

The current proposal is:

**Preservation Department – Item 1, LPC-26-02776**

**165 West 86th Street – 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.**



# Review of Submitted Documents related to Financial Hardship Application for

*West-Park Presbyterian Church*  
*165 West 86<sup>th</sup> Street*

Before the NYC Landmarks Preservation Commission

*Weitzman Associates*  
May 5, 2026

# Scope

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- A review of all documents that have been presented by the Applicant and those that are opposed to the Application, which have been received by the Landmarks Preservation Commission related to the subject property through April 26, 2026 concerning the Applicant's claim of hardship under the Landmarks Law.
- A review of the assumptions utilized by the Applicant, and by those representing the Center for West Park (the "Center"), in their analyses, and the determination of their relevance.
- A search for additional market data to determine the reasonableness of the Applicant's assumptions and methodology.
- A review of the potential value and timing associated with Transferable Development Rights (TDR's) at the subject property.



# Scope

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- A determination if other re-development/development scenarios should be utilized, and, if so, prepare such analyses. This includes an analysis of the potential for a phased approach for the deferred maintenance and rehabilitation costs of the building.
- Any other analyses that would result from testimony at the Hearings, and/or additional information that is provided by the Applicant or the Center.
- A review and analysis of the Applicant's claim of financial hardship in relation to existing laws within the Landmarks provisions in New York City.



# Scope

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Weitzman's primary task was to focus on the merits and reasonableness of the submissions from the Applicant, the Center, and others as it relates to the financial hardship claim from the Landmarks designation on the subject property.



# Appraisers & Planners Report as of September 10, 2025

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- Five (5) Re-development scenarios for the Church Property
  - **Base Scenario**
    - A re-development into a Community Facility / Commercial Property.
  - **Infill Scenario**
    - A re-development into a Community Facility / Commercial Property + infill space in the auditorium/sanctuary space.
  - **Multi-Family Scenario - Traditional**
    - Multi-family residential rental use inclusive of infill space in the auditorium/sanctuary space.
  - **Multi-Family Scenario – with Affordable units.**
    - Multi-family residential rental use inclusive of infill space in the auditorium/sanctuary space.
  - **Multi-Family Scenario – Condominium Sell Out**
    - Multi-family residential for-sale use inclusive of infill space in the auditorium/sanctuary space.



# Appraisers & Planners Report as of September 10, 2025

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- Financial Hardship Application subject to the rules and standards of NYC Administrative Code 25-309:
  - On page 7 of their report, Appraisers and Planners states:
    - *“We have made an estimate of the potential rent for the subject property, as renovated and cured of its internal, structural and exterior deficiencies, deducted the amortized costs to cure the current conditions as an expense, and have capitalized the net operating income into value using a loaded capitalization rate, which includes the base capitalization rate plus an equalized or effective tax rate. The net return was equalized to a return on assessment to compare to the 6% return on assessed value.”*

We note that Appraisers & Planners does not deduct real estate taxes in their analyses, as their net operating income was already below the calculated return threshold.



# Landmarks Statute

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- Financial Hardship Application subject to the rules and standards of NYC Administrative Code 25-309:
  - We note that Appraisers & Planners on Page 7 also recites from the Rules of the City of New York the following:
    - *“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,…”*
  - It is important to note that Weitzman’s analysis has focused on earned income and the common understanding of earned income being market oriented and repetitive, in that a return calculation related to real estate assumes that the measured return (in this case the 6.0% return threshold) will continue into the future. Fundraising dollars would not constitute earned income from the real estate.



# Appraisers & Planners Report as of September 10, 2025

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## ➤ **Base Scenario and Infill Scenario**

- The commercial market rent estimate of \$55.00 per square foot utilized by Appraisers and Planners is in line with the Upper West Side location and the condition of the space following renovation.
  - Rents assuming that the interiors largely stay “as is” would be significantly lower.
- Projected Operating Expenses are inline with market expectations.
  - Reserves and Management Fees Projections could be higher.
- Re-development costs were reviewed by Cumming in an initial analysis in 2023, Appraisers and Planners assumed inflation increases through 2025 which we deem to be reasonable and in the general range of market changes.
- Neither Scenario achieves a positive Net Operating Income from earned income, and therefore no reasonable return threshold is achieved.



# Appraisers & Planners Report as of September 10, 2025

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## ➤ Multi-Family Scenario

- Market rents utilized by Appraisers and Planners are appropriate and market supported given the Upper West Side location and the condition of the space following the proposed renovation.
- Weitzman would assume that the ground floor amenity space depicted on the floor plans would be converted to residential space; *this assumption of additional revenue would not lead to positive net operating income.*
- The operating expenses projected by Appraisers and Planners, before real estate taxes, were appropriate.
- The Multi-Family scenario does provide positive Net Operating Income prior to real estate taxes, but not sufficient income to exceed the 6.0% return threshold.
- We note that the Multi-Family scenario would assume a for profit developer given the magnitude of the proposed rents (and that no affordable units are assumed in the primary analysis), thus real estate taxes would need to be deducted as well, which would bring the net operating income negative.



# Appraisers & Planners Report as of September 10, 2025

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- **Availability and Use of Historic Tax Credits**

- Weitzman agrees with the conclusion reached by Appraisers and Planners that the tax credits would not be available to the subject site.

- **Market Data for Revenue and Expense Assumptions**

- Weitzman has researched additional lease comparables in the market. The additional lease comparables, presented in Exhibit A of the Weitzman Report, further support the commercial/community facility market rent assumption utilized by Appraisers and Planners.

- **Weitzman agrees with Appraiser and Planners comment that any assumption related to the potential monetary impact of the sale of Transferable Development Rights (TDR's) from the Subject Property to a Site that could utilize them would be highly speculative.**



# Weitzman Sensitivity

An analysis of the minimum rent level that would be needed to exceed the 6.0% Return threshold when utilizing the Cost Estimate from Donald Friedman, escalated to 2025 dollars.

## Analyses

### ➤ Calculation of Necessary Rent to achieve a 6.0% assuming only Donald Friedman's Cost Estimate

- The required rent level of \$37.58 per square foot for the entire building is unlikely given the interior condition.
- Mr. Friedman's figure does not include any repairs to, or construction on, any interior space.
- It is Weitzman's opinion that the rent for the subject property given the current interior conditions and demising would be less than \$25.00 per square foot, if one were able to find a tenant willing to lease the spaces given the code violations that were not addressed in Mr. Friedman's analysis.

	No Real Estate Taxes(4)	w/ Real Estate Taxes	
	Base Scenario	Base Scenario	Infill Scenario
Rentable Building Sq. Ft.	18,353	18,353	
Rent per Sq. Ft.	\$37.58	\$48.83	
PGI	\$689,706	\$896,177	
Less: Vacancy Collection Loss as a %	5.0%	5.0%	
Less: Vacancy Collection Loss as a \$ Amount	(\$34,485)	(\$44,809)	
<b>Effective Gross Income</b>	\$655,220	\$851,368	
<b>Expenses</b>			
Insurance (2)	per recent actuals	\$61,000	\$61,000
Professional Fees	per Annum	\$5,000	\$5,000
Utilities	Tenant Responsibility	\$0	\$0
Payroll	None	\$0	\$0
Repairs & Maintenance (3)	per recent actuals	\$72,000	\$72,000
Structural Repairs	\$ / Sq. Ft. \$0.50	\$9,177	\$9,177
Management and Leasing	% of EGI 6.00%	\$39,313	\$51,082
Expenses BEFORE Amortized Dev Costs and RE Taxes	\$186,490	\$198,259	
NOI BEFORE Amortized Dev Costs and RE Taxes	\$468,731	\$653,110	Not applicable as a cost estimate for this scenario was not provided
Less: Amortized Development Costs (1)	(\$240,440)	(\$240,440)	
Net Operating Income w/o Real Estate Taxes	\$228,291	\$412,670	
<p><i>Assuming no real estate taxes, the \$37.58 per sq. ft. rent figure allows for a NOI before real estate taxes to reach an amount (\$228,291) that would exceed the required return for the Financial Hardship calculation (\$228,285).</i></p>			
Assessed Value	\$3,804,750	\$3,804,750	
Return Requirement (6.0% + loaded tax rate)	6.0000%	10.8429%	
Minimum NOI w/o Real Estate Taxes	\$228,285	\$412,545	

Source: Appraisers and Planners Inc; replicated by Weitzman Associates



# Transferable Development Rights (TDRs)

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- There are approximately 80,000 to 85,000 square feet of unused TDR's available for transfer at West Park Church.
- Given the relatively small individual sizes of the surveyed potential TDR transfers, multiple transfers over multiple properties would be necessary to absorb the total amount of 85,000 square feet of unused TDRs available from West Park Presbyterian Church.
- Other factors that impede the transfer of TDRs include the nature of potential receiver sites as existing Co-op buildings, rental buildings with rent regulated tenants, the time to assemble smaller properties into a viable development site, and the limited demand for rooftop additions.
- We note that Appraiser's & Planners has opined on an option price of **\$1,500,000** for the TDRs, while Weitzman has calculated a net present value of approximately **\$5,000,000** based on highly speculative sales process over decades; both represent a figure that is well below the cost to renovate and rehabilitate the structure for it to be marketable and code compliant.



# Transferable Development Rights (TDRs)

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- The highly constrained character of the potential receiving sites renders their redevelopment through the acquisition of TDRs highly improbable in the near to mid-term. For all categories of receiving sites, the acquisition of TDRs could only take place at the end of a lengthy and complicated pre-development process, and as of this date we have not been able to identify any pre-development activity on any of these sites, nor any interest in the WPPC TDRs, which, even not formally marketed, have long been available for transfer
- While the impact of ZR 75-42 has yet to be measured over time, recent sales of TDRs in Manhattan have typically been for development projects of a much larger scale than envisioned within the receiving area of WPPC.
  - Further, while the ZR 75-42 does allow for more receiver sites, there remain a very limited number of potential buyers of TDRs, coupled with other sites in the vicinity that could sell their TDRs.



# Transferable Development Rights (TDRs)

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- Per our review of submitted materials to date, along with our expertise and additional analyses, we conclude that there is a lack of demand in the foreseeable future for the transfer, through multiple transactions at multiple properties, of enough unused WPPC TDRs of such value and proceeds which could materially impact any application for financial hardship at the West Park Presbyterian property.
- Given the need for a Reasonable Return Analysis, and acknowledging that Landmarks has previously referenced the need to include a value for TDRs in a Reasonable Return Analysis, it remains unclear how any sale proceeds from this highly speculative analysis would be considered in the Reasonable Return Analysis given that: (1) the sales are one off transactions that would occur over a significant length of time; (2) there is no “secondary” market to “bank” TDR’s; and, (3) there are a limited, and finite, number of buyers.



# Response to The Center at West Park's April 26<sup>th</sup> Document

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- A document that summarizes funding sources for The Center at West Park to remediate the West Park Presbyterian Church, submitted by Simeon Bankoff.
  - The document discusses the annual repairs expense spent by the Center as a tenant of “roughly \$48,000” per year from 2017 to 2025. This far exceeds the operating expense projections for this line item utilized by Leitner Berman and JLP+D in their reasonable return calculations.
  - Given the current condition of the property, these expenses will only increase in the future.
  - Based on the spreadsheet on page 7 of this document, these expenses do not include Insurance, Pest Control, or Life Safety expenses that would also be incurred.
  - The property recently reported annual Insurance expenses of \$61,000, and annual Repairs & Maintenance expenses of \$72,000.



# Response to JLP+D's April 26<sup>th</sup> Document

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- A document that responds to testimony and reports from the Applicant in March 2026.
  - JLP+D's document mis-calculates the Depreciation Allowance deduction by allocating a portion of the \$9.1 million in remediation costs (exterior only) from Mr. Friedman to an increase in the Assessment. The depreciation allowance should be calculated on the full cost of the renovation of the property. Therefore, the \$9.1 million should be inflated to 2025 dollars and 2.0% of that cost should be deducted from the Net Operating Income (NOI) prior to real estate taxes, as depicted on page 8 of Weitzman's report.
  - The inclusion of "Additional Tenant Rent from Repairs" is: (1) not appropriate for a Reasonable Return Analysis; and, (2) is not a concept in a market oriented real estate analysis. A tenant is a temporary occupant of a space/building – they would not fund improvements that they would not have long term benefit from, nor residual value from. Thus, the Return Analyses on page 8 of the report are not based in fact, nor are they appropriate for this hardship claim.



# Response to JLP+D's April 26<sup>th</sup> Document

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- JLP+D presents four (4) return analyses on the last page of their response
  - Columns 1, 3, and 4 make the assumption that a tenant would pay more than three times their overinflated rent. There is no basis to assume \$550,590 in annual rent for the Church property on an “as-is” basis and additional rent to fund repairs over a period of years for space it does not own, nor control over the long term. Any space that the tenant improves, given the nature of the structural repairs in Friedman’s analysis, would revert back to the landlord at the end of the lease period.
  - Column 2 assumes too high of a rent on a per square foot basis given the “as is”, assumes operating expenses that are significantly below those currently being incurred, does not discuss how the structural repairs are addressed, and mis-calculates the depreciation allowance. Proper, market supported assumptions (as shown herein) would yield an annual return below the 6.0% threshold in Column 2.
  - We further note that “profit sharing” or, funds derived from philanthropic fundraising, would not be counted as “earned income” for typical real estate analyses.



# Response to Leitner Berman's April 26<sup>th</sup> Document

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- A document that responds to testimony and reports from the Applicant in March 2026.
  - Leitner Berman's report also mis-calculates the amortization of the remediation costs (exterior only) by adjusting the Assessed Value, as opposed to deducting the allowed 2.0% annual amortization on pages 5 and 6, deducting a figure of \$59,455, versus the proper deduction of \$240,440.
  - Page 7 states that the subject property is specifically design for not-for-profit use. It is our strong opinion that the the subject property was originally designed for a religious use, and that the space could be easily adapted to another use that could be “for profit” or “not for profit”.



# Response to Leitner Berman's April 26<sup>th</sup> Document (cont.)

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- A document that responds to testimony and reports from the Applicant in March 2026.
  - Page 9 states that Weitzman/Stout improperly calculates the “amortized development cost expense”. Rather, as noted in the Weitzman and Stout/Appraisers and Planners document, the LPC statute calls for a deduction equal to 2.0% of the then in-place Assessment of the Improvements (excluding land), plus the cost to repair, remediate, or otherwise improve the subject property for it to be marketable as a going concern.
  - Weitzman does not agree with the assumption that the realization of the sale of TDR's are imminent, so that the funds from such a sale would be placed in a bank to earn interest.



# Response to Leitner Berman's April 26<sup>th</sup> Document (cont.)

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- A document that responds to testimony and reports from the Applicant in March 2026.
  - Page 10 brings up a premise that assumes “...if a tenant were willing to fund the required renovations...”
  - **It is Weitzman’s experience that there are no tenants in the marketplace that would be willing to fund, at a minimum, the magnitude of capital that would need to be spent in the near term (prior to occupancy) noted in the Friedman analysis, or the additional cost estimates only to be subject to a lease expiration in 5, 10, or even 20 years wherein the improved space/structure would then be returned to the property owner, and the Tenant would have no right to use or access.**
  - We note that the Center is not a typical market tenant, and is one that was created by the Church in an attempt to stabilize the building.



# Response to Urban Factor's April 26<sup>th</sup> Document

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- A document that responds to testimony and reports from the Applicant in March and April 2026.
  - Urban Factors states on page 3 of their report: “Realized only ten years after the LPC’s Stahl decision, that TDR transfer opportunity turned out not to be so “speculative” after all.”
    - The fact that the sale did not occur for another 10 years is the exact argument that Weitzman presents that the timing of the sale of TDRs at West Park Church, as well as the expected prices for the sale, to one, much less multiple, buyers is highly speculative.
  - The report states that there is no way to search the sale of TDRs in New York City. Weitzman has conducted such a search, and the results of such sales from 2023 through year-to-date 2026 are presented in Exhibit E of this report.
  - We note that the City of Yes legislation did create a wider marketplace, but the market for TDRs remains very small as a recipient site is needed to affect a transaction.



# Weitzman Conclusion

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Based on our review of the submitted materials to date and our expertise in the underwriting of development and re-development opportunities in Manhattan, New York City, and beyond, it is our opinion that the calculations and analyses related to the reasonable return analysis for West-Park Presbyterian Church as presented by Appraisers and Planners are reasonable and supported by market conditions and underwriting standards that are present in the market as of the date of submission.





The current proposal is:

**Preservation Department – Item 1, LPC-26-02776**

**165 West 86th Street – West Park Presbyterian Church**

**Individual Landmark – Borough of Manhattan**

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