credits (“FHTC”) and State Historic Tax Credits (“SHTC”), collectively the (“HTC”) was not factored into the analysis presented with the initial hardship application. The subject property is not within a qualifying census tract to be eligible for SHTC. While the West Park Presbyterian Church (“WPPC”) could be eligible for the FHTC program in the future, WPPC is not currently listed on the National Register of Historic Places. Under the assumption that WPPC could be listed in the future, the cost of any qualified rehabilitation expenditures could be partially offset by 20% FHTC, which would be available over a five-year period. However, the 20% FHTC does not result in a reasonable return as defined in the landmarks law.

Using three scenarios presented in the hardship application, the hypothetical credit would range from \$10,321,891 under the Base Scenario to \$12,081,740 for the Multifamily Scenario¹. We note that it is highly speculative to assume that the multifamily scenario would be eligible for the FHTC due to the considerable exterior alterations required in connection with the creation of over 60 new windows punched through the façade and roof. The National Park Service (“NPS”) has strict requirements concerning the preservation of the appearance of properties seeking FHTC and it is likely that the multifamily program would not meet NPS requirements.

Economic Components of FHTC

It should be noted first that a not-for-profit entity is only able to take advantage of the 20% FHTC if it creates a for-profit entity to syndicate or sell the tax credits to an investor in exchange for cash equity that can be used for the rehabilitation expenses. Typically, the use of FHTC to fund rehabilitation projects comes in the form of syndicated tax credit equity in which tax credit investors invest for future tax credits in a “lump sum” in order to fill in the capital stack of a project. Our discussions with knowledgeable parties practicing in this area indicate that the current syndication rates for FHTC range from 80% to 85% of the total eligible tax credit. We have assumed for purposes of this analysis that all estimated renovation and restoration costs, as detailed in Exhibit A, would be eligible for FHTC, but this would likely not be the case in practice. The syndicated credit range is presented below:

80% Syndication Rate Scenario				
Scenario	Base	Infill	Multifamily	
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701	
FHTC Credits @	20%	\$10,321,891	\$10,791,742	\$12,081,740
Tax Credit Equity - Syndication Rate @	80.0%	\$8,257,512	\$8,633,394	\$9,665,392

85% Syndication Rate Scenario				
Scenario	Base	Infill	Multifamily	
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701	
FHTC Credits @	20.0%	\$10,321,891	\$10,791,742	\$12,081,740
Tax Credit Equity - Syndication Rate @	85.0%	\$8,773,607	\$9,172,981	\$10,269,479

¹ 20% x Applicable Development Scenario – Presented in Exhibit A

Cash Flow – Outflow to FHTC Investor: Following the initial FHTC investment from the tax credit investor, there are two components that the developer is required to pay back to the tax credit investor: an allocation of cash flow from the project’s net operating income, and an investor buyout at the conclusion of the tax credit period.

The allocation of cash flow to the tax credit investor, generally between 2% and 3% of the of the tax credit equity. For this analysis, we estimate a distribution from cash flows equal to 2% of tax credit equity. Annual amounts under the 80% syndication rate scenario range from \$165,150 to \$193,308 per annum over the five-year period. Under the 85% syndication rate scenario, annual cash flow ranges from \$175,472 to \$205,390 per annum. Both scenarios are summarized below:

Scenario	Base	Infill	Multifamily
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701
FHTC Credits @	20%	\$10,321,891	\$10,791,742
Tax Credit Equity - Syndication Rate @	80.0%	\$8,257,512	\$8,633,394
Net Operating Income*	\$451,081	\$541,633	\$549,498
Annual Cash Flow to Tax Credit Investor (paid from NOI)	\$165,150	\$172,668	\$193,308
Total Cash Flows to Tax Credit Investor (5 years)	\$825,751	\$863,339	\$966,539

85% Syndication Rate Scenario

Scenario	Base	Infill	Multifamily
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701
FHTC Credits @	20.0%	\$10,321,891	\$10,791,742
Tax Credit Equity - Syndication Rate @	85.0%	\$8,773,607	\$9,172,981
Net Operating Income*	\$451,081	\$541,633	\$549,498
Annual Cash Flow to Investor	\$175,472	\$183,460	\$205,390
Total Cash Flow (5 years)	\$877,361	\$917,298	\$1,026,948

*The Net Operating Income calculation for this demonstration excludes 2% depreciated development costs. Net operating income for this demonstration is computed based on equalized taxes. This is presented in Exhibit B.

Investor Buyout – Outflow to FHTC Investor: Lastly, the FHTC investor requires a “buyout” of the investment at the end of the five-year tax credit period, typically 5%-10% of the total syndicated credit amount; we have estimated closer to the lowest end of the range at 5%. The buyout ranges are as follows:

80% Syndication Rate Scenario

Scenario	Base	Infill	Multifamily
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701
FHTC Credits @	20%	\$10,321,891	\$10,791,742
Tax Credit Equity - Syndication Rate @	80.0%	\$8,257,512	\$8,633,394
Year 5 Credit Investor Buyout @	5.0%	\$412,876	\$431,670

85% Syndication Rate Scenario

Scenario	Base	Infill	Multifamily
Total Development Costs	\$51,609,453	\$53,958,710	\$60,408,701
FHTC Credits @	20.0%	\$10,321,891	\$10,791,742
Tax Credit Equity - Syndication Rate @	85.0%	\$8,773,607	\$9,172,981
Year 5 Credit Investor Buyout @	5.0%	\$438,680	\$458,649

Net Impact on Reasonable Return Analysis

The FHTC offset the total development costs by approximately 13.6% assuming an 80% syndication rate, and 14.45% assuming 85% syndication rate. Factoring in the improvement assessment, this reduces the annualized depreciated repair costs ranging from \$945,978 for the Base Scenario up to \$1,106,802 for the Multifamily Scenario. A comparison of the full costs and annual depreciated repair costs submitted with the initial application is presented with the reduced costs and reduced annual depreciated repair costs:

Base Scenario	Full Costs	13.60% Reduction	14.45% Reduction
Renovation / Restoration Costs Basis	\$51,609,453	\$44,590,567	\$44,151,887
Assessment Improvement - Equalized	\$3,147,000	\$3,147,000	\$3,147,000
Total Depreciation Base	\$54,756,453	\$47,737,567	\$47,298,887
2% - Annualized Repair Cost	\$1,095,129	\$954,751	\$945,978
Infill Scenario	Full Costs	13.60% Reduction	14.45% Reduction
Renovation / Restoration Costs Basis	\$53,958,710	\$46,620,325	\$46,161,676
Assessment Improvement - Equalized	\$3,147,000	\$3,147,000	\$3,147,000
Total Depreciation Base	\$57,105,710	\$49,767,325	\$49,308,676
2% - Annualized Repair Cost	\$1,142,114	\$995,347	\$986,174
Residential Scenario	Full Costs	13.60% Reduction	14.45% Reduction
Renovation / Restoration Costs Basis	\$60,408,701	\$52,193,118	\$51,679,644
Assessment Improvement - Equalized	\$3,147,000	\$3,147,000	\$3,147,000
Total Depreciation Base	\$63,555,701	\$55,340,118	\$54,826,644
2% - Annualized Repair Cost	\$1,271,114	\$1,106,802	\$1,096,533

Under both the Base and the Infill scenarios, there is considerable negative net operating income under the Reasonable Return analysis, even by reducing the net development costs by 13.6% and 14.45%, respectively and only a minimal positive return under the Multifamily Scenario. The positive return in the Multifamily Scenario is far below the 6% Reasonable Return threshold. A full presentation of the three scenarios and syndication rates are set forth in Exhibit C.

With respect to the Multifamily Scenario, the FHTC offset would create positive net operating income for the Reasonable Return calculation, but the net operating income is far below the 6% threshold. We have demonstrated all scenarios in Exhibit D.

Exhibit A:
Development Costs for Three (3) Hardship Scenarios

CONSTRUCTION COSTS AND SCENARIO COMPARISON				
Calculation of Construction Components		Base Scenario	Infill Scenario	Multi-Family Scenario
Chapel Façade, Roof and Windows		\$3,782,585	\$3,782,585	\$3,782,585
Sanctuary Façade, Windows and Roof		\$8,926,111	\$8,926,111	\$8,926,111
Tower Façade & Windows		\$2,557,800	\$2,557,800	\$2,557,800
General Conditions		\$2,727,559	\$2,727,559	\$2,727,559
Total Hard Costs and Conditions		\$17,994,055	\$17,994,055	\$17,994,055
LBG Proposal				
Code Interior Scope		\$9,675,635	\$9,675,635	n/a
Residential Conversion		n/a	n/a	\$19,963,426
Infill Community Facility Space @ \$350	3,647	n/a	\$1,276,450	n/a
Code - Church Specific		\$1,508,625	\$1,508,625	n/a
Emergency Repair		\$24,600	\$24,600	\$24,600
Façade Restoration		\$17,994,055	\$17,994,055	\$17,994,055
Work for Struct Repairs		\$2,834,000	\$2,834,000	\$734,000
Subtotal - Full Scope		\$32,036,915	\$33,313,365	\$38,716,081
Full Scope		\$32,036,915	\$33,313,365	\$38,716,081
General Conditions Cost @	13.0%	\$4,164,799	\$4,330,737	\$5,033,091
Subtotal		\$36,201,714	\$37,644,102	\$43,749,172
Design Contingency	10.0%	\$3,203,692	\$3,331,337	\$3,871,608
Construction Contingency	10.0%	\$3,203,692	\$3,331,337	\$3,871,608
Subtotal		\$42,609,097	\$44,306,775	\$51,492,388
CCIP	9.0%	\$3,834,819	\$3,987,610	\$4,634,315
Subtotal		\$46,443,916	\$48,294,385	\$56,126,703
Insurance (professional/auto/offsite/pollution)	2.5%	\$1,065,227	\$1,107,669	\$1,287,310
Subtotal		\$47,509,143	\$49,402,055	\$57,414,012
Construction Services Fee*	4.0%	\$1,704,364	\$1,772,271	\$2,317,157
Subtotal		\$49,213,507	\$51,174,326	\$59,731,170
SDI Program	1.75%	\$560,646	\$582,984	\$677,531
Total		\$49,774,153	\$51,757,310	\$60,408,701
Interior Program Fitout @		\$100	\$100	Included
Total Fitout		\$1,835,300	\$2,201,400	Allow
Total Renovation Costs		\$51,609,453	\$53,958,710	\$60,408,701

Note: The development costs may not fully incorporate the incremental costs necessary to comply with the architectural standards for the federal tax credit such as additional professionals for Park Service applications and negotiation, legal and accounting tax advisory, costs of credit syndication, possible changes/upgrades to materials to changes to process to treat relevant elements of the building more delicately. Furthermore, the analysis does not consider that SHPO may require additional conformance to historic standards, which could result in less efficient use of a building with more common area.

Exhibit B:

Calculation of Net Operating Income, Exclusive of Depreciated Repair Costs

Development Scenario	Base	Infill	Multi-Family
Effective Gross Income	\$871,768	\$1,045,665	\$1,496,640
Expenses (Exclusive of Real Estate Taxes)*	(\$84,836)	(\$100,761)	(\$274,832)
Depreciated Repair Costs - OMITTED FOR PRESENTATION	\$0	\$0	\$0
Net Operating Income - Subtotal a	\$786,932	\$944,904	\$1,221,808
Less: Imputed Real Estate Tax Burden	(\$335,851)	(\$403,272)	(\$672,310)
Net Operating Income	\$451,081	\$541,633	\$549,498
*Real Estate Tax Calculation - Equalized Taxes Based on Projected NOI			
NOI Without Taxes	\$786,932	\$944,904	\$1,221,808
Loaded Capitalization Rate Applicable b	11.34%	11.34%	10.01%
Imputed Equalized Assessment (a / b)	\$6,939,436	\$8,332,488	\$12,211,059
Imputed Assessment (45% of Equalized)	\$3,122,746	\$3,749,620	\$5,494,977
Applicable Tax Rate	10.755%	10.755%	12.235%
Imputed Real Estate Taxes	\$335,851	\$403,272	\$672,310

Exhibit C:
Presentation of FHTC Calculations

80% Syndication Rate - Base Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$8,257,512					
Outflow						
Cash Flow to Credit Investor		-\$165,150	-\$165,150	-\$165,150	-\$165,150	-\$165,150
Credit Investor Buyout						-\$412,876
Total Outflows	\$0	-\$165,150	-\$165,150	-\$165,150	-\$165,150	-\$578,026
Net Annual Proceeds	\$8,257,512	-\$165,150	-\$165,150	-\$165,150	-\$165,150	-\$578,026
Total	\$7,018,886					
As % of Development Costs	13.60%					

85% Syndication Rate - Base Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$8,773,607					
Outflow						
Cash Flow to Credit Investor		-\$175,472	-\$175,472	-\$175,472	-\$175,472	-\$175,472
Credit Investor Buyout						-\$438,680
Total Outflows	\$0	-\$175,472	-\$175,472	-\$175,472	-\$175,472	-\$614,152
Net Annual Proceeds	\$8,773,607	-\$175,472	-\$175,472	-\$175,472	-\$175,472	-\$614,152
Total	\$7,457,566					
As % of Development Costs	14.45%					

80% Syndication Rate - Infill Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$8,633,394					
Outflow						
Cash Flow to Credit Investor		-\$172,668	-\$172,668	-\$172,668	-\$172,668	-\$172,668
Credit Investor Buyout						-\$431,670
Total Outflows	\$0	-\$172,668	-\$172,668	-\$172,668	-\$172,668	-\$604,338
Net Annual Proceeds	\$8,633,394	-\$172,668	-\$172,668	-\$172,668	-\$172,668	-\$604,338
Total	\$7,338,385					
As % of Development Costs	13.60%					

85% Syndication Rate - Infill Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$9,172,981					
Outflow						
Cash Flow to Credit Investor		-\$183,460	-\$183,460	-\$183,460	-\$183,460	-\$183,460
Credit Investor Buyout						-\$458,649
Total Outflows	\$0	-\$183,460	-\$183,460	-\$183,460	-\$183,460	-\$642,109
Net Annual Proceeds	\$9,172,981	-\$183,460	-\$183,460	-\$183,460	-\$183,460	-\$642,109
Total	\$7,797,034					
As % of Development Costs	14.45%					

80% Syndication Rate - Multifamily Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$9,665,392					
Outflow						
Cash Flow to Credit Investor		-\$193,308	-\$193,308	-\$193,308	-\$193,308	-\$193,308
Credit Investor Buyout						-\$483,270
Total Outflows	\$0	-\$193,308	-\$193,308	-\$193,308	-\$193,308	-\$676,577
Net Annual Proceeds	\$9,665,392	-\$193,308	-\$193,308	-\$193,308	-\$193,308	-\$676,577
Total	\$8,215,583					
As % of Development Costs	13.60%					

85% Syndication Rate - Multifamily Scenario						
Inflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Syndicated Credit Equity	\$10,269,479					
Outflow						
Cash Flow to Credit Investor		-\$205,390	-\$205,390	-\$205,390	-\$205,390	-\$205,390
Credit Investor Buyout						-\$513,474
Total Outflows	\$0	-\$205,390	-\$205,390	-\$205,390	-\$205,390	-\$718,864
Net Annual Proceeds	\$10,269,479	-\$205,390	-\$205,390	-\$205,390	-\$205,390	-\$718,864
Total	\$8,729,057					
As % of Development Costs	14.45%					

Exhibit D:

Reasonable Return Calculations with HTC Offsets

Reasonable Return Test	13.60% Reduction	Base	Infill	Multi-Family
Effective Gross Income		\$871,768	\$1,045,665	\$1,496,640
Expenses (exclusive of Real Estate Taxes)		(\$84,836)	(\$100,761)	(\$274,832)
Depreciated Repair Costs		(\$954,751)	(\$995,347)	(\$1,106,802)
Net Operating Income - Subtotal	a	(\$167,819)	(\$50,442)	\$115,006
Less: Imputed Real Estate Tax Burden*		\$0	\$0	(\$40,821)
Net Operating Income		(\$167,819)	(\$50,442)	\$74,185
Positive Return		no	no	yes
Equalized AV - Threshold Return Minimum	\$207,819	no	no	no
*Real Estate Tax Calculation - Equalized Taxes Based on Projected NOI				
NOI Without Taxes		(\$167,819)	(\$50,442)	\$115,006
Loaded Capitalization Rate Applicable	b	11.34%	11.34%	10.01%
Imputed Equalized Assessment	(a / b)	(\$1,479,888)	(\$444,818)	\$741,422
Imputed Assessment	(45% of Equalized)	(\$665,950)	(\$200,168)	\$333,640
Applicable Tax Rate		10.76%	10.76%	12.24%
Imputed Real Estate Taxes		(\$71,623)	(\$21,528)	\$40,821
Reasonable Return Test				
14.45% Reduction				
Effective Gross Income		\$871,768	\$1,045,665	\$1,496,640
Expenses (exclusive of Real Estate Taxes)		(\$84,836)	(\$100,761)	(\$274,832)
Depreciated Repair Costs		(\$945,978)	(\$986,174)	(\$1,096,533)
Net Operating Income - Subtotal	a	(\$159,046)	(\$41,269)	\$125,275
Less: Imputed Real Estate Tax Burden*		\$0	\$0	(\$44,466)
Net Operating Income		(\$159,046)	(\$41,269)	\$80,809
Positive Return		no	no	yes
Equalized AV - Threshold Return Minimum	\$207,819	no	no	no
*Real Estate Tax Calculation - Equalized Taxes Based on Projected NOI				
NOI Without Taxes		(\$159,046)	(\$41,269)	\$125,275
Loaded Capitalization Rate Applicable	b	11.34%	11.34%	10.01%
Imputed Equalized Assessment	(a / b)	(\$1,402,520)	(\$363,927)	\$807,628
Imputed Assessment	(45% of Equalized)	(\$631,134)	(\$163,767)	\$363,432
Applicable Tax Rate		10.76%	10.76%	12.24%
Imputed Real Estate Taxes		(\$67,878)	(\$17,613)	\$44,466

Appendix

- A. Building History
- B. Prior Development & Fundraising

West Park Church History *

- 1853: Park Presbyterian Church designed by Leopold Eidlitz was constructed at 84th St. & 11th Avenue. The wooden church was vacated in 1884 and subsequently demolished.
- 1883: The Church purchased five lots at the corner of 86th Street and 10th Avenue (now Amsterdam)
- 1884: The Church constructed a brick and stone Chapel on West 86th Street designed by Leopold Eidlitz
- 1889-90: The Church constructed the Sanctuary and renovated the Chapel to match. The Sanctuary and renovated Chapel were designed in the Romanesque Revival Style by Henry Kilborn at an estimated cost of \$100,000. The building was constructed out of red sandstone. The Sanctuary had 900 seats.

* West Park Presbyterian Church Designation Report (LP-2338)

- 1911: West Park Presbyterian Church was formed in 1911 when Park Presbyterian Church merged with West Presbyterian Church.
- 2001: A Sidewalk Shed was erected to protect pedestrians from the unsafe façade conditions.
- 2010: West Park Presbyterian Church was designated as an individual landmark. The congregation, numbering fewer than 100 members at the time, opposed designation.
- 2017: The Church is unable to pay for a Pastor and reduces its staff.
- 2018: The Center for West Park, a non-profit community performing arts center leased the Church for a performing arts center. The Church retained an office.
- 2020: Seeing no other options, the leadership of the Church votes to sell the Building.
- 2020: The Presbytery of New York establishes the West Park Administrative Commission to oversee the sale of the Church (12/1/20).

Pre-Designation (2010):

- 2004: The Church entered in discussions with Related Companies to demolish the building and construct a new apartment building with Church space. This project was not pursued.
- 2004: Friends of West Park, a non-profit developed an alternative plan to develop new community facility within the Church's exterior walls. This plan required a complete removal of the existing roof. Funding for this plan never materialized.
- 2005-8: The Church entered into a development scheme with Richmond Housing Resources that would have preserved the Sanctuary but replaced the Chapel with a residential tower. The project was abandoned due to the financial market and the impending designation of the Church.

Post-Designation (2011 to Present) :

- 2011: The Church raised funds for a new boiler that would enable the Church to be inhabited.
- 2011: Council member Gale Brewer raised \$35,000.
- 2011: The Church engaged Cushman and Wakefield to locate a long-term tenant or buyer for the building which proved unsuccessful
- 2011: The Landmarks Conservancy contributed \$15,000 in grants for roof repairs.
- 2013: The Church sold a manse (minister's residence) at 124 West 93rd Street \$1,355,00 and utilized proceeds for repairs.



2016: The Center at West Park was incorporated and began operating in the Church in 2017. From 2017-2019, the Center has paid the church about \$85,000 in rent and raised approximately \$150,000, which was used to cover operating deficits and make minor repairs to the building.

2018: The Center received a \$12,500 grant from the Landmarks Conservancy to prepare a master plan for the restoration of the church.

2021-22: The Church received \$100,000 in emergency loans from the Presbytery to cover 2022 operating and building repair costs.

Appendix

- A. Building History
- B. Prior Development & Fundraising
- C. South + North Wall Surveys

West Park Church History *

- 1853: Park Presbyterian Church designed by Leopold Eidlitz was constructed at 84th St. & 11th Avenue. The wooden church was vacated in 1884 and subsequently demolished.
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40'-0"
 30'-0"
 20'-0"
 10'-0"

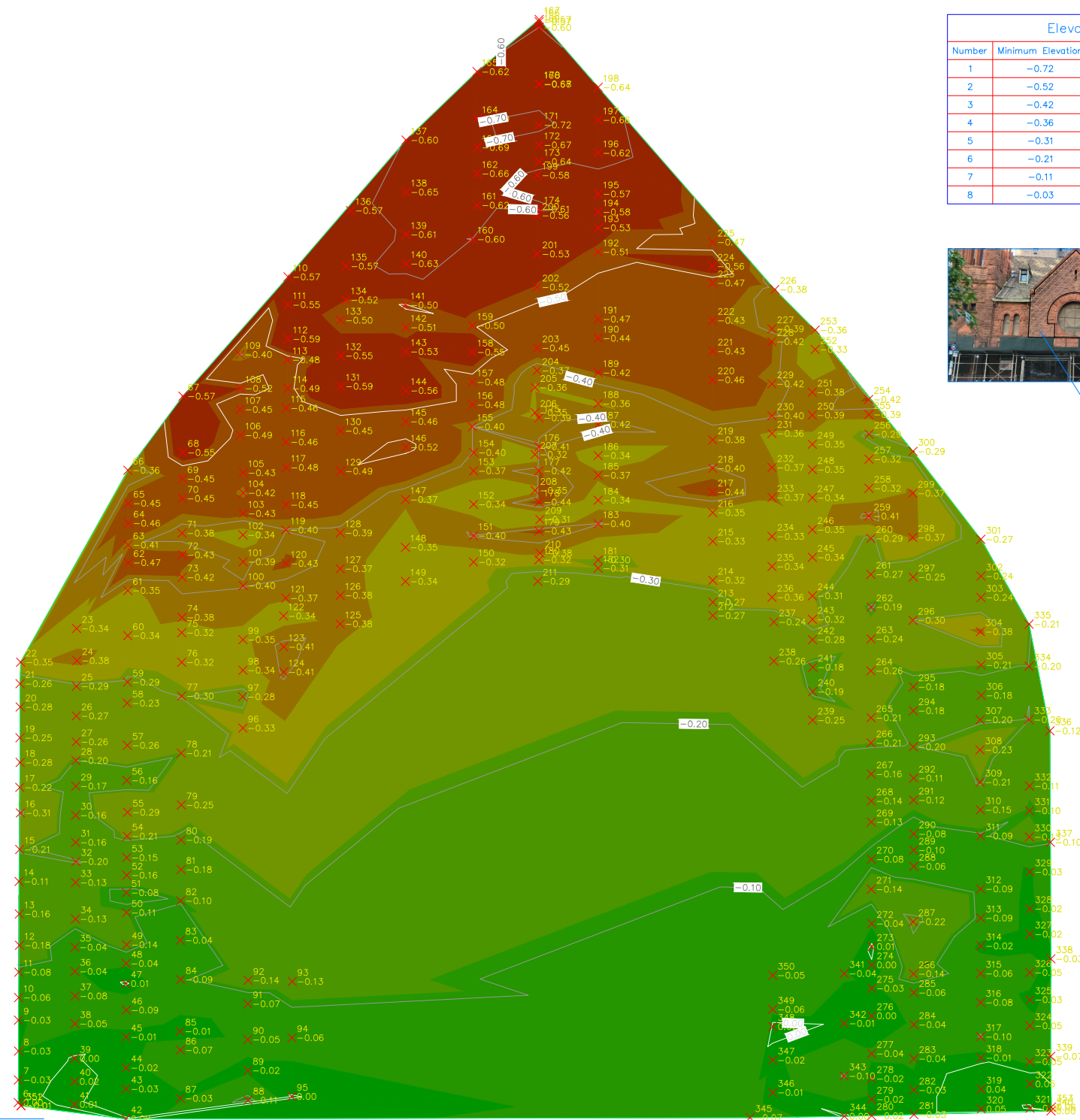
NOTES:
 "ELEVATIONS" DENOTE DISTANCE INTO PAGE (NORTH) IN DECIMAL FEET. NEGATIVE VALUES INDICATE PROTRUSIONS OUT-OF-PAGE (SOUTH) TOWARD W 86TH ST.

Elevations Table				
Number	Minimum Elevation	Maximum Elevation	Area	Color
1	-0.72	-0.52	87.62	Dark Red
2	-0.52	-0.42	90.94	Red
3	-0.42	-0.36	94.64	Orange
4	-0.36	-0.31	89.72	Yellow
5	-0.31	-0.21	155.06	Light Green
6	-0.21	-0.11	179.36	Green
7	-0.11	-0.03	170.59	Dark Green
8	-0.03	0.06	52.84	Very Dark Green



AREA MAPPED

X RECORDED POINT, SEQUENCE NUMBER, & DEPTH (FT)



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PROJECT:
 165 WEST 86th St.
 New York, NY

**SURFACE MAPPING
 SOUTH FACADE**

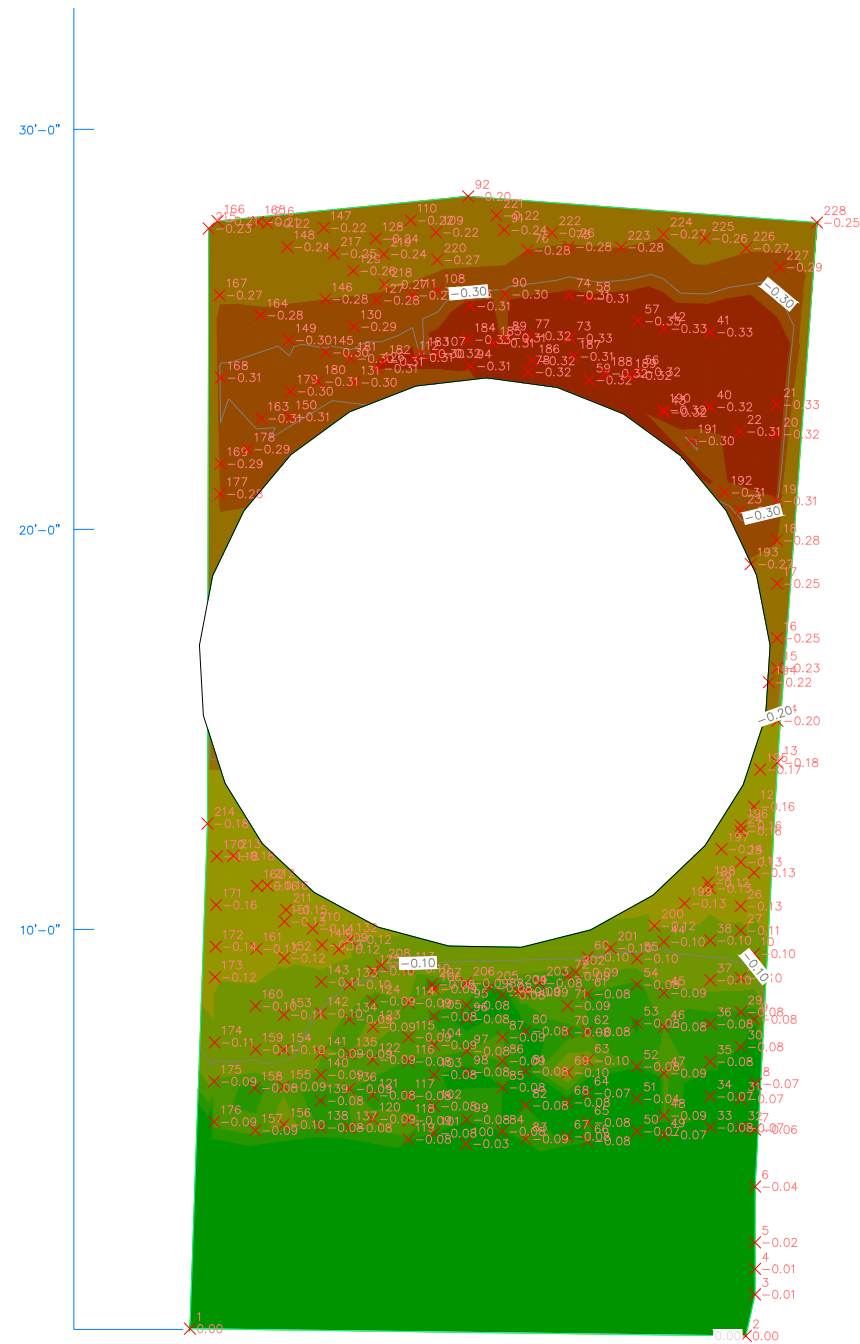
SEAL & SIGNATURE:

JOREL J. VACCARO, PE
 NY PE 093362

DATE: 7/4/2022
 PROJECT #: 22001
 DRAWN/CHECKED: JVV
 SCALE: 1/2" = 1'-0"
 PAGE: 01 OF 02

MP-100.00

SOUTH WALL SURVEY



NOTES:
 "ELEVATIONS" DENOTE DISTANCE INTO PAGE (SOUTH) IN DECIMAL FEET. NEGATIVE VALUES INDICATE PROTRUSIONS OUT-OF-PAGE (NORTH) TOWARD W 87TH ST.

Elevations Table				
Number	Minimum Elevation	Maximum Elevation	Area	Color
1	-0.33	-0.31	26.38	Dark Brown
2	-0.31	-0.28	33.93	Brown
3	-0.28	-0.20	29.52	Light Brown
4	-0.20	-0.12	20.28	Yellow-Green
5	-0.12	-0.09	23.04	Light Green
6	-0.09	-0.08	15.54	Green
7	-0.08	-0.08	18.53	Dark Green
8	-0.08	0.00	78.97	Very Dark Green



AREA MAPPED

X RECORDED POINT, SEQUENCE NUMBER, & DEPTH (FT)

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**SURFACE MAPPING
 NORTH CHURCH FACADE**

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 NY PE 093362

DATE: 7/4/2022
 PROJECT #: 22001
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 PAGE: 02 OF 02

MP-110.00

The current proposal is:

Preservation Department – Item 1, LPC-22-09135

**165-167 West 86th Street, aka 541 Amsterdam Avenue – West
Park Presbyterian Church – Individual Landmark
Borough of Manhattan**

Note: this is a Public Meeting item. No public testimony will be received today as the hearing on this item is closed