

# WEST-PARK PRESBYTERIAN CHURCH

165 WEST 86TH STREET

BLOCK 1217, LOT 1

LPC DOCKET # LPC-22-09135

APRIL 27, 2022

# Applicant and Project Team

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

Kenneth S Horn - President & Founder, Alchemy Properties

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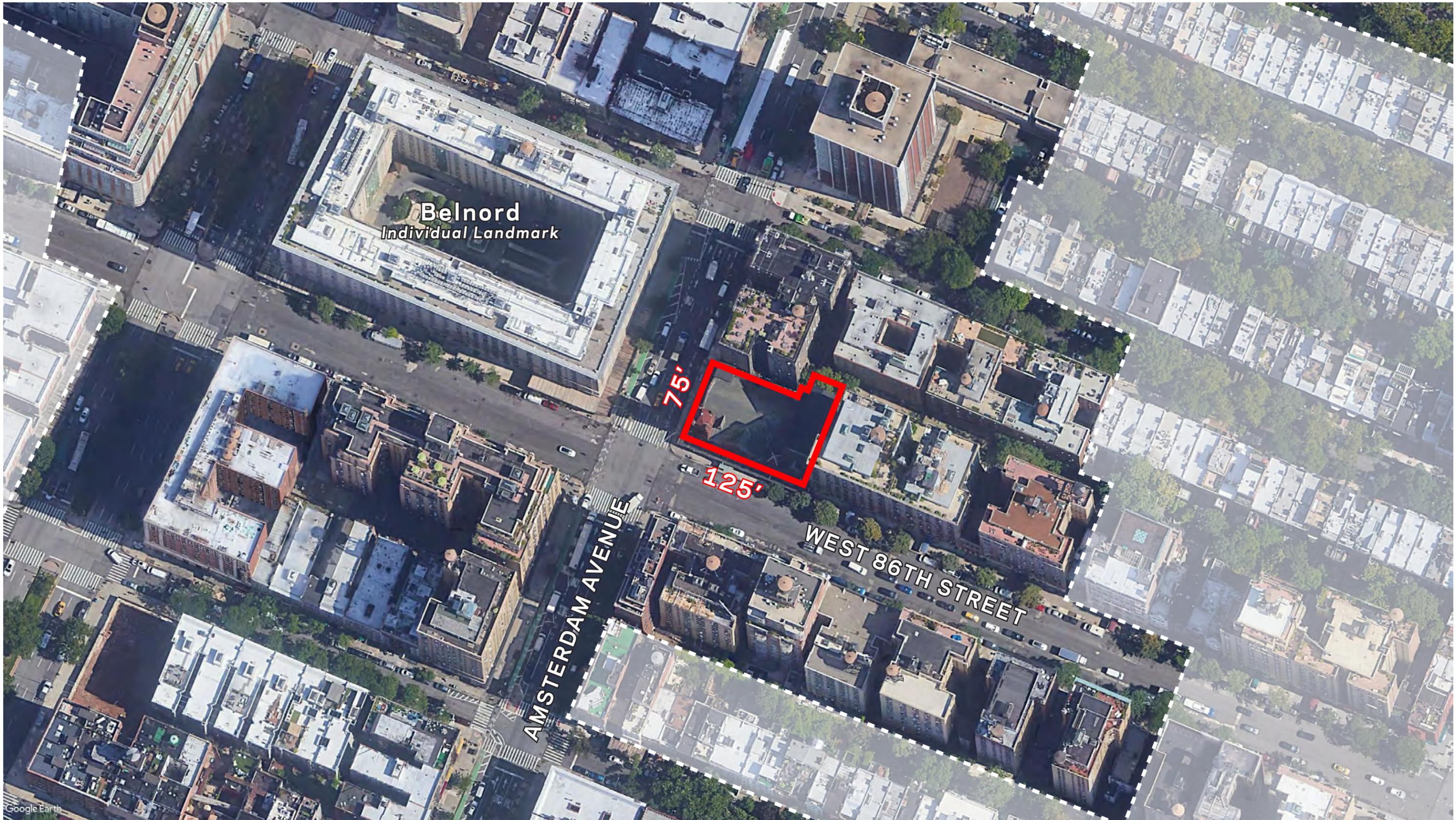
Muhammad Rahal, PE - Senior Associate, Severud Associates

Richard W. Lefever, PE - President, Facade MD

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

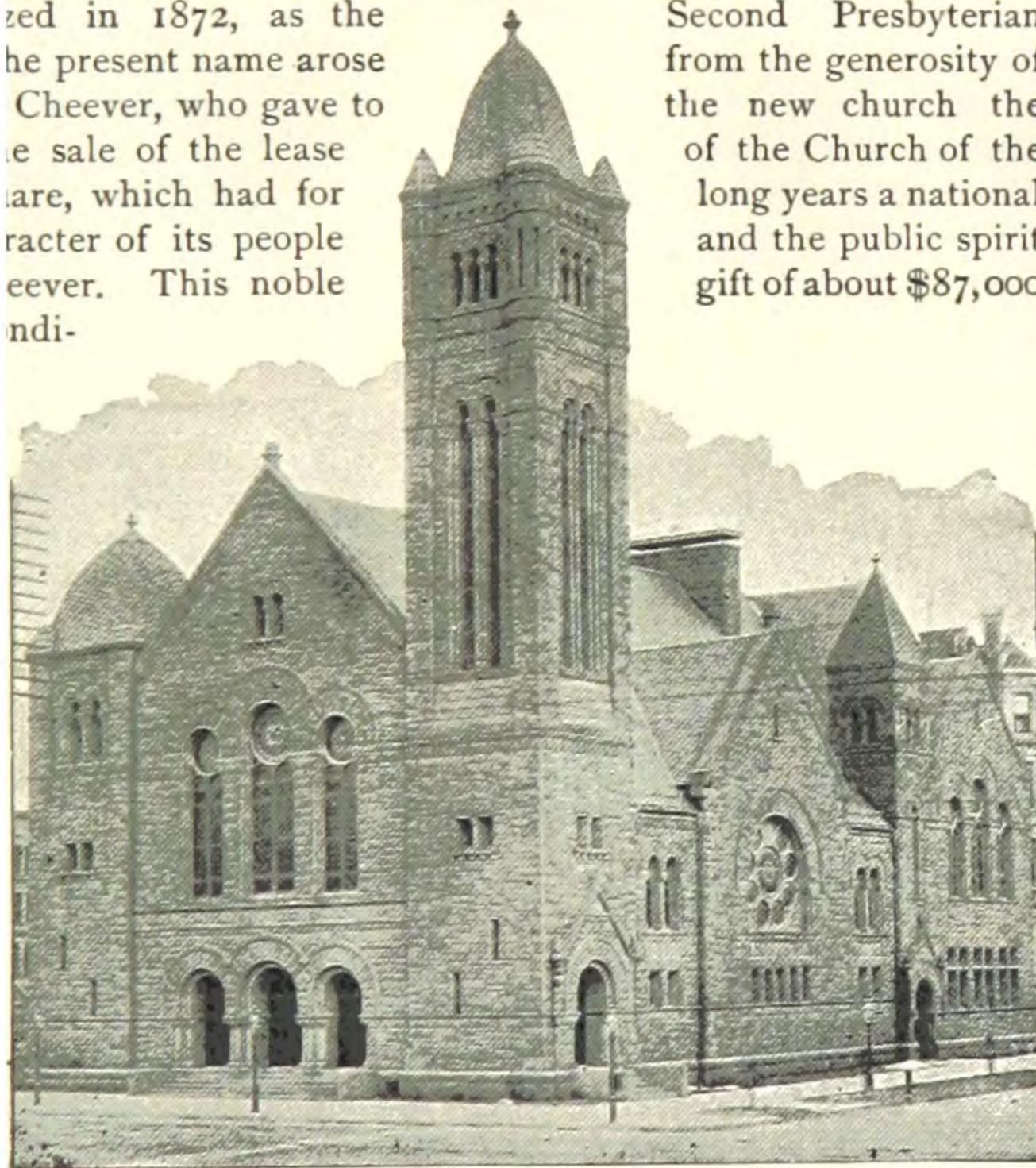
- Section 25-309(2) of the Landmarks Law sets forth the statutory standard for not profits.
- The applicable requirements are as follows:
  - The property is exempt from real property taxation.
  - The owner has entered into a bona-fide agreement to sell, which agreement is contingent on the issuance 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



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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

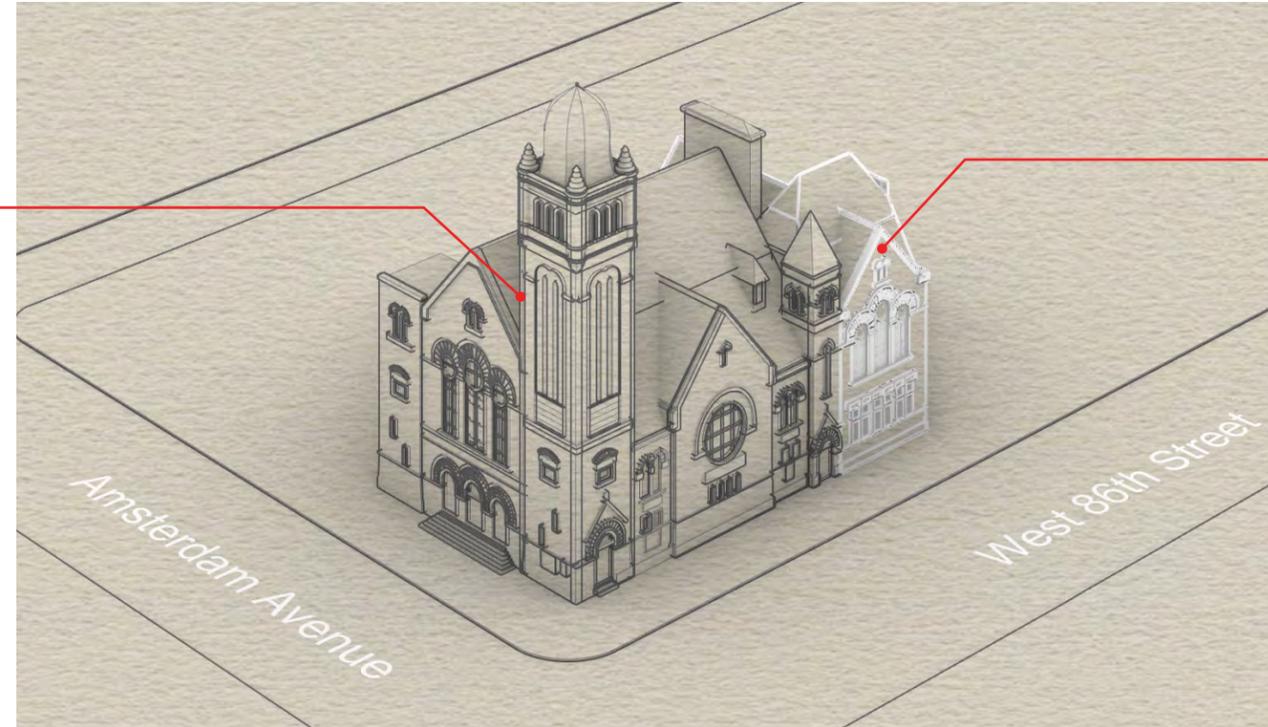
- ARCHITECTURAL STYLE

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***

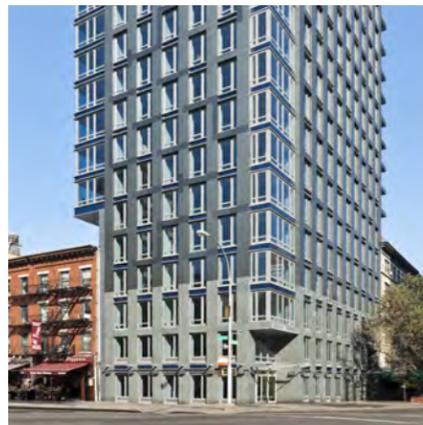
- The Presbytery of New York covers all five boroughs and includes 89 congregations and 14 worshiping communities.
- Churches under the jurisdiction of the Presbytery include three individually landmarked churches (including West Park) and twelve churches located within historic districts.
- All churches 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

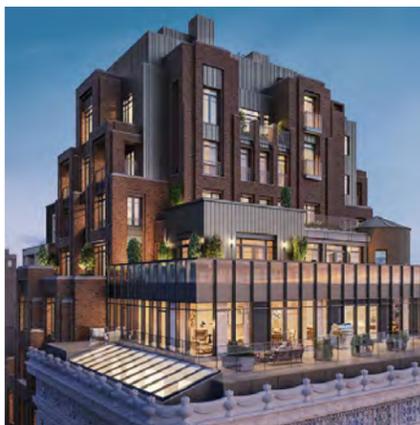
- The Church entered into a contract with Alchemy on March 3, 2022 for the Church property, contingent on the issuance of a demolition permit.
- Under the contract, Alchemy will provide the Church with a 10,000 sf space for worship, community activities and arts programs.



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**

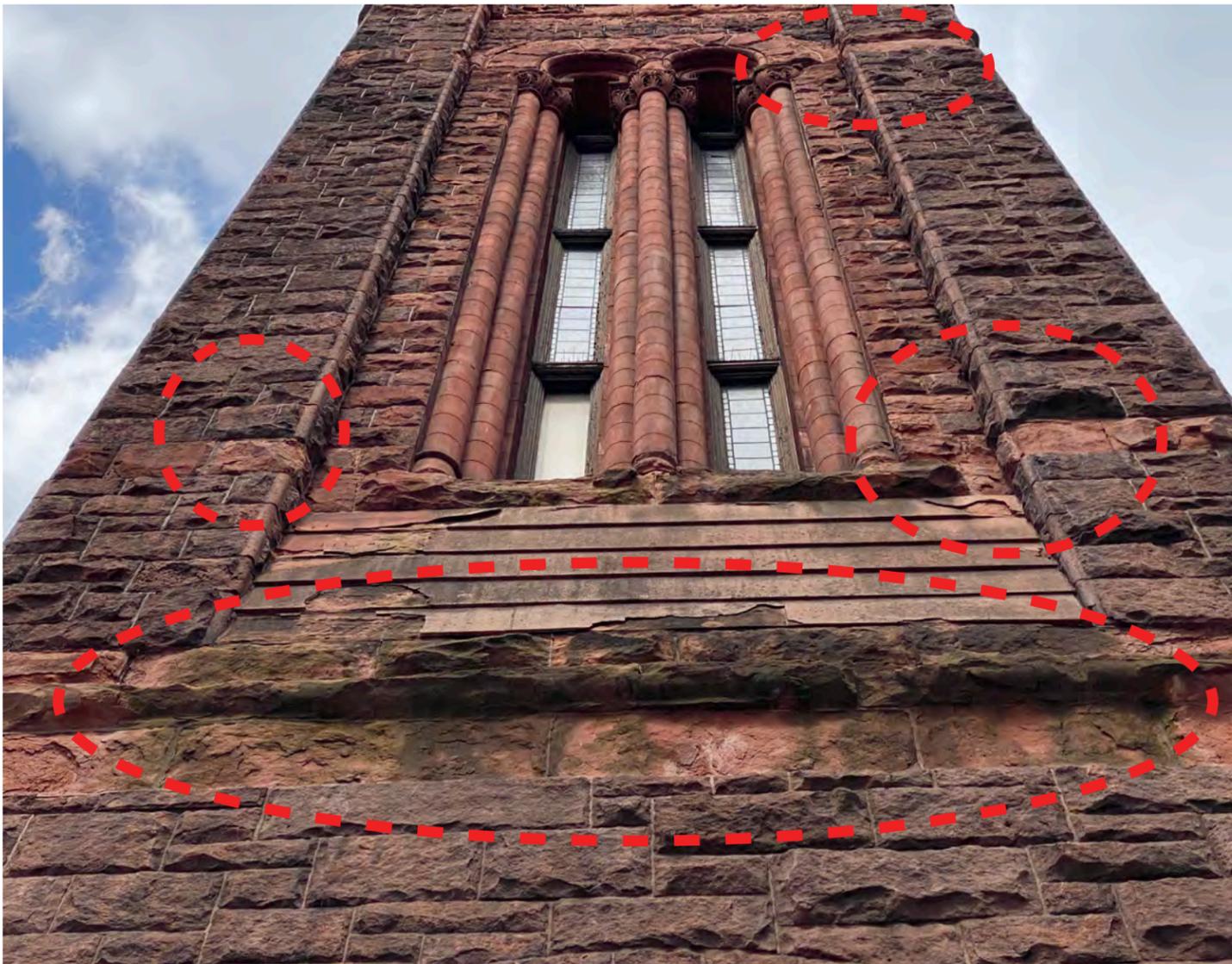
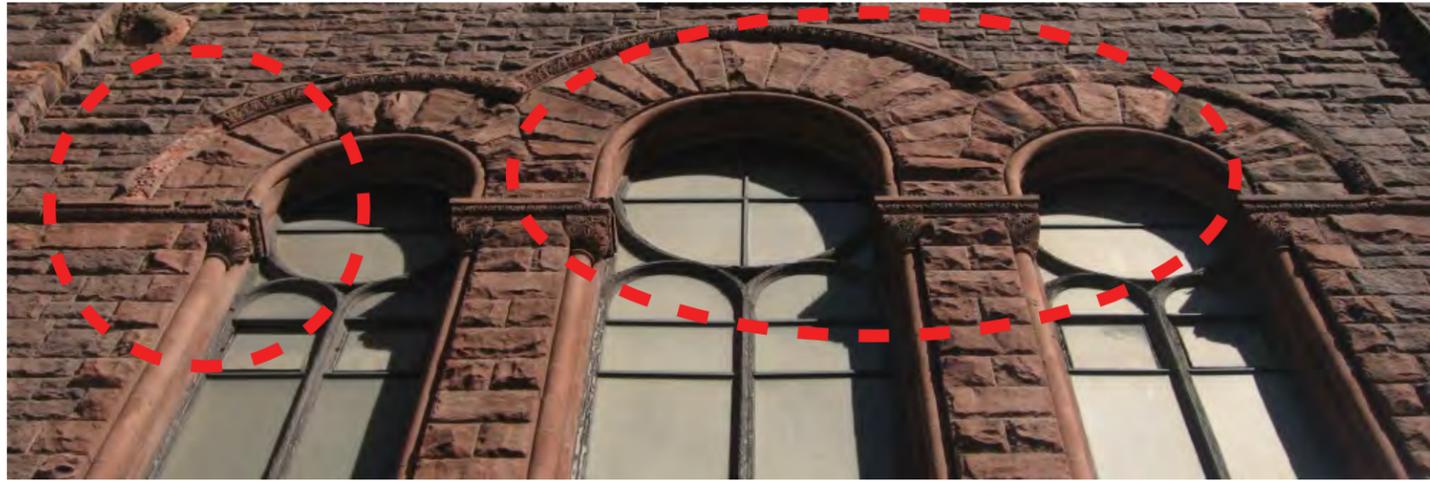
**TEAM**

# 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



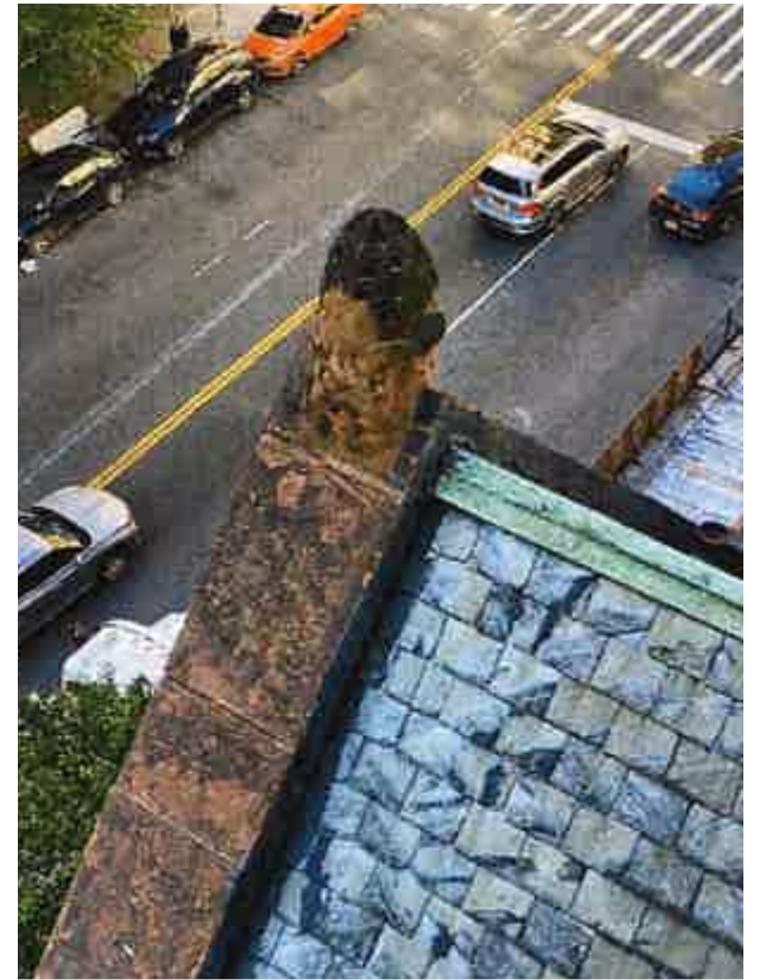








27 APRIL 2022  
WEST-PARK PRESBYTERIAN CHURCH



## 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) \****

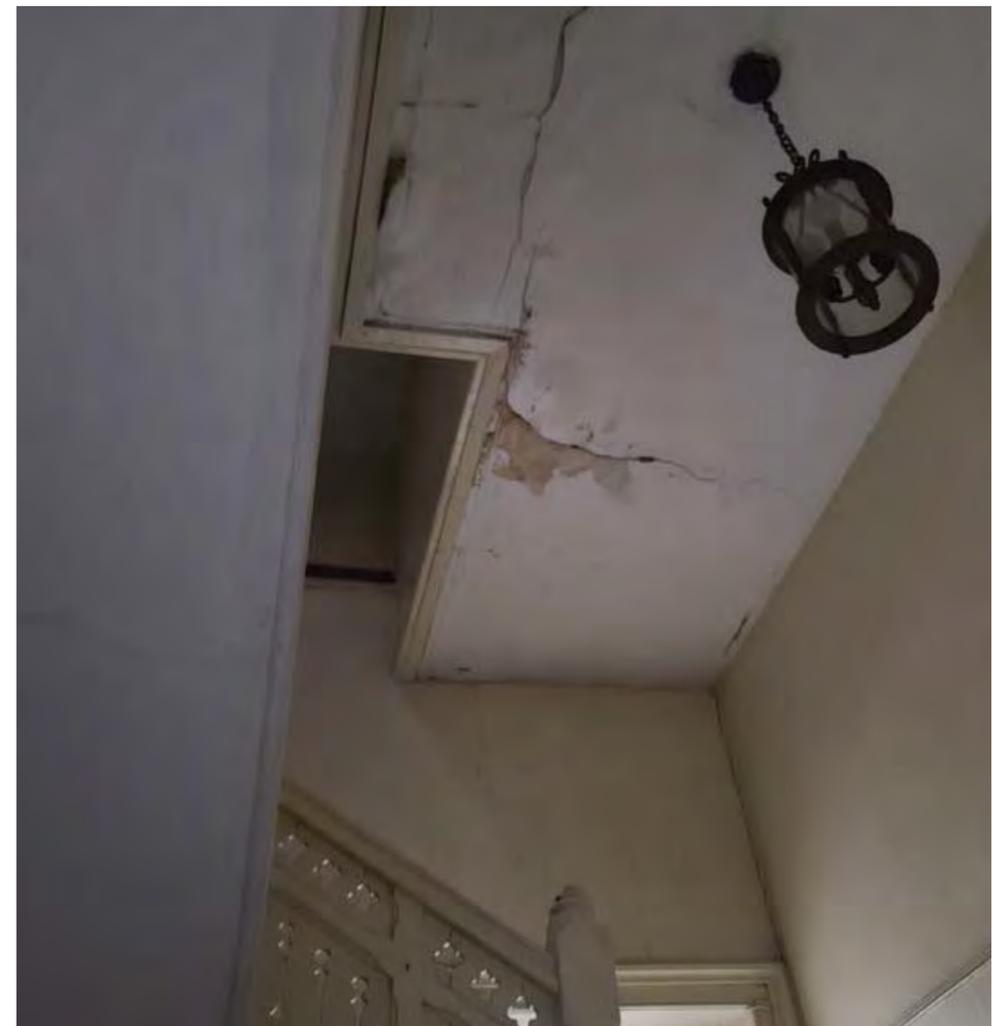
- 25% of brick on interior walls of bell tower which support the tower and serve as backup to the sandstone façade has cracked, deteriorated or missing mortar.
- Various through-cracks, areas of missing and deteriorated mortar or signs of trapped moisture observed at the exterior brick bearing walls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

▪ Façade Restoration:	\$17,994,055	**
▪ Structural Repairs:	\$2,834,000	
▪ Code Compliance:	\$1,508,625	
▪ Interior Repairs:	\$9,675,635	
▪ Emergency Repairs:	\$70,000	
▪ General Conditions Costs:	\$4,164,799	
Total:	\$36,247,114	
Total w/Contingencies and Fees:	\$49,824,153	

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

\*\* Note: In 2011 , Sciame Construction estimated that the facade restoration costs would be \$14,586,126 (\$18,152,000 in 2022 dollars)

# 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.”<sup>1</sup>

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”<sup>2</sup> 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.<sup>3</sup>

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



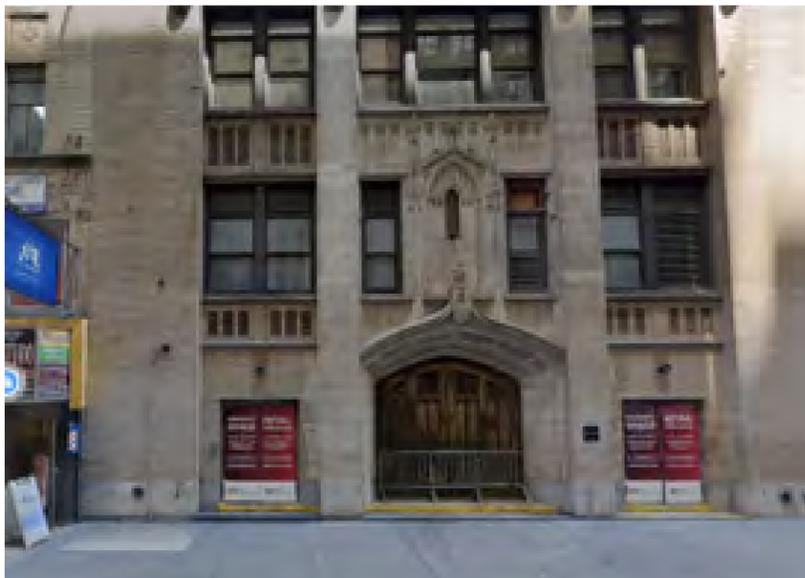
50 MONROE PLACE



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)
<b>Effective Gross Income</b>		<b>\$871,768</b>	<b>\$1,045,665</b>
<b>Expenses</b>			
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
<b><i>Expenses BEFORE Amortized Dev Costs and RE Taxes</i></b>		<b>\$84,836</b>	<b>\$100,761</b>
<b>NOI BEFORE Amortized Dev Costs and RE Taxes</b>		<b>\$786,932</b>	<b>\$944,904</b>
Less: Amortized Development Costs		(\$1,095,129)	(\$1,142,114)
<b>Net Operating Income (w/out Real Estate Taxes)</b>		<b>(\$308,197)</b>	<b>(\$197,210)</b>

**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

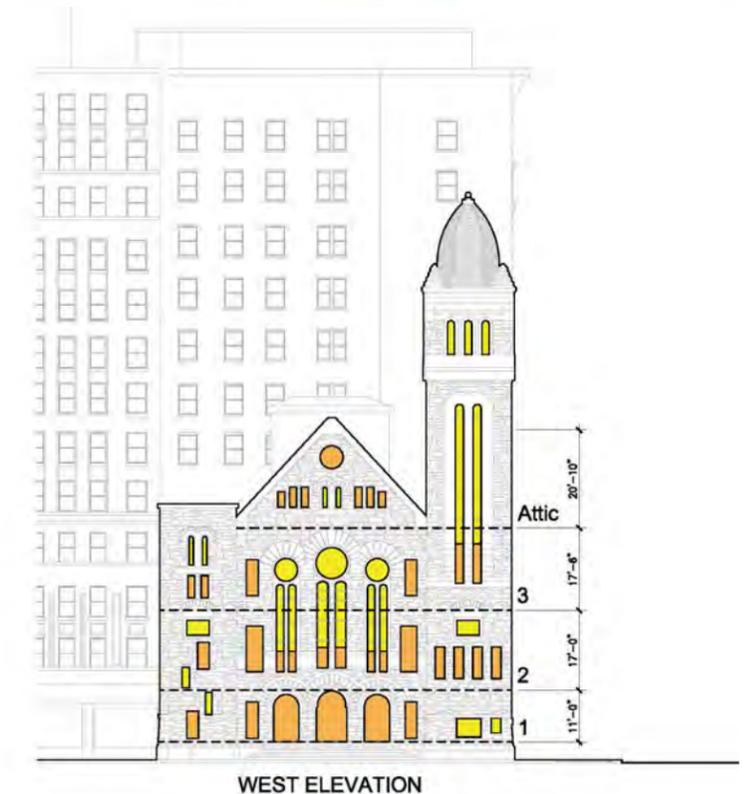
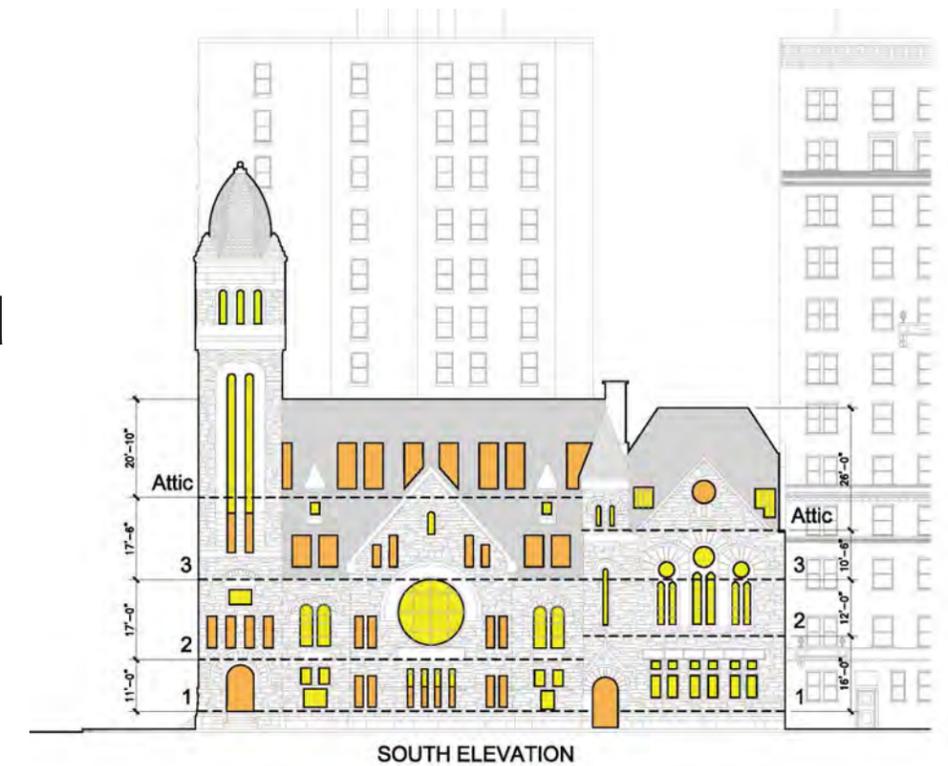
**Valuation of the Improvements:**  
 Equivalent to the improvement assessment of \$3,147,000

<b>Depreciated Development Cost Calculation</b>			
<b>Scenario</b>	<b>Base</b>	<b>Infill</b>	
Assessed Value of Subj Building Exclusive of Land (full market value)	\$3,147,000	\$3,146,996	
Projected Renovation Cost (full cost)	\$51,609,453	\$53,958,710	
<b>Total</b>	<b>\$54,756,453</b>	<b>\$57,105,705</b>	
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**

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

## 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	<b>p/ Mo.</b>	20
Potential Gross Income - Apartments	\$6,288	\$1,509,000
Potential Gross Income - Amenity and misc income	\$200	\$48,000
<b>Total Potential Gross Income</b>		<b>\$1,557,000</b>
Less: Vacancy and Collection Loss @ %		4.0%
Less: Vacancy and Collection Loss @ \$		(\$60,360)
<b>Effective Gross Income</b>		<b>\$1,496,640</b>
<i>Per Unit / Mo.</i>		<i>\$6,236</i>
<i>Per RSF - Annual</i>		<i>\$72.61</i>
<b>Expenses</b>	<b>p/unit</b>	<b>Annual</b>
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
<b>Expenses Before Amortized Dev Costs and RE Taxes</b>		<b>\$274,832</b>
<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>
<b>NOI BEFORE Amortized Dev Costs and RE Taxes</b>		<b>\$1,221,808</b>
Less: Amortized Development Costs		(\$1,271,114)
<b>Net Operating Income (w/out Real Estate Taxes)</b>		<b>(\$49,306)</b>

**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

<b>Depreciated Development Cost Calculation</b>	
<b>Scenario</b>	<b>Multi-Family</b>
Assessed Value of Subj Building Exclusive of Land (full market value)	\$3,147,000
Projected Renovation Cost (full cost)	\$60,408,701
<b>Total</b>	<b>\$63,555,701</b>
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.

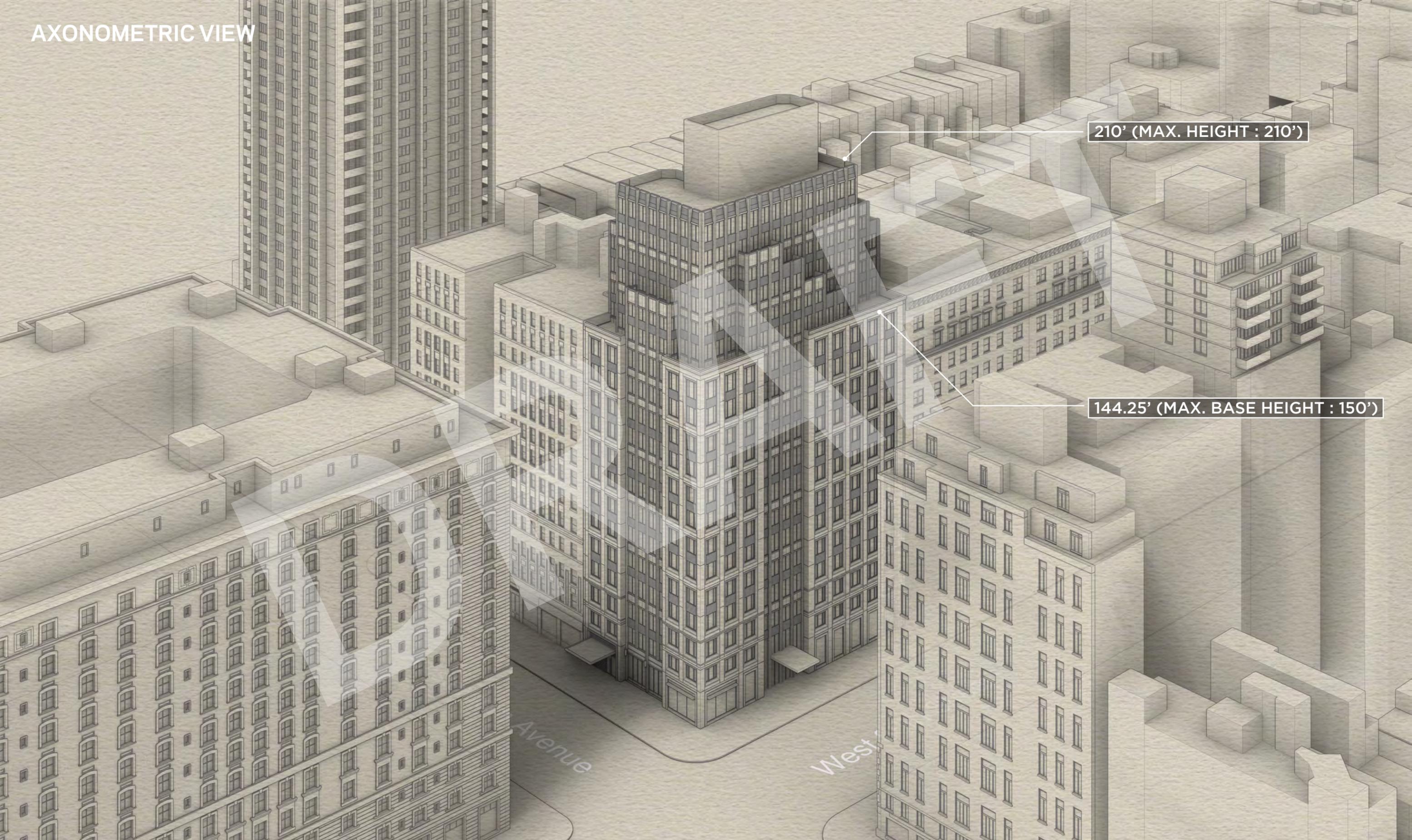
A Reasonable Return, as defined, **can not be achieved** in any of the scenarios. A summary of the conclusions is presented below:

<b>INCOME APPROACH SUMMARY</b>			
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	<b>(\$308,197)</b>	<b>(\$197,210)</b>	<b>(\$49,306)</b>

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

# Proposed Building





210' (MAX. HEIGHT : 210')

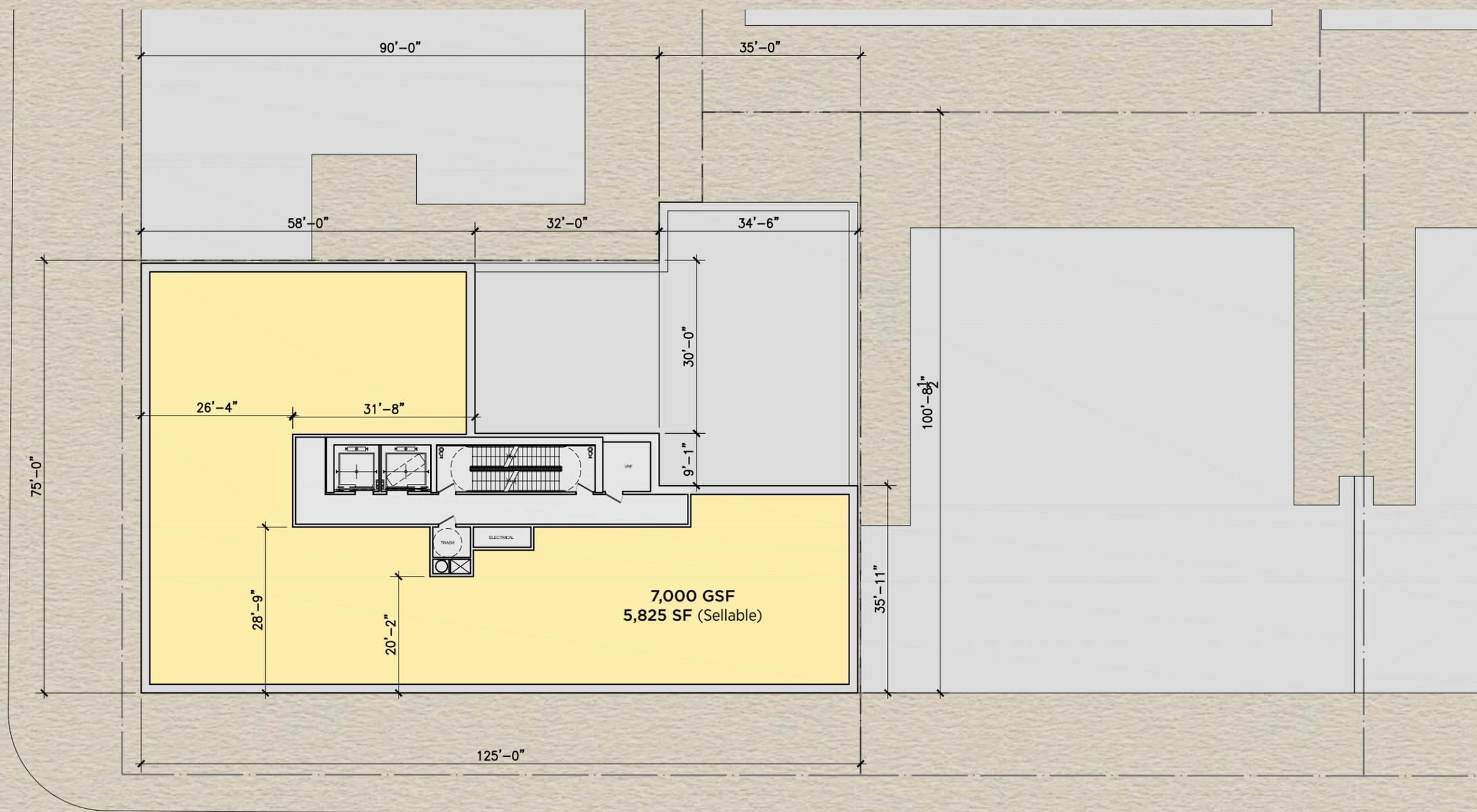
144.25' (MAX. BASE HEIGHT : 150')







AMSTERDAM AVENUE  
(100' - WIDE STREET)

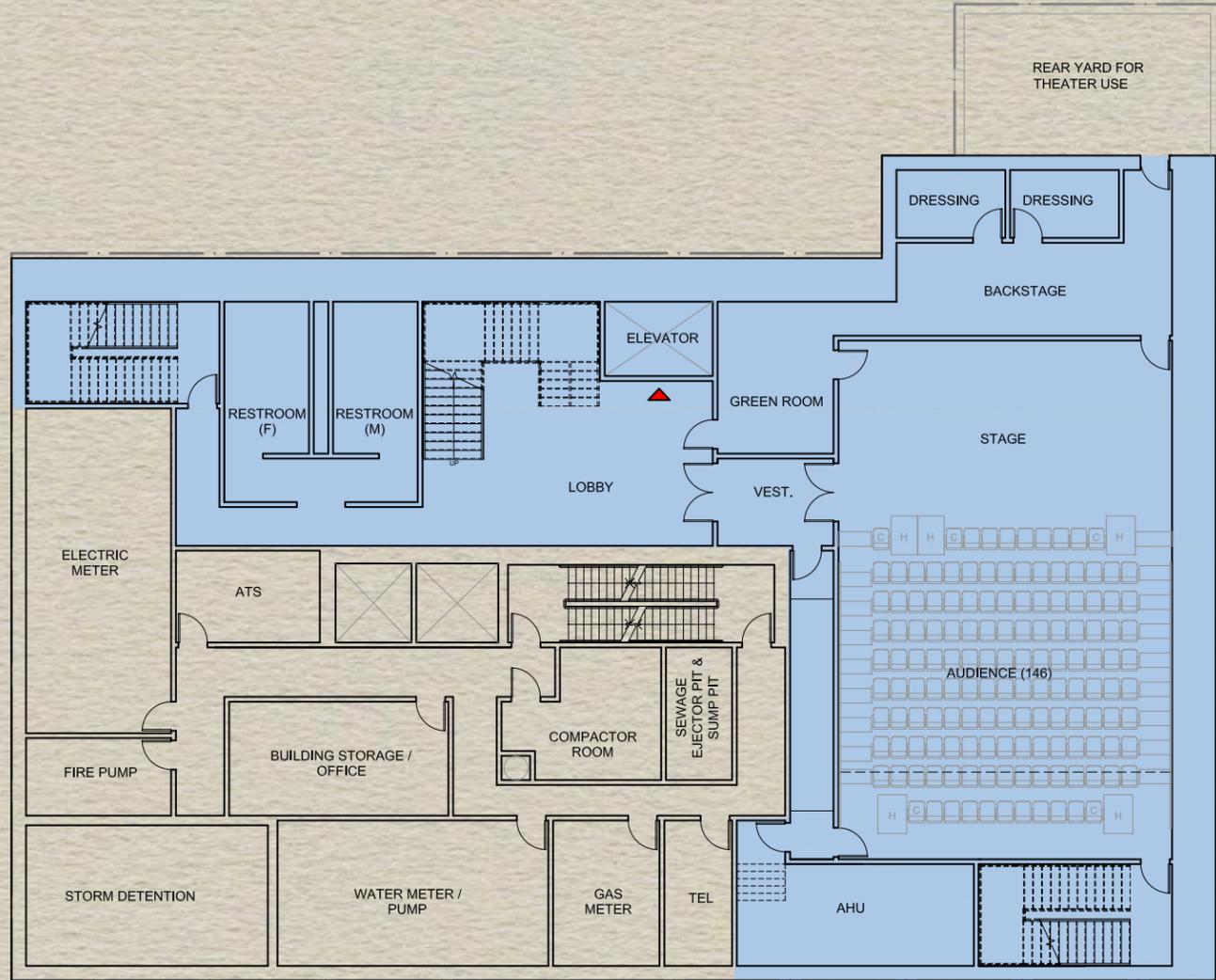


WEST 86TH STREET  
(100' - WIDE STREET)

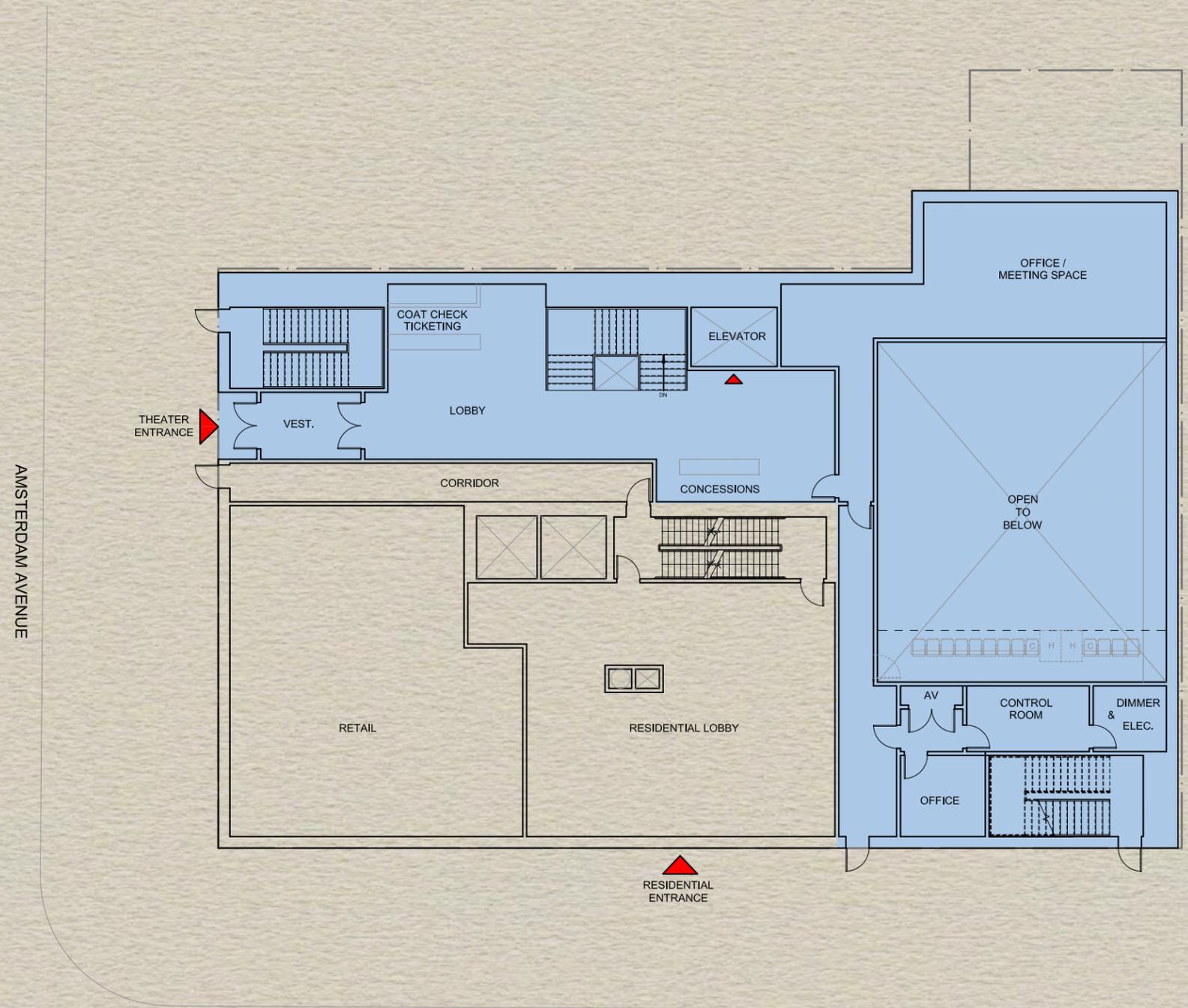
### TYPICAL PLAN

# 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

# WPPC COMMUNITY CENTER





# Discussion & Questions