

WEST-PARK PRESBYTERIAN CHURCH

165 WEST 86TH STREET

BLOCK 1217, LOT 1

LPC DOCKET # LPC-22-09135

JUNE 13, 2023

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-for-profit owners.

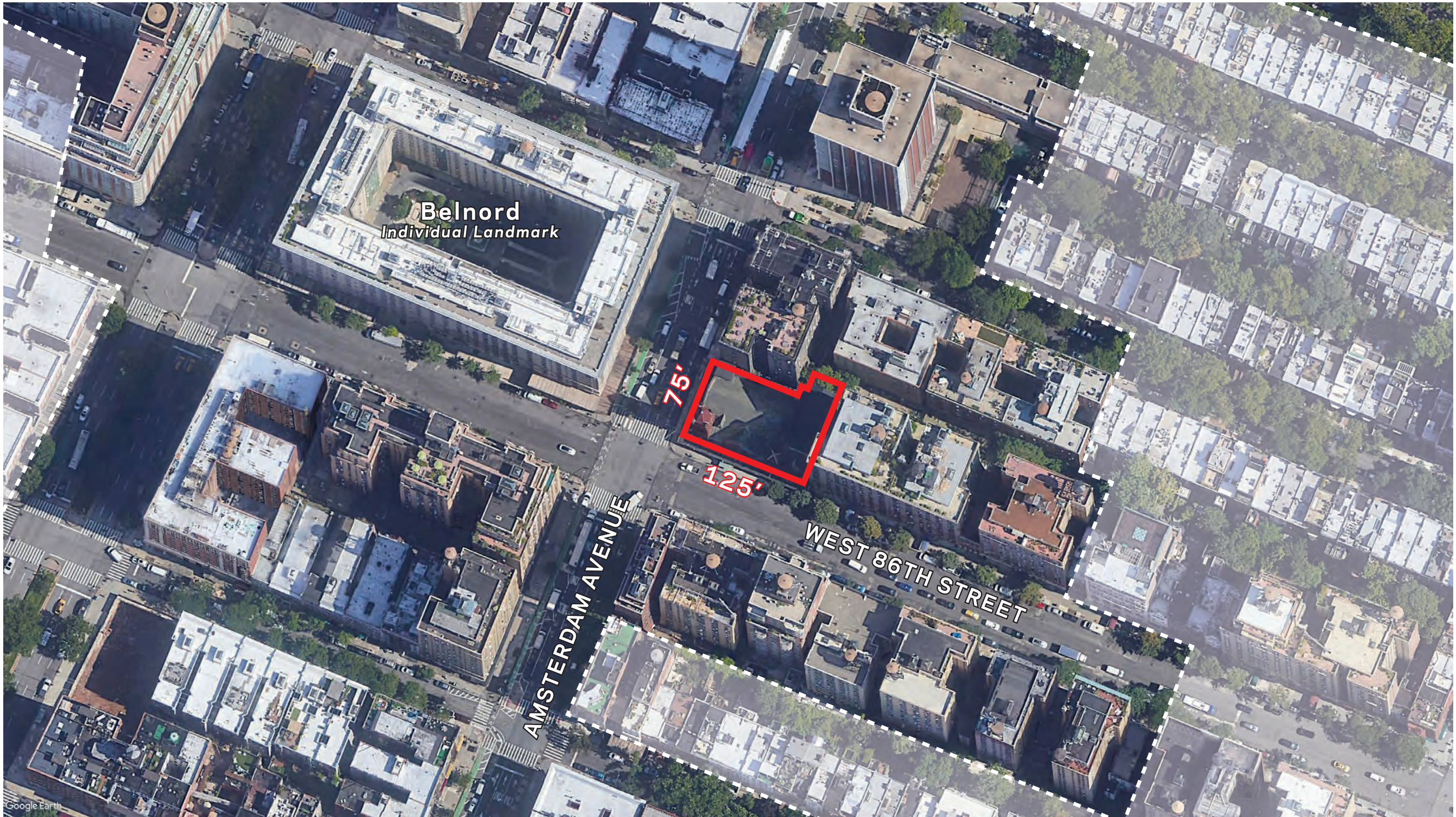
The applicable requirements are as follows:

- 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.

Key Considerations

The Commission's review of this application requires it to make the following determinations regarding the building:

- if used by a third party, could be capable of earning a reasonable return.
 - In this case, the cost to make the building suitable for use by a third party not only includes façade repair costs, but also costs to address the numerous structural, Code and life-safety issues needed to obtain a C of O.
- if retained by West Park, would it be suitable or appropriate for carrying out the religious purposes to which it is *and* had been devoted?
 - The cost to repair the building for church use must address all outstanding DOB violations, and structural issues and repairs needed to make the building safe.
 - The costs would exclude repairs to remedy code, fire safety and accessibility issues, which are grandfathered for church use under current statutes.





13 JUNE 2023
WEST-PARK PRESBYTERIAN CHURCH

WEST PARK PRESBYTERIAN CHURCH

ARCHITECTS

Leopold Eidlitz : Original chapel built 1883-85

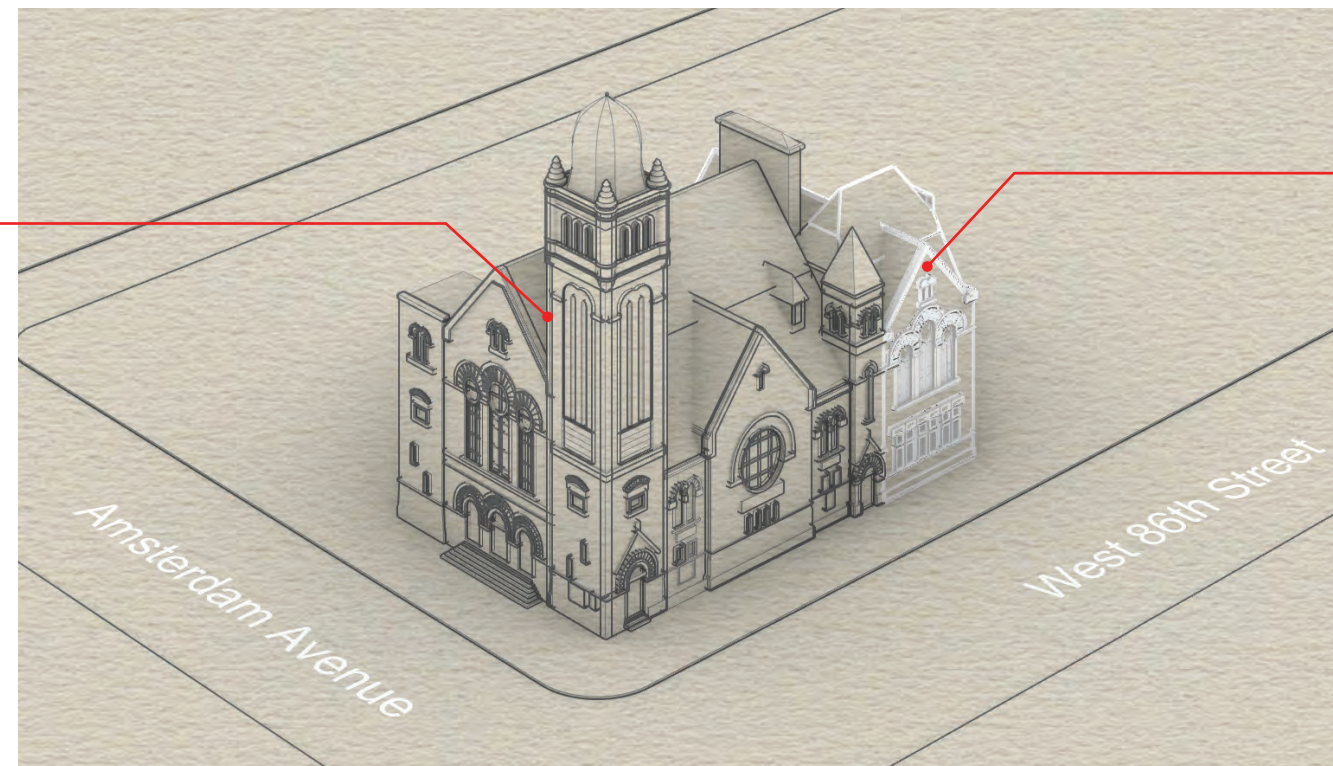
Henry Kilburn : Current church and facade built 1889-90

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

- West Park has owned this building over its entire life, and is solely responsible for its upkeep.
- Over the years, the Church has taken extreme actions to pay building maintenance costs, including selling all its other assets and eliminating nearly all of its staff, including its pastor.
- Once the largest Presbyterian church on the Upper West Side, it has shrunk to just a dozen members under the weight of maintaining a landmark building.
- It is currently relying on the loans from the Presbytery of New York City to cover operating expenses and to make emergency repairs.

The Building

- After decades of exposure to the elements, the building's soft red sandstone façade has become severely degraded, and the building has been surrounded by a sidewalk shed for over 20 years.
- The interior of the building is not in compliance with current fire code, life safety and ADA accessibility requirements. Currently there are over 60 open DOB violations and 2 open OATH/ECB violations on the building that would cost tens of millions of dollars to repair.
- Because the Church lacks the resources to comprehensively address these condition issues, it continues to receive DOB violations for failing to maintain the façade in a safe manner, adding to the cost of building repairs.
- The building had to be closed for several months in early 2022 because of structural issues. Emergency repairs undertaken by the Church in 2022 totaled \$70,000.

Fundraising / Adaptive Reuse

- Prior to landmarking, the Church negotiated with two separate developers for the partial demolition and restoration of the building. The first of these developers ended the negotiations due to the excessive restoration costs. The second pulled out when the building was landmarked.
- At the time of landmarking, the building was closed, with no heat or running water. The pipes froze, causing extensive water damage costing tens of thousands of dollars to repair. The church had to sell its manse on West 87th Street to pay for repairs.
- After landmarking, the Church immediately sought partners to share and help restore the building, including performing arts groups, private schools, and religious organizations.
- In every case, building condition issues prevented discussions with potential partners from moving forward.

Fundraising Since Landmarking

- 2010 The Church sold its manse (minister's residence) at 62 West 87th Street, netting \$450,000 to pay outstanding debts and building repairs.
- 2011 The Church raised funds for a new boiler so that it could move back into the building.
Council member Gale Brewer raised \$35,000 for building repairs.
The Church was able to obtain grants from the NY Foundation, NH Charitable Trust and Halbreich Foundation for repairs and operating expenses.
- 2014 The Church sold its second manse at 124 West 93rd Street for \$1,355,000 and utilized proceeds for repairs.
- 2019 With the help of the Landmarks Conservancy, the Church raised \$113,000 to replace the roof of the parish house.
- 2017-2022 The Church created the Center at West Park, a 501c-3, to manage the building help raise funds for its restoration. Despite paying a below-market rent and leasing space at a significant mark-up, it produced almost no funding for major repairs, and just consumed more of the Church's limited financial resources.



The Presbytery of NYC

- The Presbytery oversees over a hundred churches and worshiping communities in all five boroughs.
- Four churches are individually landmarked (West Park, First Chinese, and Ft. Washington in Manhattan; Riverdale in the Bronx) and 12 others are located within historic districts.
- Its annual budget of about \$1 million covers salaries, professional fees, office and administrative expenses.
- About \$150,000 of its budget is used for grants to member churches for programs and building repairs.
- The Presbytery's total assets are a fraction of the funding that would be required to restore West Park Church.

The Church's Plan

- Demolish building to free the site for development.
- Construct a new building on the site, which would contain 10,000 square feet of worship and arts programming space that would be retained by the Church.
- Fund an endowment for West Park to cover the operation and maintenance of its new space, including new pastoral leadership.
- The balance of the sale price will be placed in a restricted fund to be managed by the Presbytery of NYC to provide funds to member churches for:
“the establishment, operation and maintenance of food pantries, soup kitchens, shelters, warming and cooling centers; programs to advance the causes of diversity, inclusion and equity, and for the health, wellbeing and safety of older adults; and for the positive development of children and youth.”

Church Contract with Alchemy

- The Church entered into a contract with Alchemy on March 3, 2022 for the Church property, contingent on the approval of its hardship application.
- Alchemy was selected as its development partner in 2021 because of its access to technical resources, and experience in and sensitivity to working with landmarked properties.
- With Alchemy's help, the Church rigorously explored many alternatives to demolition (details in appendix), but none were found to be feasible.

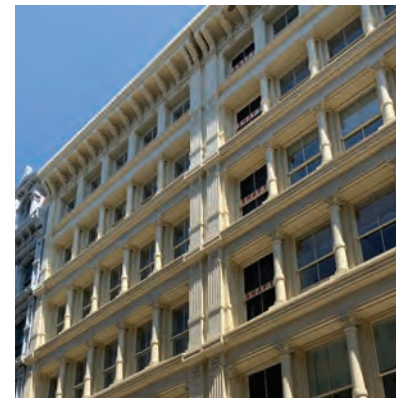
Selected Alchemy projects



WOOLWORTH BUILDING



378 WEST END AVENUE



20 GREENE STREET



136 E 19TH ST



TWO FIFTY WEST 81ST



42 E 20TH ST



35 W 15TH ST

Project Team

Kramer Levin Naftalis & Frankel - Legal and landmark issues

FXCollaborative Architects LLP - Architectural, design and zoning

FacadeMD - Façade restoration

Severud Associates - Structural engineering

Leeding Builders Group - Construction and cost management

CCI Code Consultants - Code compliance, accessibility and life-safety

Appraisers and Planners Inc. - Economic analysis

Krypton Engineering - Surveying and monitoring

Existing Conditions

- Facade
- Structure
- Fire Protection and Life Safety
- Accessibility

Facade Conditions Report Summary *

- Extensive stone spalling, cracks, mortar deterioration and deteriorated windows noted throughout the building.
- Ornamental sandstone finial severely cracked and spalled.
- Façade conditions are unsafe. Sidewalk bridge has been in place for over 20 years to protect the public.
- Extensive area of stone must be removed and replaced, and the remaining masonry stabilized.

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





Structural Conditions Report Summary *

- Section of façade adjacent to 86th St. separated from roof. Wall is not adequately braced against wind loads and roof and sanctuary ceilings are not adequately supported.
- Indication of excessive deformation of wood truss and/or excessive lateral movement or settlement at the truss bearing points, and cracks at roof truss.
- Various through-cracks, areas of missing and deteriorated mortar or signs of trapped moisture at bearing walls.
- 25% of brick on bell tower walls are cracked, deteriorated or missing mortar.
- Stair joist severely cracked and deformed.



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

Fire Protection & Life Safety Report Summary*

- The existing building would require significant and intensive upgrades to comply with current NYC Construction Codes.
- The building does not have an automatic sprinkler system. The automatic fire alarm system is antiquated and lacks audible and visible notifications.
- The building has open stair halls.
- The building does not provide two means of egress for the office and assembly spaces located east of the sanctuary.
- There is no emergency lighting throughout the building.

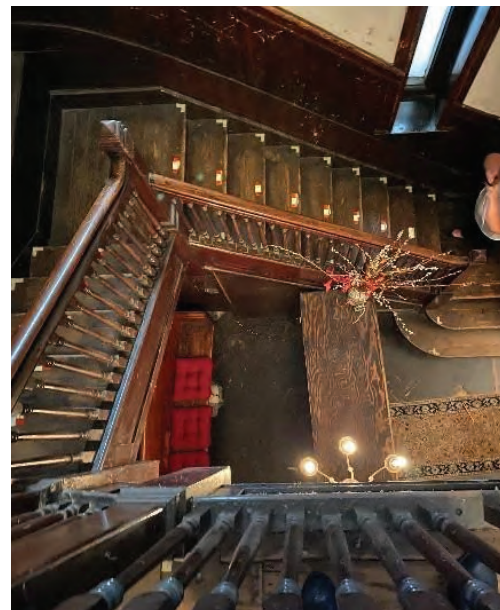


*CCI Code Consultants Inc. West Park Presbyterian Church Fire Protection & Life Safety Survey Memo 12.9.21.

Accessibility Report Summary *

- 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 dominate 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.

Violation History

Multiple DOB units have cited building condition issues and issued violations, including Special Operations, Construction Safety Enforcement, Emergency Response Forensic Engineering, Sidewalk Shed Maintenances and Repair, and Borough Enforcement.

- The Church currently has over 60 open DOB violations for various building maintenance issues. The most recent DOB violation was issued on May 30, 2023
- There are also several OATH/ECB violations for building safely, two of which are currently open.
- Other outstanding violations include:
 - 11/10/21 - DOB and associated Class 1 Oath/ECB violation for “sections of façade spalling severely” and roof ridge ornamental masonry with large crack and potential to detach and fall onto.. public roadway”
 - 11/19/21 - DOB violation for “exterior wall in state of disrepair, out of plumb and leaning” and “apex of gable has displaced approximately 3 inches”
 - 1/24/22 - Oath/ECB violation for “failure to maintain building walls or appurtenances,” noting spalling and cracks in facade
 - 2/14/23 - DOB violation for “spalling, damaged, disintegrating masonry, open mortar joints at several floors and locations”

New Studies

Sanctuary Walls

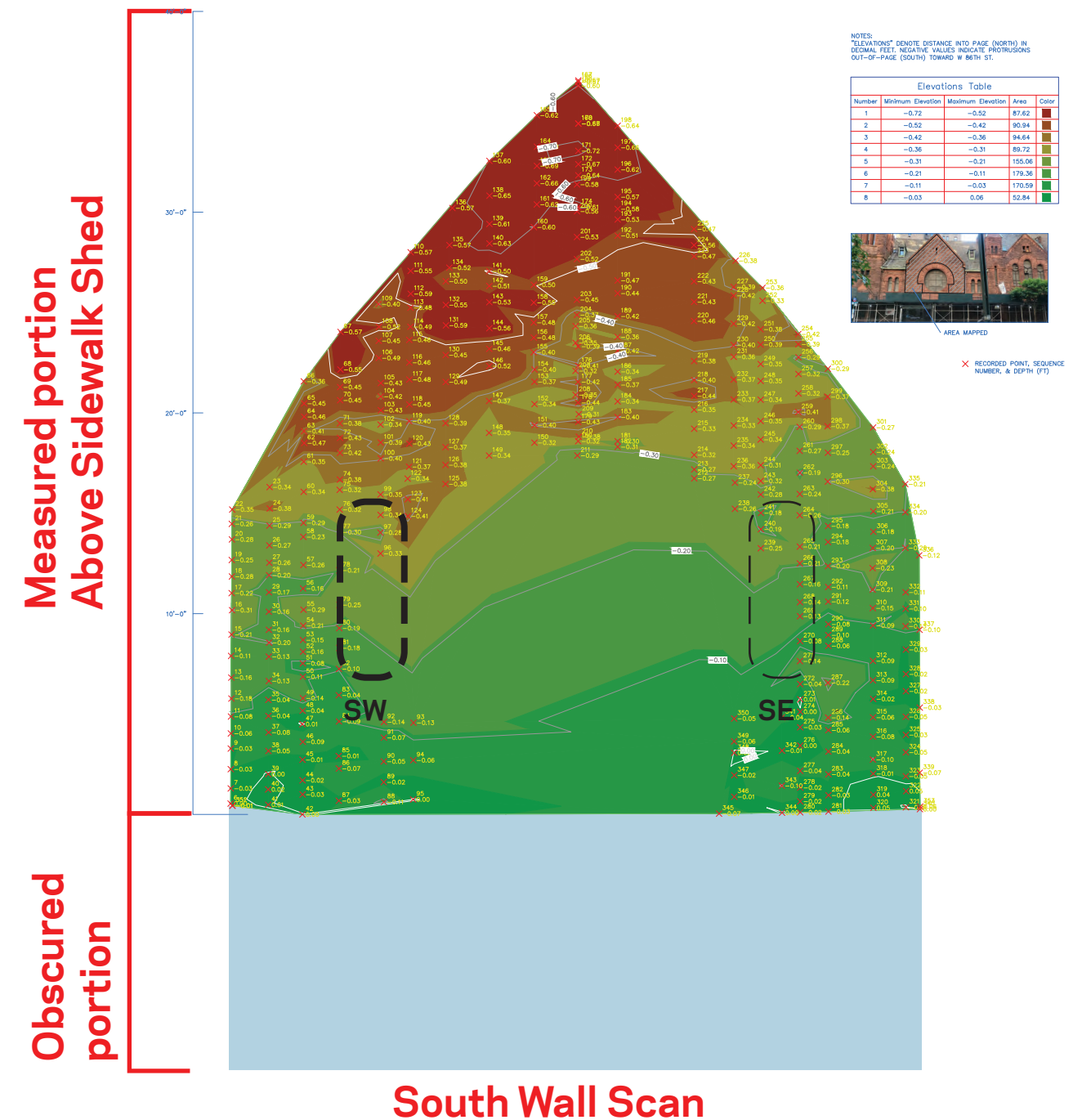
- Leaning North and South Walls
- Monitoring Wall Movement
- Façade Probes
- Required Bracing

Revised Cost Analyses

- Code Issues
- Façade and Window Restoration

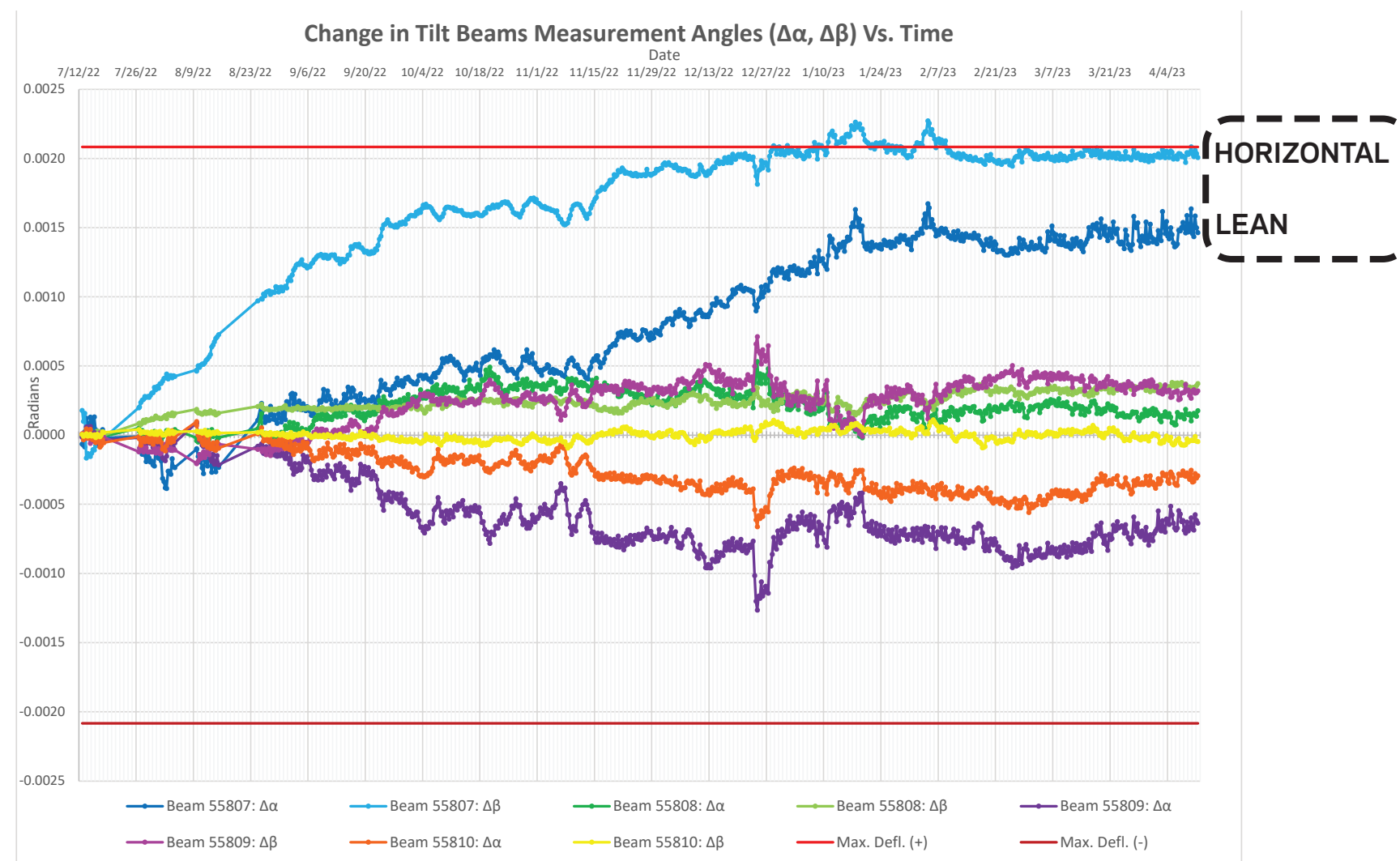
Leaning North and South Walls

- North and south walls are both leaning outward, which in the professional opinion of Severud Associates is “excessive”
 - South wall above sidewalk shed is 8” out of plane - wall below shed not surveyed
 - North wall, which is considerably shorter, is 4” out of plane
- Likely caused by outward forces on trusses supporting the roof.
- In 2022, south wall was discovered to have detached from the roof, leaving roof ridge beam unsupported.



Continued Movement

- Four “tilt monitors” were installed by Krypton Engineering in July 2022 on the interior of the north and south sanctuary walls to monitor both horizontal and leaning movement over time.
- The west side of the south wall, below the area of the wall with the greatest outward lean, shows the greatest continuous movement.



Façade Probes

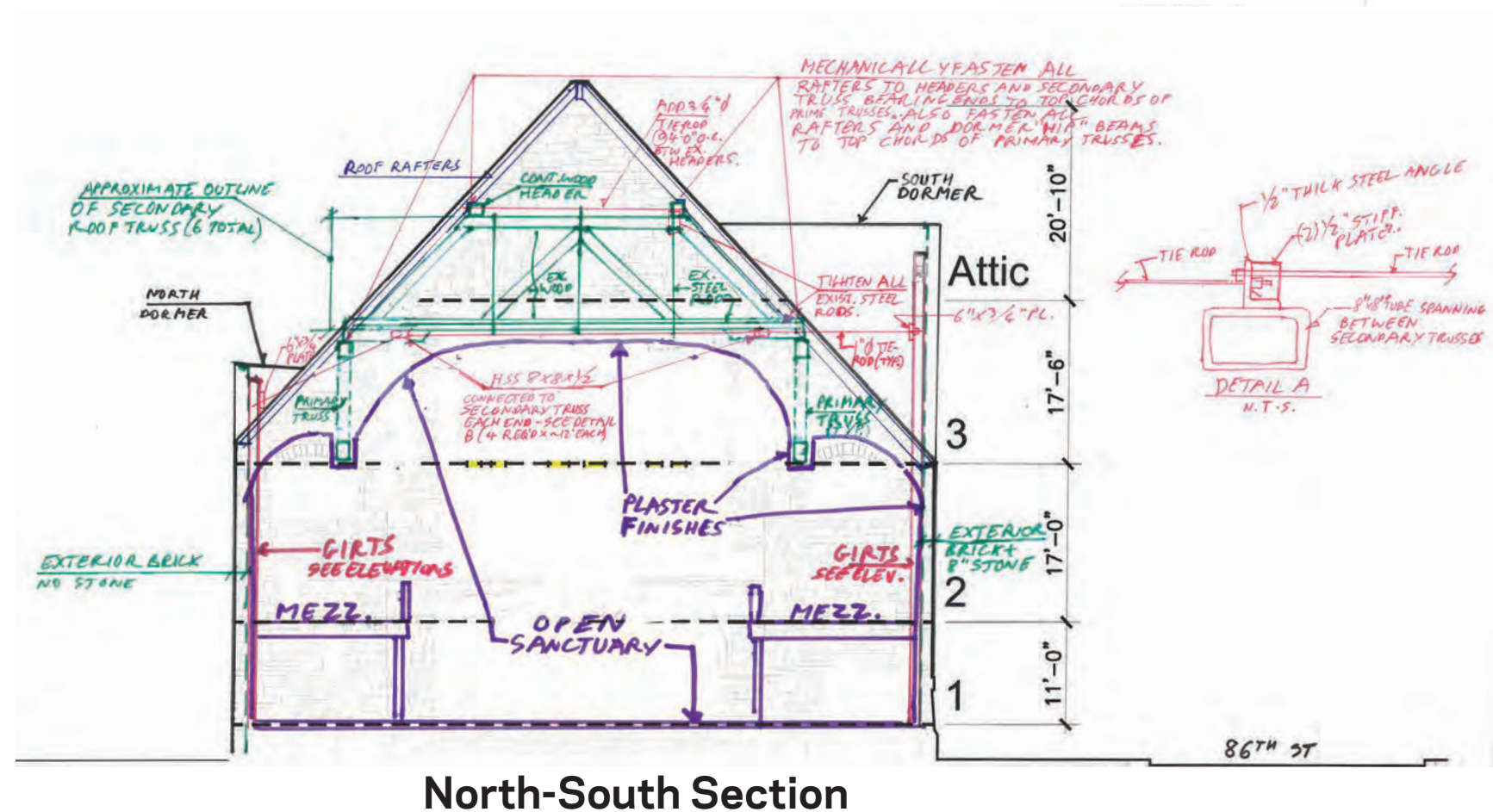
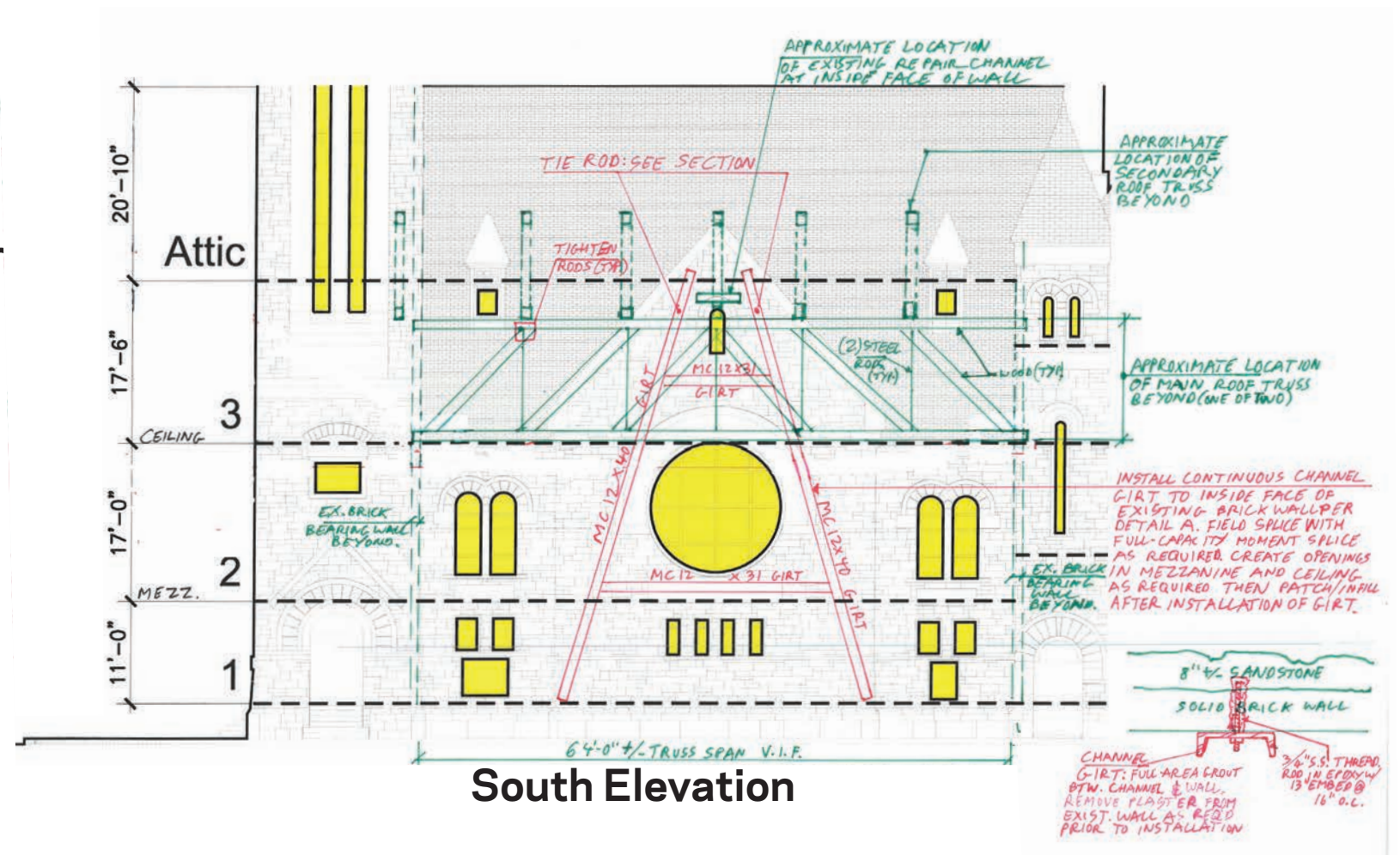
- Commissioners asked the Church to conduct probes to determine the underlying condition of the façade and bearing walls.
- No evidence of functional connection between bearing brick wall and stone facade.
- Iron ties are either missing or completely deteriorated.
- Facade only connected through friction - highly problematic on outward leaning walls.
- Remediation - Install approximately 3,700 steel rods to reaffix the façade to the bearing walls .



Required Bracing

- Install a system of steel girts on north and south sanctuary walls.
- Connect girts with tie rods running through the attic.
- Reinforce the walls to prevent excessive stresses in masonry units and mortar joints.
- Stabilize the roof system so that the tops of the walls do not continue to thrust outward.

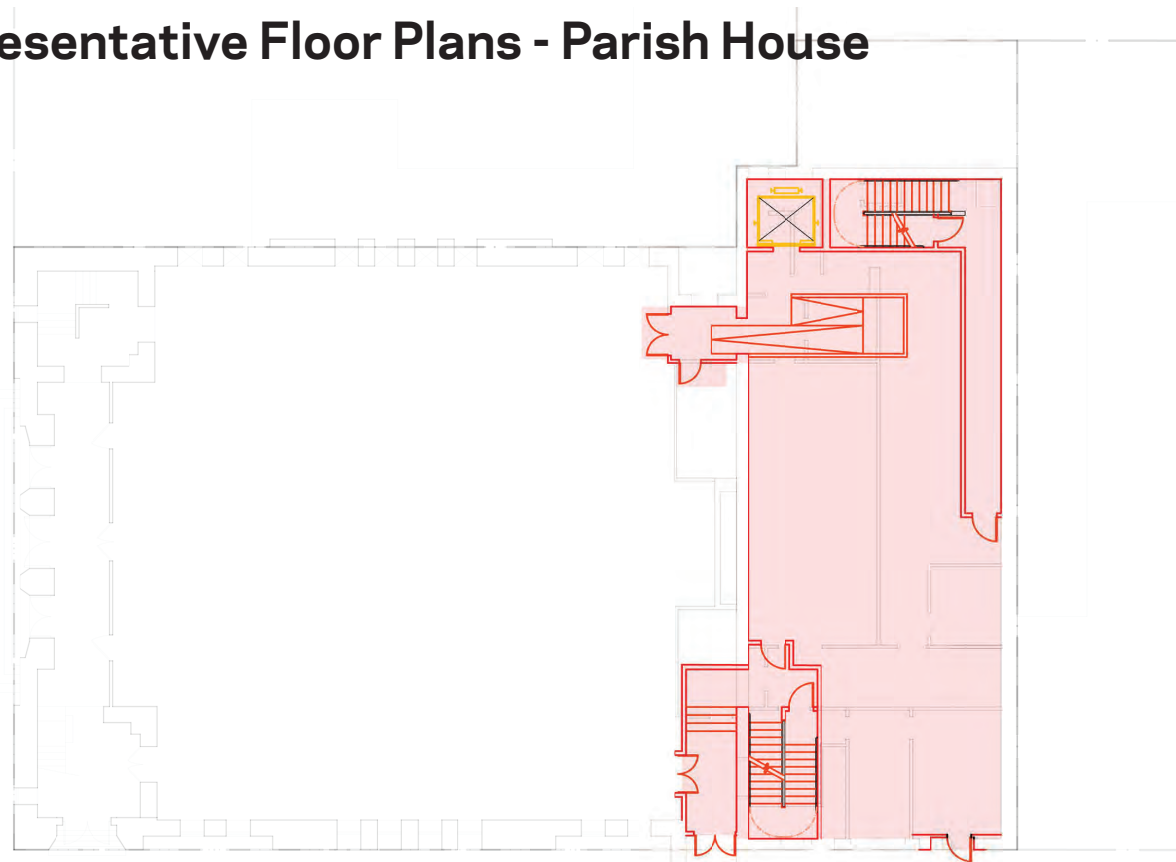
Construction Costs - \$1.8 million



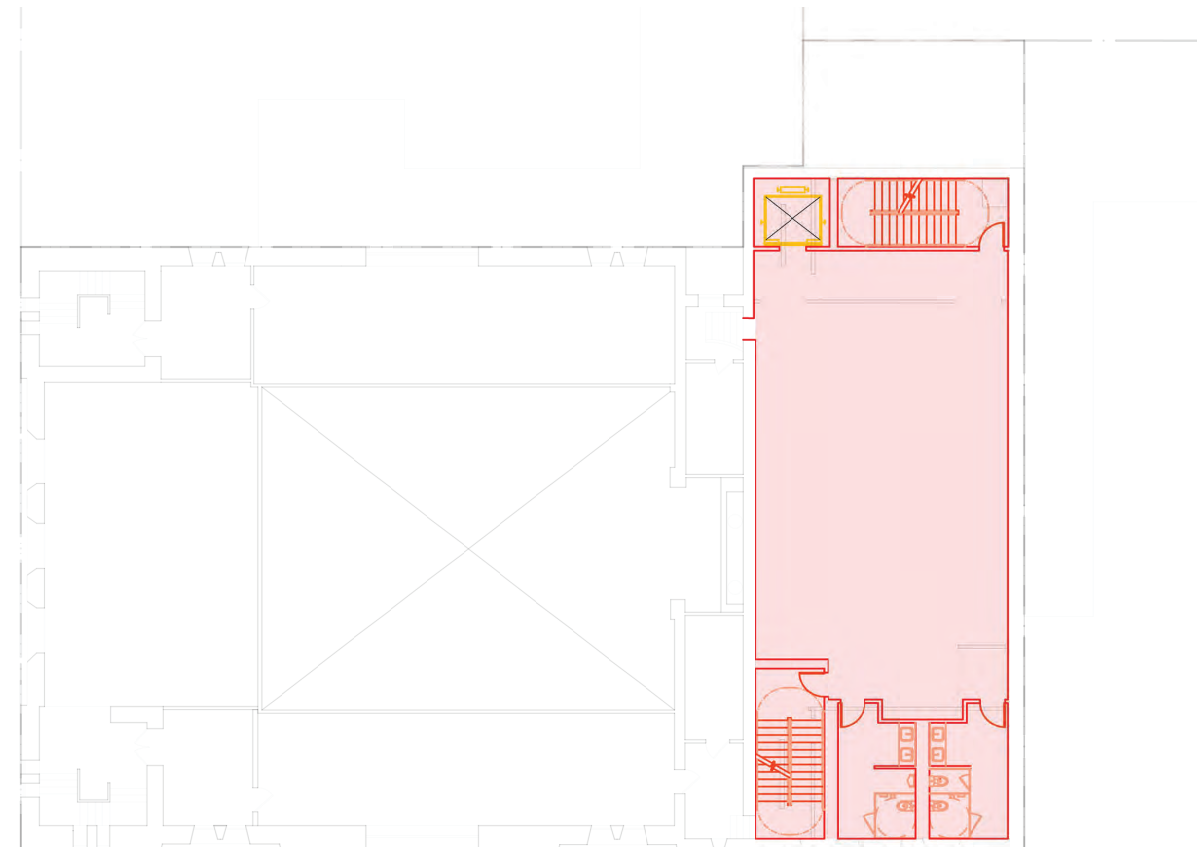
Code Issues

Bringing the Parish House up to code would require new fire stairs, a new fire exit the street, new ADA bathrooms, a new elevator, and accessible ramps for egress.

Representative Floor Plans - Parish House



1st



2nd

Construction Costs - \$4.0 Million for Base Case Code Compliance

Windows

Liberty Stained Glass Conservation was engaged in November 2022 to provide an assessment of the church's 80 stained and leaded glass windows.

- Eleven windows were found to be “visibly in danger of falling out of the matrix.”
- 75% of windows exhibit excessive flex from mild pressure.
- 60% of caulk holding protective glazing has visibly failed.
- Tower windows are an immediate concern and should be removed immediately.

Construction Costs - \$1.9 million

Condition, Glass

There are many untreated breaks, broken pieces that have been totally or partially lost and evidence of previous repairs.



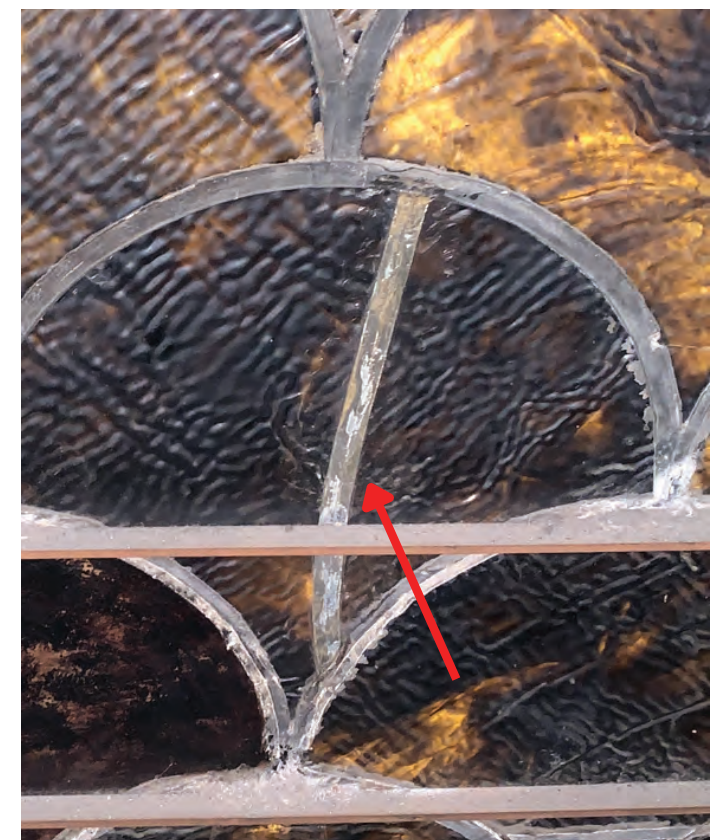
Detail from window S 12 where a piece of glass and the surrounding matrix have been lost. The pieces are unstable.



Detail illustrating several lost and unstable glass pieces in window S 13.



Detail of a poor repair in window S 13. The replacement glass is not a good match to the surrounding material.



Detail of typical strap lead in window W 15. Strap leads are not true repairs, they merely cover the break.

Restoration and Repair Costs - Third Party Use
Excludes Fit-out for Programmatic Use

April 2023 Submission	Base Case	In-Fill	Multi-Family
Façade, Roof & Windows	\$14,215,544	\$14,215,554	\$14,310,544
Structural & Interior Repair	13,301,430	14,395,830	21,362,694
Code Compliance	3,985,509	4,064,141	1,889,704
Total Construction Cost	\$31,502,483	\$32,675,515	\$37,562,942
General Conditions	4,095,323	4,247,817	4,883,182
Insurance & Construction Mgt.	7,227,457	7,496,580	8,617,878
Construction Contingency	3,150,248	3,267,552	3,756,294
Design Contingency	3,150,248	3,267,552	3,756,294
Total Hard Costs			
April 2023 Submission	\$49,125,759	\$50,995,015	\$58,576,591
March 2022 Submission	\$49,774,153	\$51,575,310	\$60,408,701

Reasonable Return 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. The data utilized and analysis of the Reasonable Return is fixed to the 2022 Test Year as required by statute.

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

1. Estimate a market rent for the subject property, as renovated and restored.
2. 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.
3. 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.
4. Capitalize stabilized Net Operating Income into value using a loaded capitalization rate.
5. 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

All Development Scenarios

Income and Expenses – Exclusive of Real Estate Taxes

Potential Space Use	Base Scenario	Infill Scenario	Potential Space Use	Multi-Family
Rentable Building Sq. Ft.	18,353	22,014	Rentable Residential Sq. Ft.	20,613
Rent PSF	\$50.00	\$50.00	Total # Residential Units	p/ Mo. 20
PGI	\$917,650	\$1,100,700	Potential Gross Income - Apartments	\$6,288 \$1,509,000
Less: Vacancy and Collection Loss @ %	5.0%	5.0%	Potential Gross Income - Amenity and misc income	\$200 \$48,000
Less: Vacancy and Collection Loss @ \$	(\$45,883)	(\$55,035)	Total Potential Gross Income	\$1,557,000
Effective Gross Income	\$871,768	\$1,045,665	Less: Vacancy and Collection Loss @ %	4.0%
			Less: Vacancy and Collection Loss @ \$	(\$62,280)
			Effective Gross Income	\$1,494,720
			Per Unit / Mo.	\$6,228
			Per RSF - Annual	\$72.51
Expenses			Expenses	p/unit Annual
Insurance PSF @	\$18,353	\$22,014	Insurance Per Unit @	\$1,000 \$20,000
Professional Fees p/annum @	\$5,000	\$5,000	Utilities Per Unit @	\$1,500 \$30,000
Utilities	Tenant	Tenant	Payroll p/annum @	\$5,000 \$100,000
Payroll	\$0	\$0	Turnover and Cleaning Per Unit @	\$1,000 \$20,000
Repairs and Maintenance	\$0	\$0	Service Contracts (elevator, virtual doorman)	\$12,500
Structural Repairs PSF @	\$9,177	\$11,007	Professional Fees p/annum @	\$7,500
Management and Leasing % EGI @	\$52,306	\$62,740	Misc. and amenity operating expenses	\$10,000
Expenses BEFORE Depreciated Dev Costs and RE Taxes	\$84,836	\$100,761	Management and Leasing % EGI @	5.00% \$74,736
			Expenses Before Depreciated Dev Costs and RE Taxes	\$274,736
			Expenses Per Unit/Month - Before Dev. Costs and RET	\$13,737
			OpEx Ratio - Before Dev. Costs and RET	18.38%
NOI BEFORE Depreciated Dev Costs and RE Taxes	\$786,932	\$944,904	NOI BEFORE Depreciated Dev Costs and RE Taxes	\$1,219,984
Less: Depreciated Development Costs	(\$1,011,400)	(\$1,047,423)	Less: Depreciated Development Costs	(\$1,199,855)
Net Operating Income (w/out Real Estate Taxes)	(\$224,468)	(\$102,519)	Net Operating Income	\$20,129

Impact of Historic Tax Credits on Reasonable Return Analysis

The use of Federal Historic Tax Credits (FHTC) FHTC could potentially reduce net development costs by between 13.6% and 14.45%. There are several caveats to the assumptions in this analysis that could mitigate the total benefit. In addition, acceptance into the program is not guaranteed for all scenarios, as detailed in the Economic Analysis Report.

Conclusion: The net benefit of FHTC does not result in the property achieving the Reasonable Return threshold. This is summarized in the table below:

Reasonable Return Test	13.60% Reduction	Base	Infill	Multi-Family
Effective Gross Income		\$871,768	\$1,045,665	\$1,494,720
Expenses (exclusive of Real Estate Taxes)		(\$84,836)	(\$100,761)	(\$274,736)
Real Estate Taxes		(\$244,766)	(\$293,901)	(\$545,836)
Net Operating Income - Subtotal		\$542,166	\$651,003	\$674,148
Less: Depreciated Development Costs		(\$877,701)	(\$908,826)	(\$1,040,526)
Net Operating Income		(\$335,535)	(\$257,823)	(\$366,379)
Positive Return		no	no	no
Threshold Return Minimum (6% of AV)	\$207,819	no	no	no

Reasonable Return Test	14.45% Reduction	Base	Infill	Multi-Family
Effective Gross Income		\$871,768	\$1,045,665	\$1,494,720
Expenses (exclusive of Real Estate Taxes)		(\$84,836)	(\$100,761)	(\$274,832)
Real Estate Taxes		(\$244,766)	(\$293,901)	(\$545,836)
Net Operating Income - Subtotal		\$542,166	\$651,003	\$674,052
Less: Depreciated Development Costs		(\$869,345)	(\$900,163)	(\$1,030,568)
Net Operating Income		(\$327,179)	(\$249,160)	(\$356,517)
Positive Return		no	no	no
Threshold Return Minimum (6% of AV)	\$207,819	no	no	no

Summary of Conclusions

Due to the lack of positive NOI, the Reasonable Return is not achieved. 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:

Reasonable Return Threshold Analysis			
Scenario	Base *	Infill*	Multi-Family
Actual Assessment	\$3,463,650	\$3,463,650	\$3,463,650
6% Return on Actual Assessment	\$207,819	\$207,819	\$207,819
Calculated Return via Income Approach	(\$224,468)	(\$102,519)	(\$525,707)
Return Exceed 6% Threshold?	NO	NO	NO

* Excludes real estate taxes as an expense

Suitability for Church Use

Cost Analysis - Church Use

The cost to repair the building for church use addresses all outstanding DOB violations, and structural issues and repairs needed to make the building safe.

The costs exclude repairs to remedy code, fire safety and accessibility issues, which are grand-fathered for church use under current statutes.

Cost Analysis Church Use	
Façade, Roof & Windows	\$15,761,920
Structural & Interior Repair	1,170,947
Code Compliance	0
Total Construction Cost	\$16,932,867
General Conditions	2,021,273
Insurance & Construction Mgt.	3,884,823
Construction Contingency	1,693,287
Design Contingency	1,693,287
Total Hard Cost	\$26,405,536

Summary - Third Party Use

Can the building, if used by a third party, be capable of earning a reasonable return?

- Not only did none of the three scenarios analyzed not generate a 6% return on assessed value as defined in the statute, none produced a positive return, even with no property taxes and with the full benefit of Historic Tax Credits.
- *In fact, none of the scenarios would earn a reasonable return, even if renovation costs were half of projections.*

Summary - Church Use

Can the building, if retained by West Park, be suitable or appropriate for religious purposes to which it is and had been devoted?

- *The cost to make the sanctuary safe for worship, the façade safe for pedestrians, and to clear existing DOB violations is over \$26 million.*
- *The high restoration cost renders the building unsuitable for religious purposes by West Park, which has no funds to restore the building.*
- *Even if it were to generate space use income from arts groups as it has in the past, it would not have enough income to cover operating expenses before any building improvements.*

It is highly unlikely that any other church would be interested in acquiring the existing building for given the costs to make the building safe.

No property in or near the Upper West Side has been purchased for religious use for anything close to \$26 million since West Park was landmarked in 2010.

Discussion & Questions

Appendix

- A. Project Team
- B. Supplementary Existing Conditions
- C. Supplementary Financial Analysis
- D. Residential Conversion and Partial
Demolition Alternatives
- E. Proposed Building
- F. Supplemental Materials on Façade
Stability

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

Valerie Campbell - Partner, Kramer Levin Naftalis & Frankel LLP

Patrick Sullivan - Special Counsel, Kramer Levin Naftalis & Frankel LLP

Brooke Schafran - Principal, Capalino

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

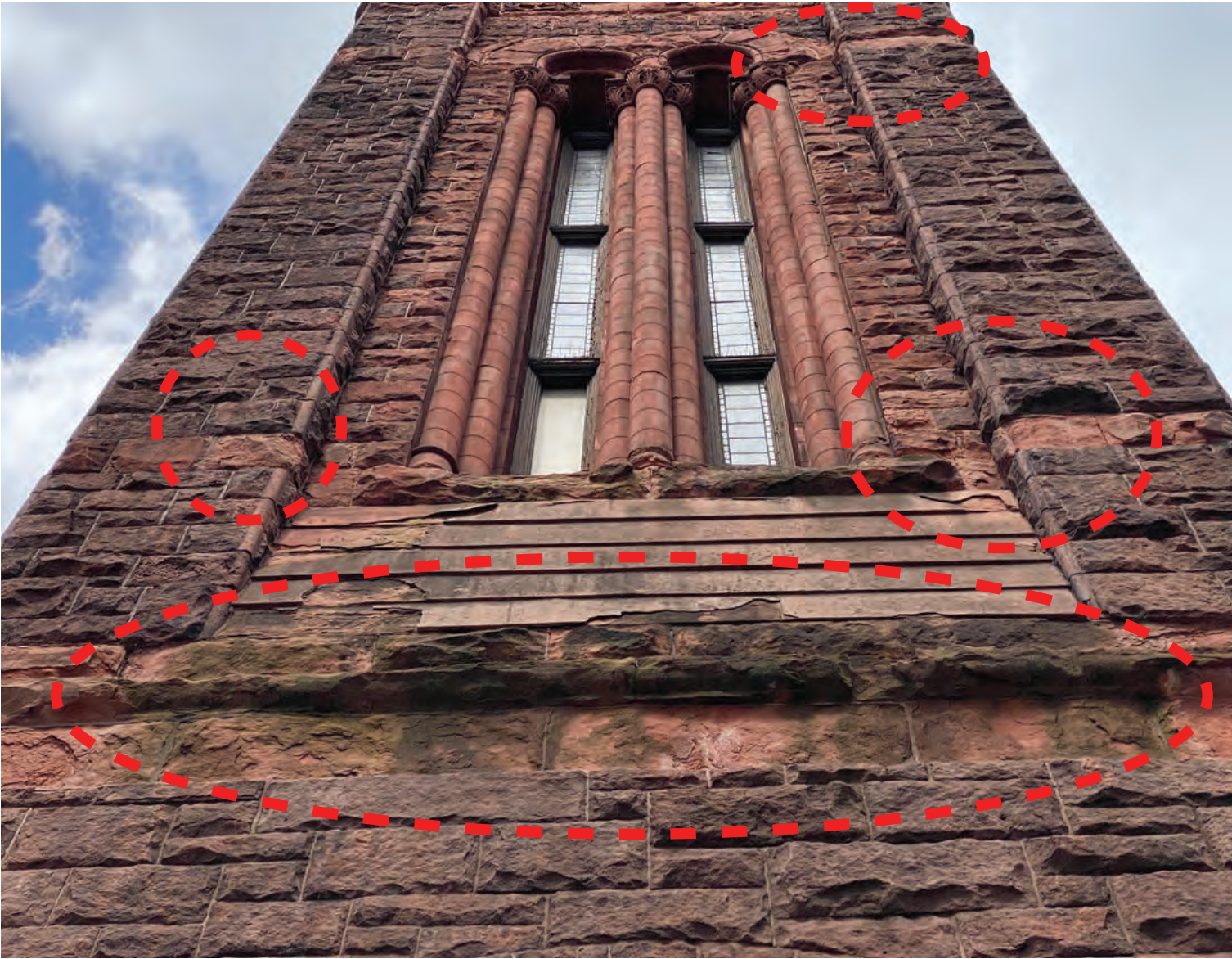
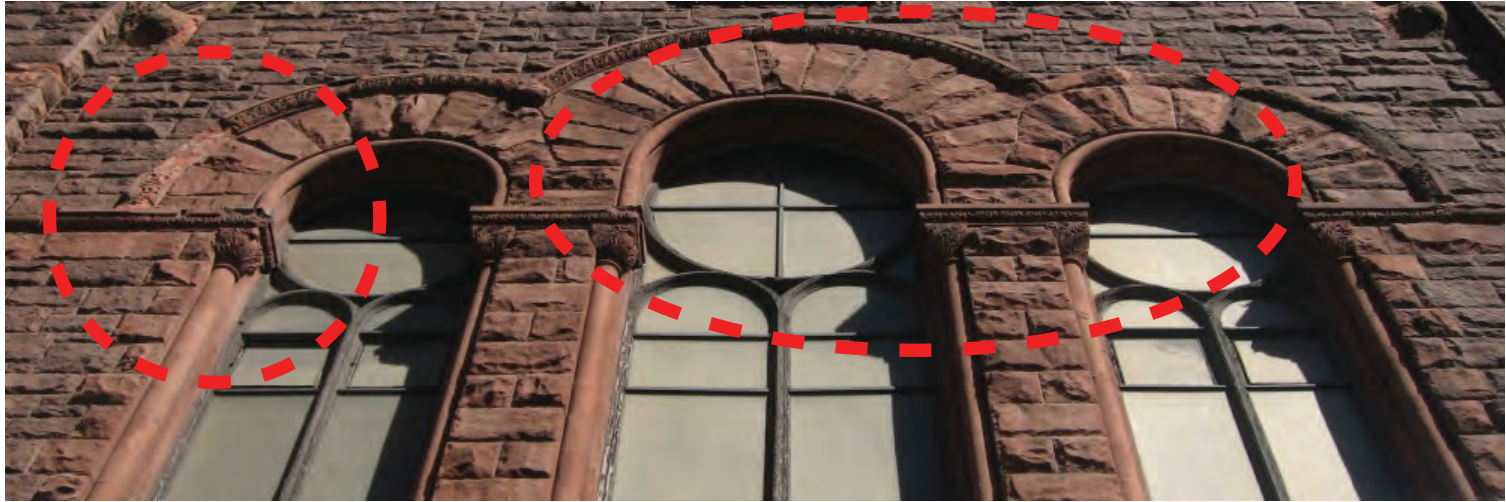
Richard W. Lefever, PE - President, Facade MD

Supplementary Existing Conditions



- Facade Description
- Facade Analysis Methodology
- Extent of Probing
- Types of stabilization, repair and restoration
- Extent of restoration and replacement

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





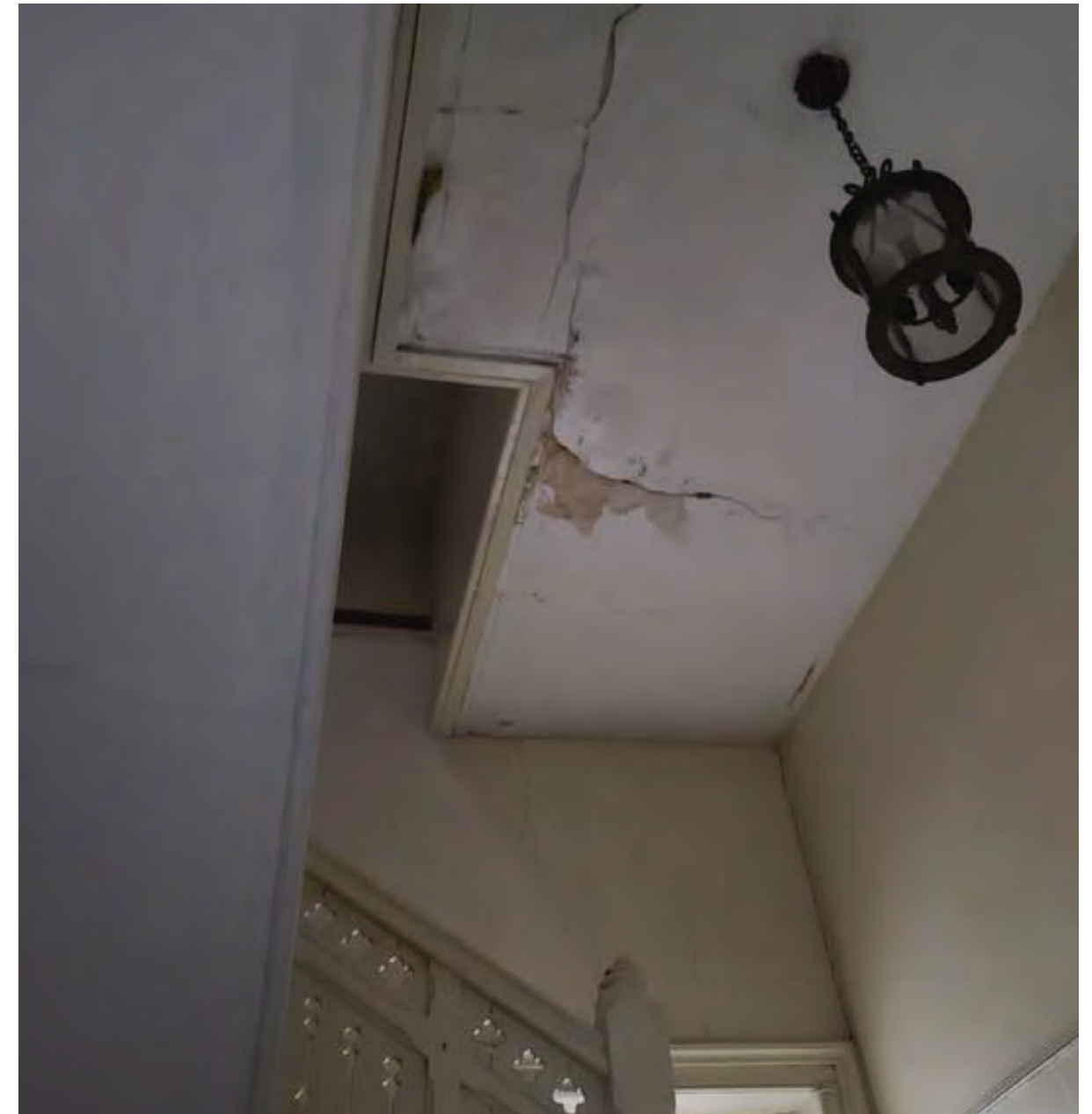






13 JUNE 2023
WEST-PARK PRESBYTERIAN CHURCH

EXISTING CONDITIONS
(12/2/21 FACADE MD REPORT)



Supplementary Financial Analysis

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



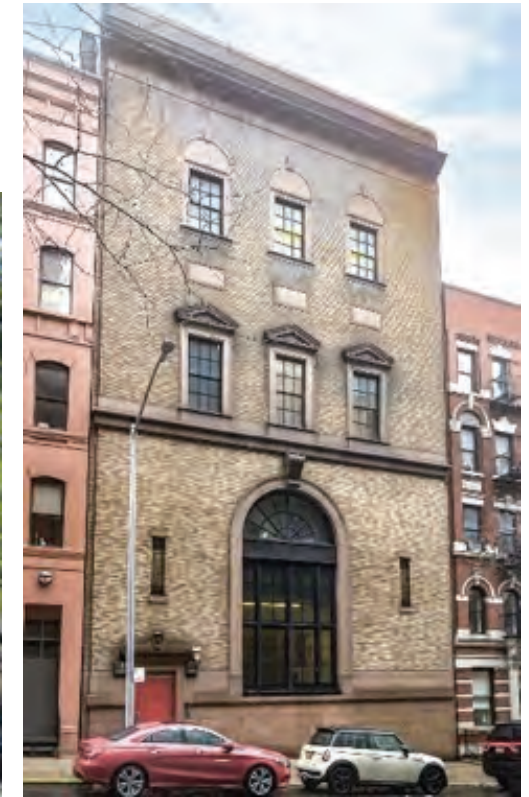
1157 LEXINGTON AVENUE



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 @	\$18,353	\$22,014
Professional Fees p/annum @	\$5,000	\$5,000
Utilities	Tenant	Tenant
Payroll	\$0	\$0
Repairs and Maintenance	\$0	\$0
Structural Repairs PSF @	\$9,177	\$11,007
Management and Leasing % EGI @	\$52,306	\$62,740
<i>Expenses BEFORE Depreciated Dev Costs and RE Taxes</i>	<i>\$84,836</i>	<i>\$100,761</i>
NOI BEFORE Depreciated Dev Costs and RE Taxes	\$786,932	\$944,904
Less: Depreciated Development Costs	(\$1,011,400)	(\$1,047,423)
Net Operating Income (w/out Real Estate Taxes)	(\$224,468)	(\$102,519)

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 @ \$		(\$62,280)
Effective Gross Income		\$1,494,720
<i>Per Unit / Mo.</i>		<i>\$6,228</i>
<i>Per RSF - Annual</i>		<i>\$72.51</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%	\$74,736
Expenses Before Depreciated Dev Costs and RE Taxes		\$274,736
<i>Expenses Per Unit/Month - Before Dev. Costs and RET</i>		<i>\$13,737</i>
<i>OpEx Ratio - Before Dev. Costs and RET</i>		<i>18.38%</i>
NOI BEFORE Depreciated Dev Costs and RE Taxes		\$1,219,984
Less: Depreciated Development Costs		(\$1,199,855)
Net Operating Income		\$20,129

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:
 \$49,125,759 for the **Base Scenario** and \$50,955,015 for the **Infill Scenario**

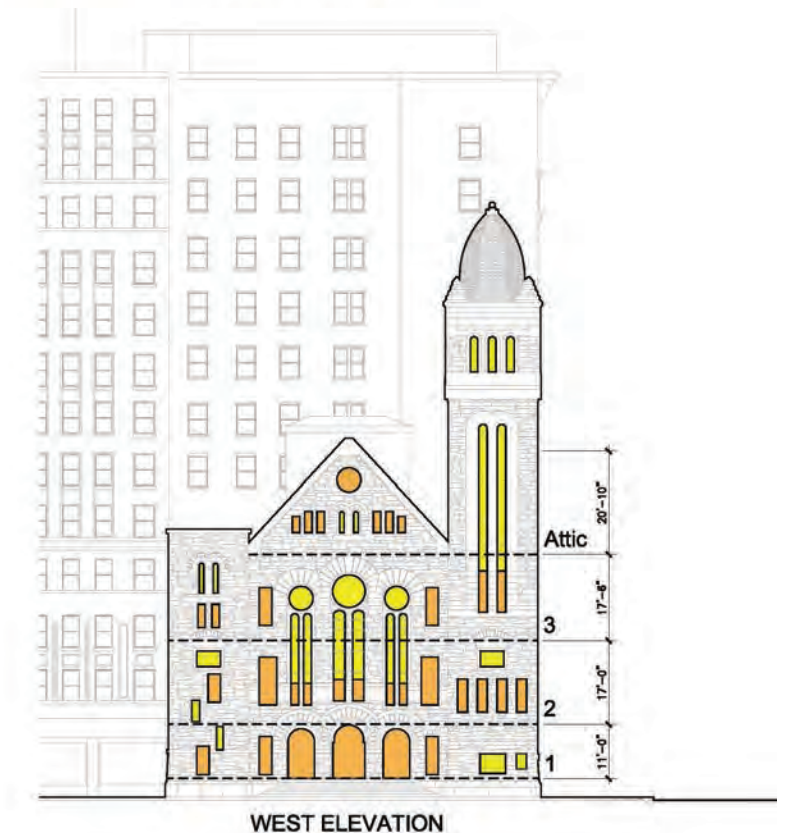
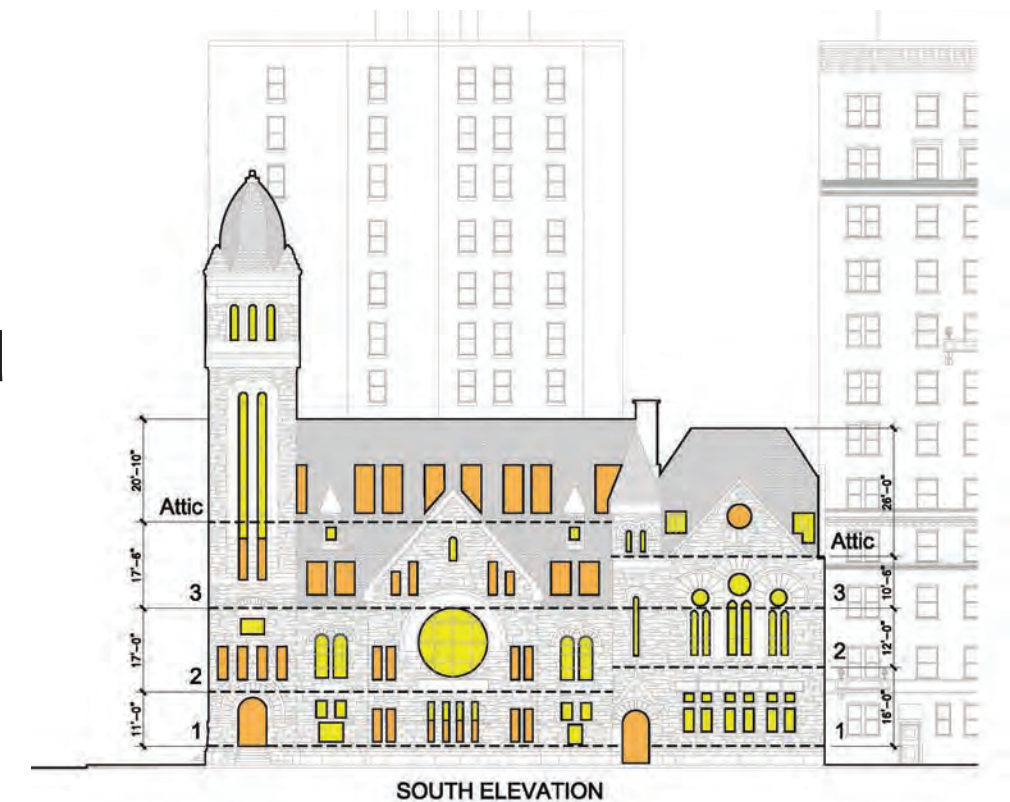
Valuation of the Improvements:
 Equivalent to the improvement assessment of \$1,416,150

Depreciated Development Cost Calculation		
Scenario	Base	Infill
Assessed Value of Subj Building Exclusive of Land	\$1,416,150	\$1,416,150
Projected Renovation Cost (full cost)	\$49,125,759	\$50,955,015
Total	\$50,541,909	\$52,371,165
Annual Depreciation @ 2.0%	\$1,010,838	\$1,047,423

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 with a unit mix 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
Summary of Projected Rent Statistics

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
Depreciation Calculation
Renovation Costs

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

- **Total Costs:**
\$58,576,591 for residential conversion costs

- **Valuation of the improvements:**
Equivalent to the improvement assessment of \$1,416,150

Depreciated Development Cost Calculation		
Scenario		Multi-Family
Assessed Value of Subj Building Exclusive of Land		\$1,416,150
Projected Renovation Cost (full cost)		\$58,576,591
Total		\$59,992,741
Depreciation @	2.0%	\$1,199,855

Multi-Family Scenario

Reasonable Return Anaylsis

- Due to the slight positive return, the full Reasonable Return Analysis is performed for this scenario, which requires incorporation of real estate taxes as an expense
- Per Stahl, taxes for the property after renovation are required to be considered as an expenses
- Real estate taxes are solved for by using the post-renovation NOI and a loaded capitalization rate.
- The loaded capitalization rate is comprised of a basic capitalization rate plus the effective tax rate.
- The NOI is divided by the loaded capitalization rate to produce the Capitalized Market Value.
- The resulting Capitalized Market Value is multiplied by 45% to produce the Assessed Value, post Renovation.
- The Assessed Value, post Renovation is multiplied by the tax rate in effect of 12.235% to produce the equalized taxes for the property, after renovation.
- The equalized taxes are used as an expense in the final Reasonable Return Analysis

Multi-Family Scenario
Reasonable Return Analysis
Capitalization Rate Computation

- Per the Stahl matter, the capitalization rate is sourced from the City of New York’s assessor’s guidelines for this asset type. A capitalization rate of 6.80% is utilized.

- The effective tax rate is simply the NYC assessor’s ratio of 45% multiplied by the tax rate in effect of 12.235%. $12.235\% \times 45\% = 5.506\%$

- The total loaded capitalization rate is 12.306%, as shown below:

Loaded Capitalization Rate Calculation	
2022 Tax Rate	12.235%
Assessment Ratio	45.0%
Effective Tax Rate	5.506%
Basic Capitalization Rate	6.800%
Loaded Capitalization Rate	12.306%

Multi-Family Scenario
Reasonable Return Anaylsis
Post-Renovation Assessed Value and Real Estate Taxes

- NOI is divided by the loaded capitalization rate to produce the Capitalized Market Value
- The Capitalized Market Value is translated into an assessed value when multiplied by the assessor's ratio of 45%
- The assessed value is multiplied by the Class II tax rate of 12.235% to produce the post-renovation equalized real estate tax burden as summarized below
- The projected real estate taxes are used an expense in the Reasonable Return Analysis

PROJECTED ASSESSED VALUE AND RE TAXES SUMMARY	
Scenario	Multi-Family
Net Operating Income	\$1,219,984
Effective Tax Rate	5.506%
Basic Capitalization Rate	6.800%
Loaded Capitalization Rate	12.306%
Capitalized Market Value (loaded Cap rate)	\$9,913,935
Assessed Value - Post-Renovation (45% of above)	\$4,461,271
Projected Real Estate Taxes (12.235% of AV)	\$545,836

Multi-Family Scenario Reasonable Return Analysis Post-Renovation NOI Analysis

- Equalized taxes of \$545,836 are incorporated in the recalculation of the NOI, producing a figure of \$674,148
- Depreciated improvement costs of \$1,199,855 are deducted from the NOI to produce the revised NOI
- The revised NOI, after consideration of depreciated improvement costs is -\$525,707 and does not meet the reasonable return threshold

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 @ \$		(\$62,280)
Effective Gross Income		\$1,494,720
<i>Per Unit / Mo.</i>		\$6,228
<i>Per RSF - Annual</i>		\$72.51
Expenses	p/unit	Annual
Real Estate Taxes - Calculated on Post-Renovation AV		\$545,836
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%	\$74,736
Expenses Before Depreciated Dev Costs and RE Taxes		\$820,572
<i>Expenses Per Unit</i>		<i>\$41,029</i>
NOI BEFORE Depreciated Dev Costs		\$674,148
Less: Depreciated Development Costs		(\$1,199,855)
Net Operating Income		(\$525,707)

Residential Conversion and Partial Demolition Alternatives



Church Use



Base



Infill



Multi- Family (B)



Partial Demo (C)



Partial Demo (D)



Partial Demo (E)



Partial Demo (F)



Partial Demo (G)



Partial Demo (H)



Proposed Building (I)

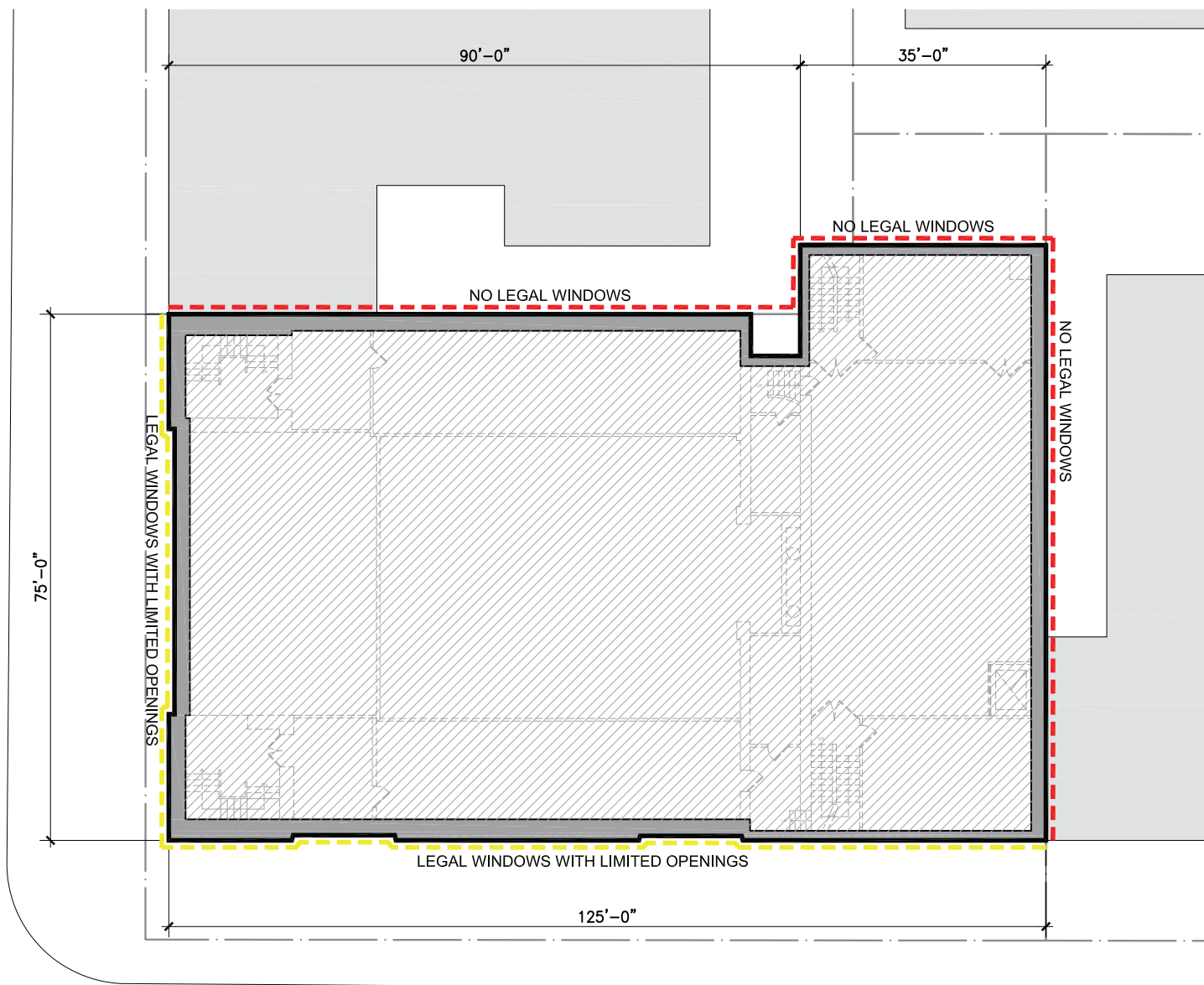
More detail is in the April 13, 2023 Response to LPC Comments of July 28, 2022

Multi-Family (B)

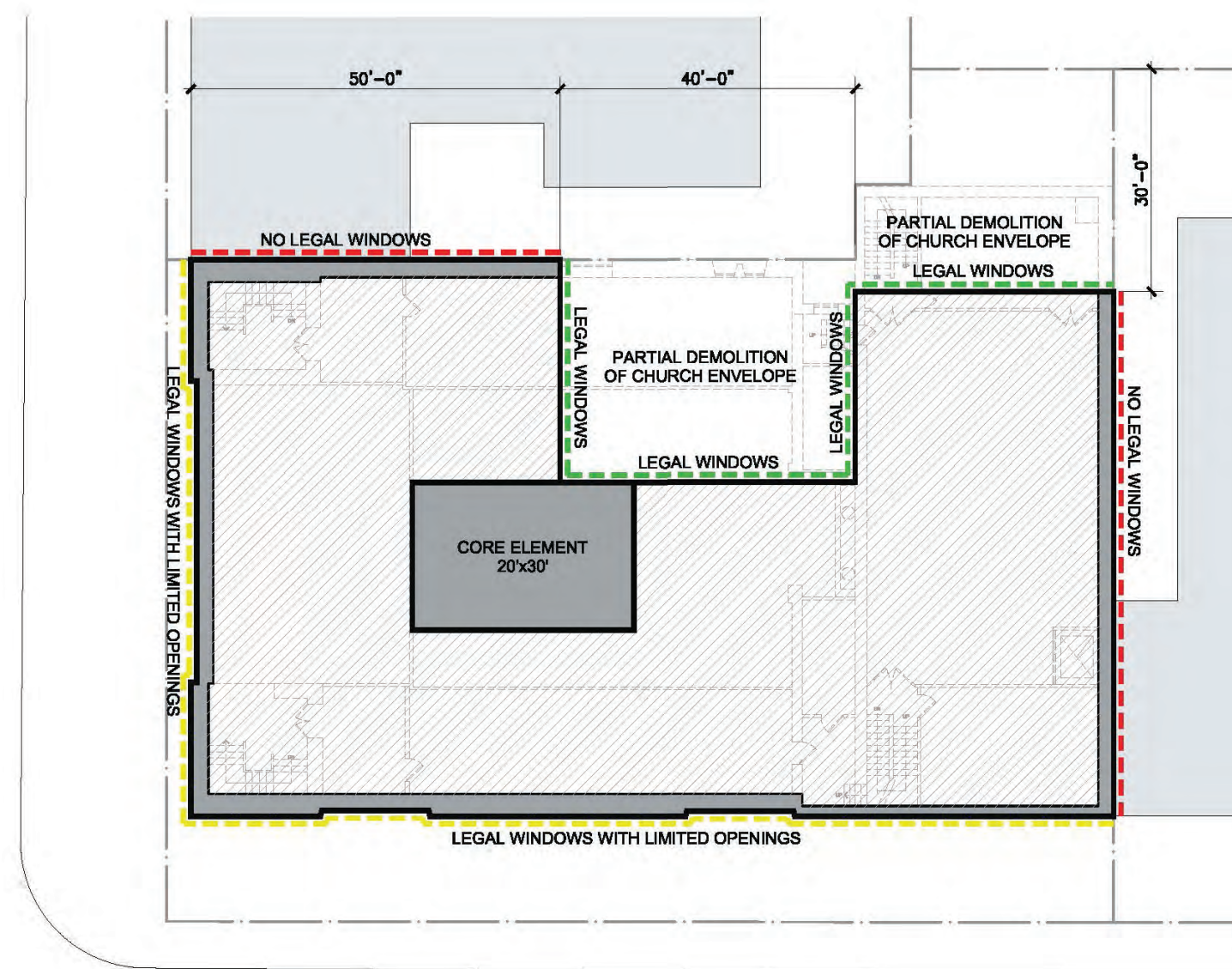
Convert existing buildings
to residential use

Multi-Family (B)

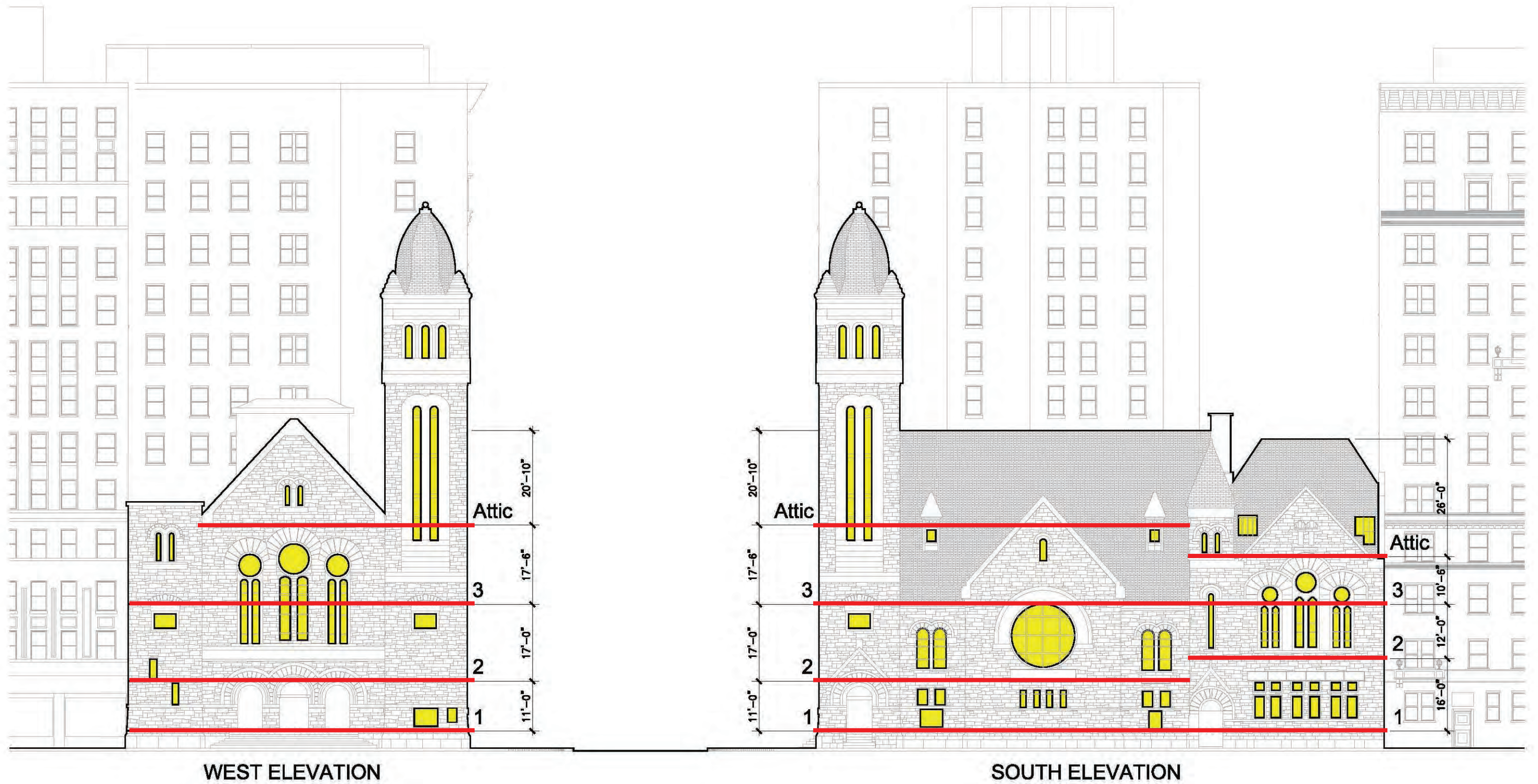
- A new Inner Court to be carved out of existing building for “Legal Windows”
- Existing internal structure to be replaced with new fireproof concrete structure.
- Four new floors to be added to align with existing windows.
- The existing facade will most likely need to be completely replaced.
- Extensive number of new windows to be cut into existing facade.

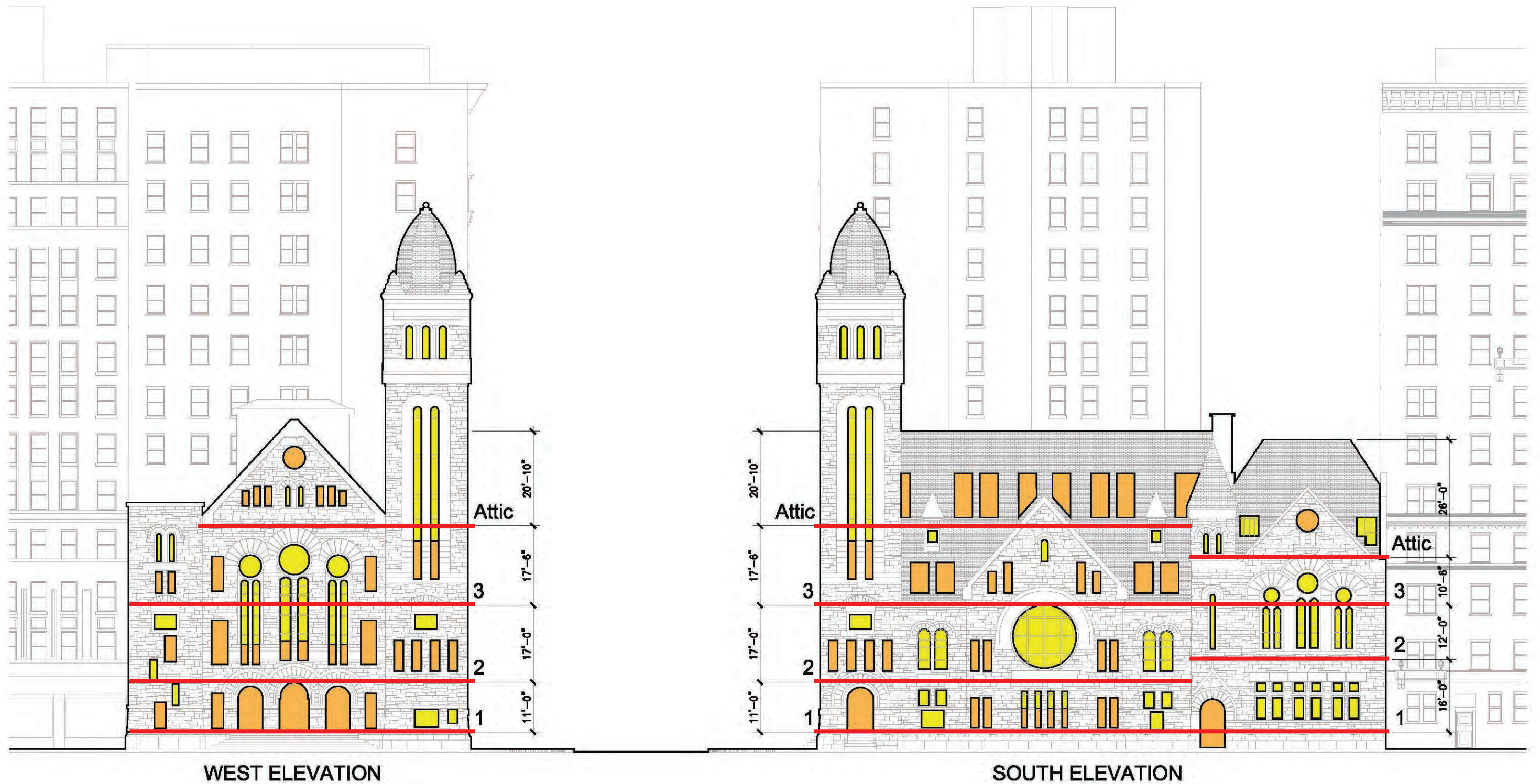


Plan showing extent of "Legal Windows"



Plan with Required Courts and Yards

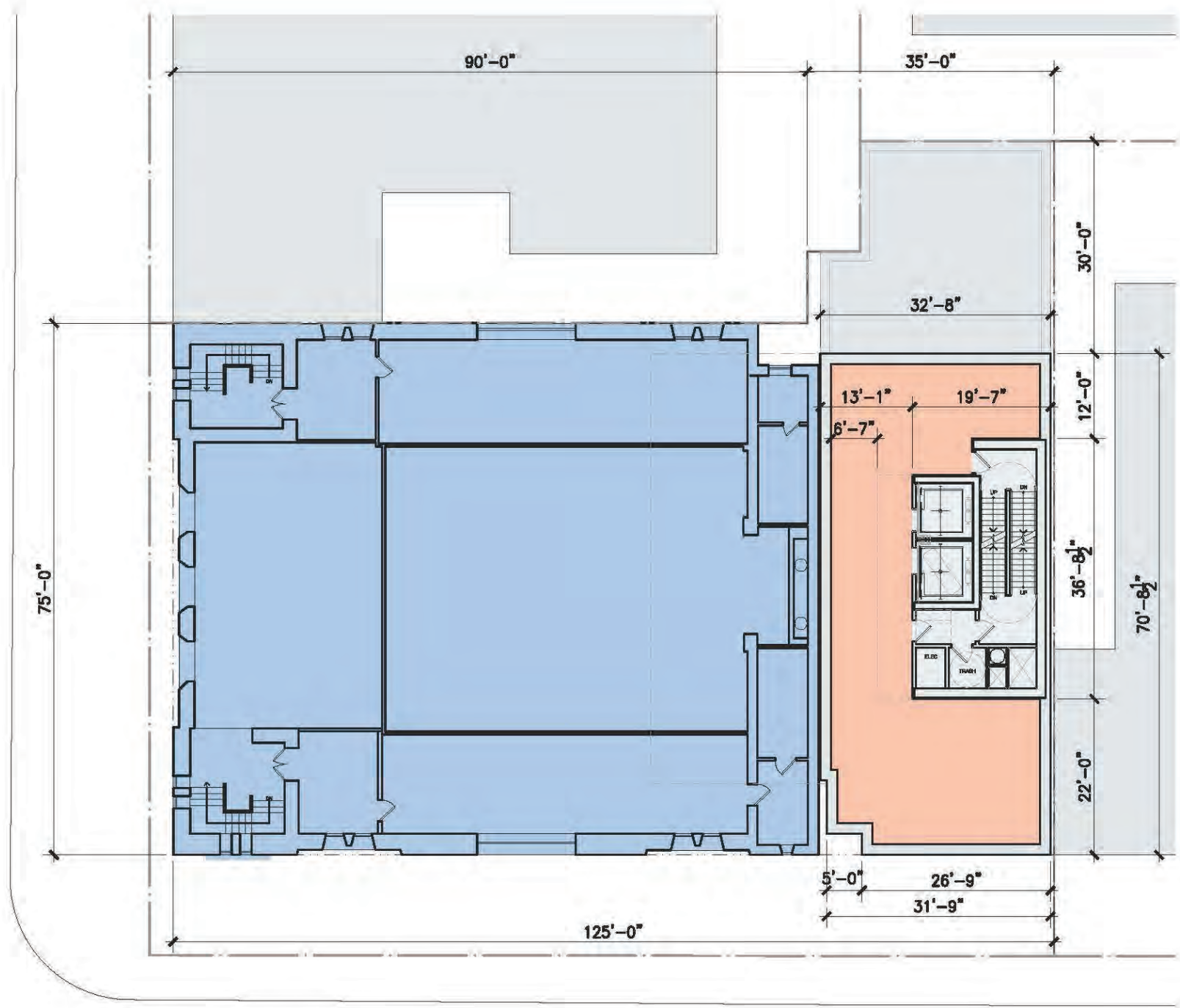




Selected Partial Demolition Scenarios

Partial Demolition Scenario (F)

- 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.
- Utilizes only a quarter of the site's allowable area.
- The Existing facade will most likely need to be completely replaced.







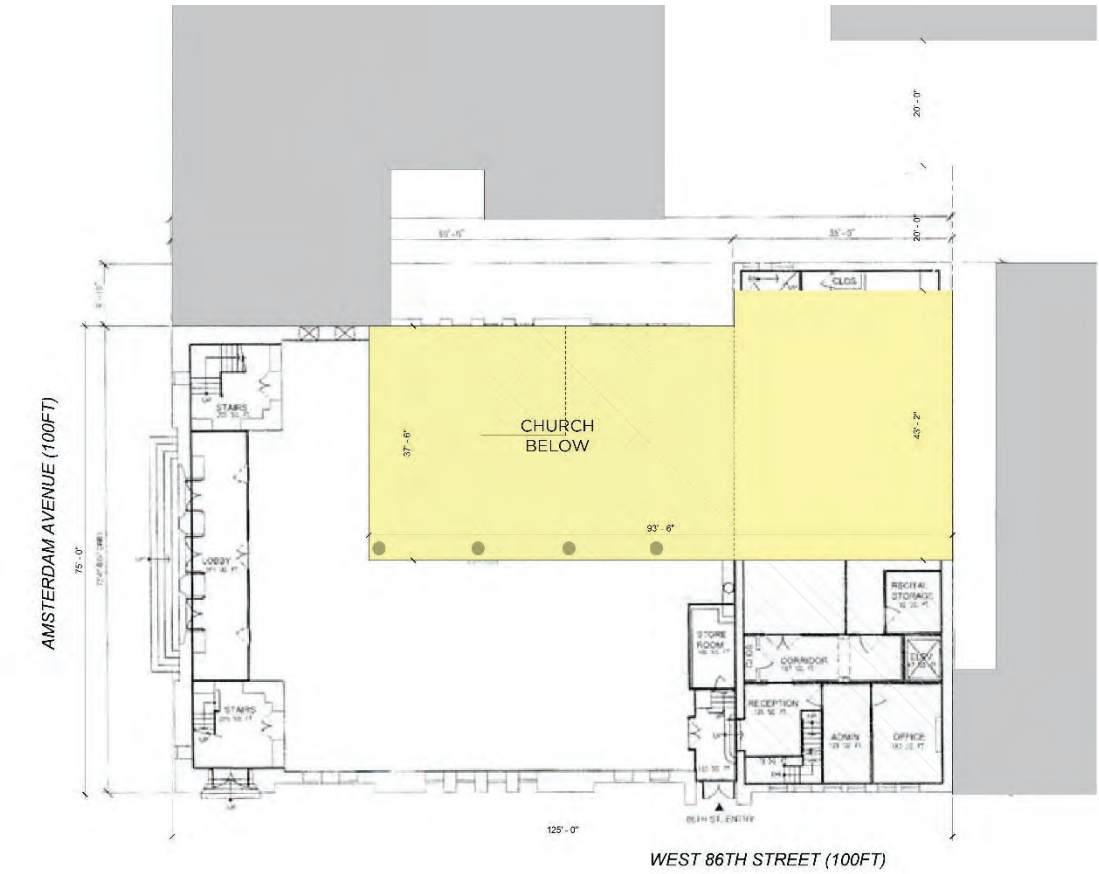
ONLY ALLOWABLE UPON
ACCEPTANCE OF BSA WAIVER

Study C: Repair and restore façade; demolish & rebuild Sanctuary structure and interior in reconfigured form for use as Community Facility; demolish & rebuild Parish house structure and interior in reconfigured form for use as Residential entrance + amenities; construct new 210' slab-form residential tower on NE quadrant of site

Area Summary:

Above grade Gross SF:	68,900 sf
Zoning SF used:	65,400 sf
Unused ZSF:	30,170 sf
Net Residential Rentable / Sellable :	47,900 sf
Community Facility SF:	5,500 sf

- Requires BSA Variance for rear yard / legal windows
- Requires Landmarks approval for demolition, alterations and overbuilds to buildings
- Requires expensive façade repair and stabilization.
- Requires extensive underpinning, structural complexities and protection of the existing church façade during construction of new building.
- Yields limited, floor area
- Yields compromised Community Facility space

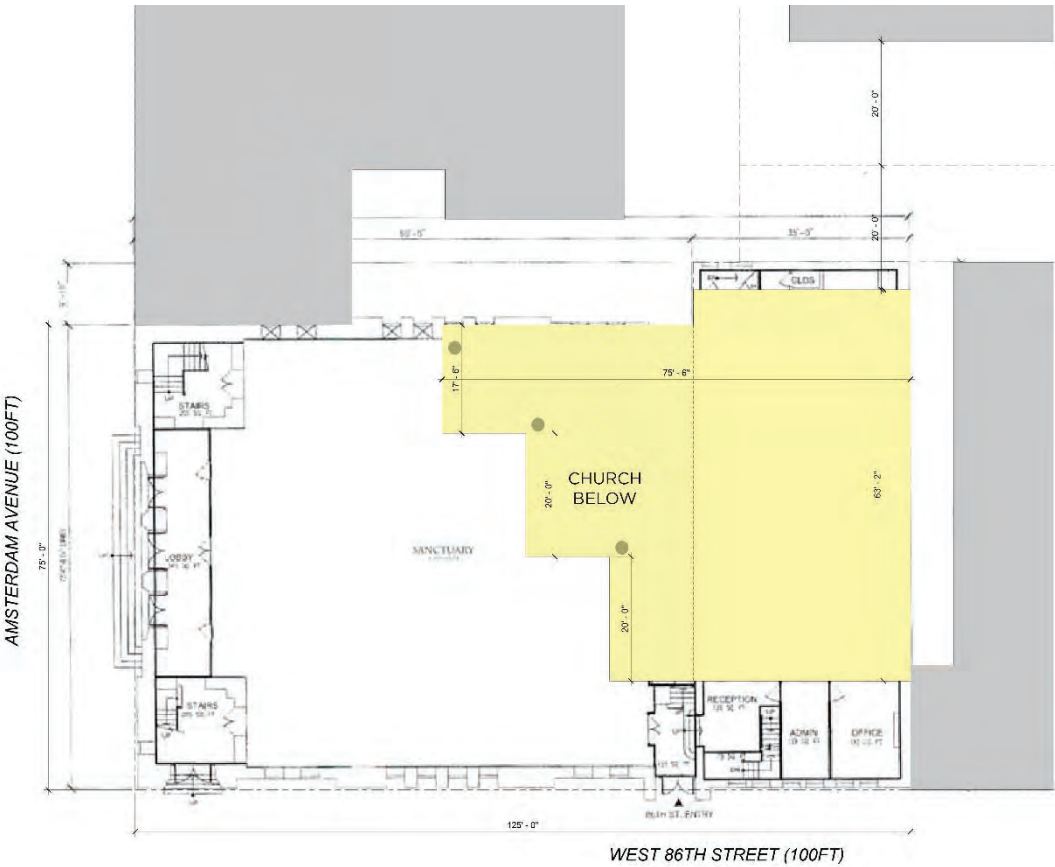


Study D: Repair and restore façade; demolish & rebuild Sanctuary structure and interior in reconfigured form for use as Community Facility; demolish & rebuild Parish house structure and interior in reconfigured form for use as Residential entrance + amenities; construct new 210' tall stepped-form residential tower on NE quadrant of site

Area Summary:

Above grade Gross SF:	65,000 sf
Zoning SF used:	62,000 sf
Unused ZSF:	33,570 sf
Net Residential Rentable / Sellable:	44,000 sf
Community Facility:	5,500 sf

- Requires BSA Variance for rear yard / legal windows
- Requires Landmarks approval for alterations to buildings
- Requires expensive façade repair and stabilization.
- Requires extensive underpinning, structural complexities (separating the two buildings) and protection of the existing church façade during construction of new building.
- Yields inefficient, limited, floor area
- Yields compromised community facility space

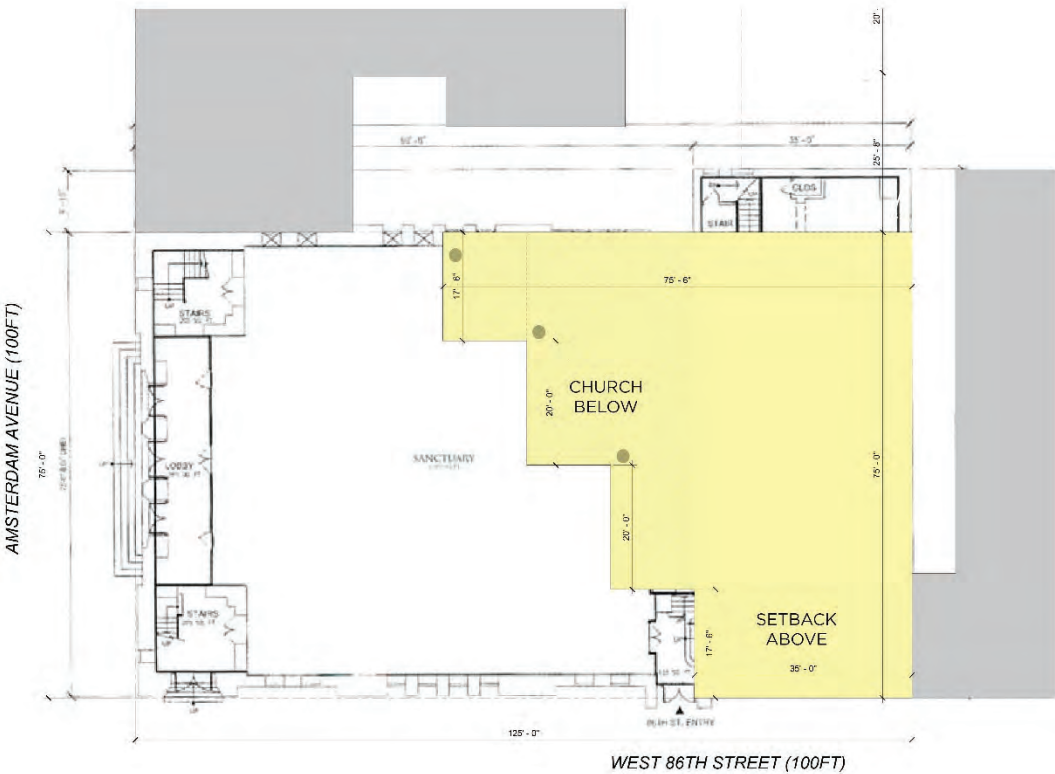


Study E: Repair and restore Sanctuary façade; demolish & rebuild Sanctuary structure and interior in reconfigured form for use as Community Facility; demolish Parish house in its entirety; construct new 210' tall, stepped form Residential tower on eastern portion of site

Area Summary:

Above grade Gross SF:	68,500 sf
Zoning SF used:	65,000 sf
Unused ZSF:	30,570 sf
Net Residential Rentable / Sellable:	47,500 sf
Community Facility:	5,500 sf

- Requires BSA Variance for rear yard / legal windows
- Requires Landmarks approval for alterations to buildings
- Requires expensive façade repair and stabilization.
- Requires extensive underpinning, structural complexities (separating the two buildings) and protection of the existing church façade during construction of new building.
- Yields inefficient, limited, floor area
- Yields compromised Community Facility space

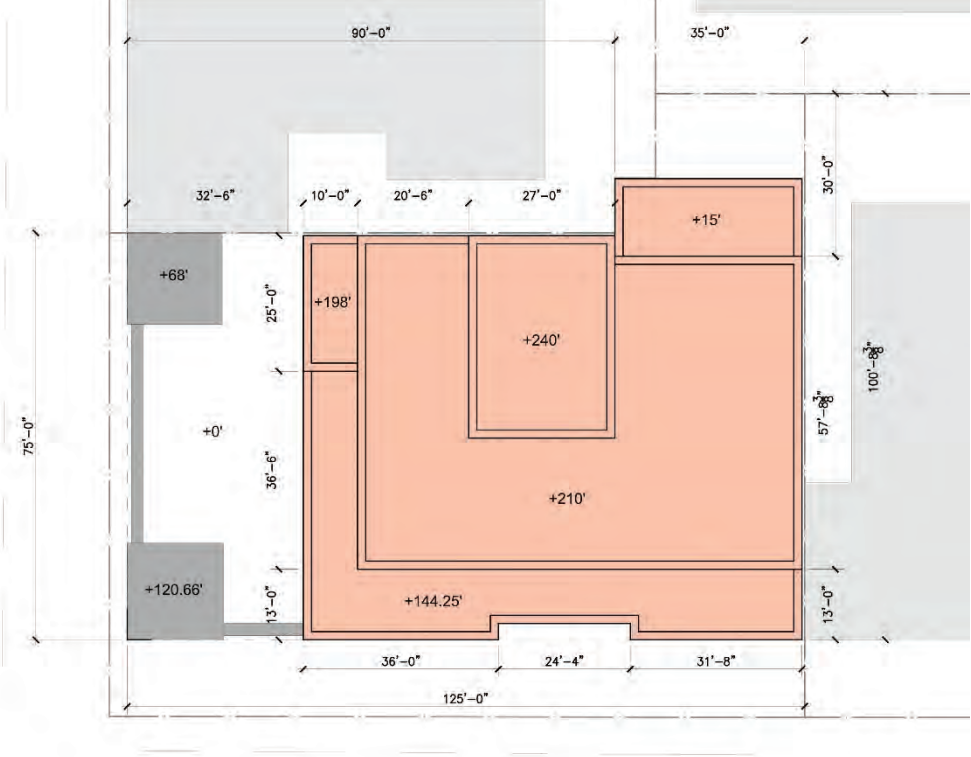


Study H: Repair and restore façade; demolish Sanctuary and Parish house structures and interiors; construct new 210' tall Residential tower on majority of site, behind and above existing façade avoiding belltower on western portion of site

Area Summary:

Above grade Gross SF:	103,147 sf
Zoning SF used:	93,600 sf
Unused ZSF:	7,970 sf
Net Residential Rentable /Sellable:	76,800 sf
Community Facility Area:	6,000 sf

- Requires BSA Waiver for non-complying streetwall
- Requires Landmarks approval for demolition and alterations to buildings
- Requires expensive façade repair and stabilization.
- Requires extensive underpinning, structural complexities and protection of the existing church façade during construction of new building.
- Inappropriate treatment of existing historic fabric / “facadism”



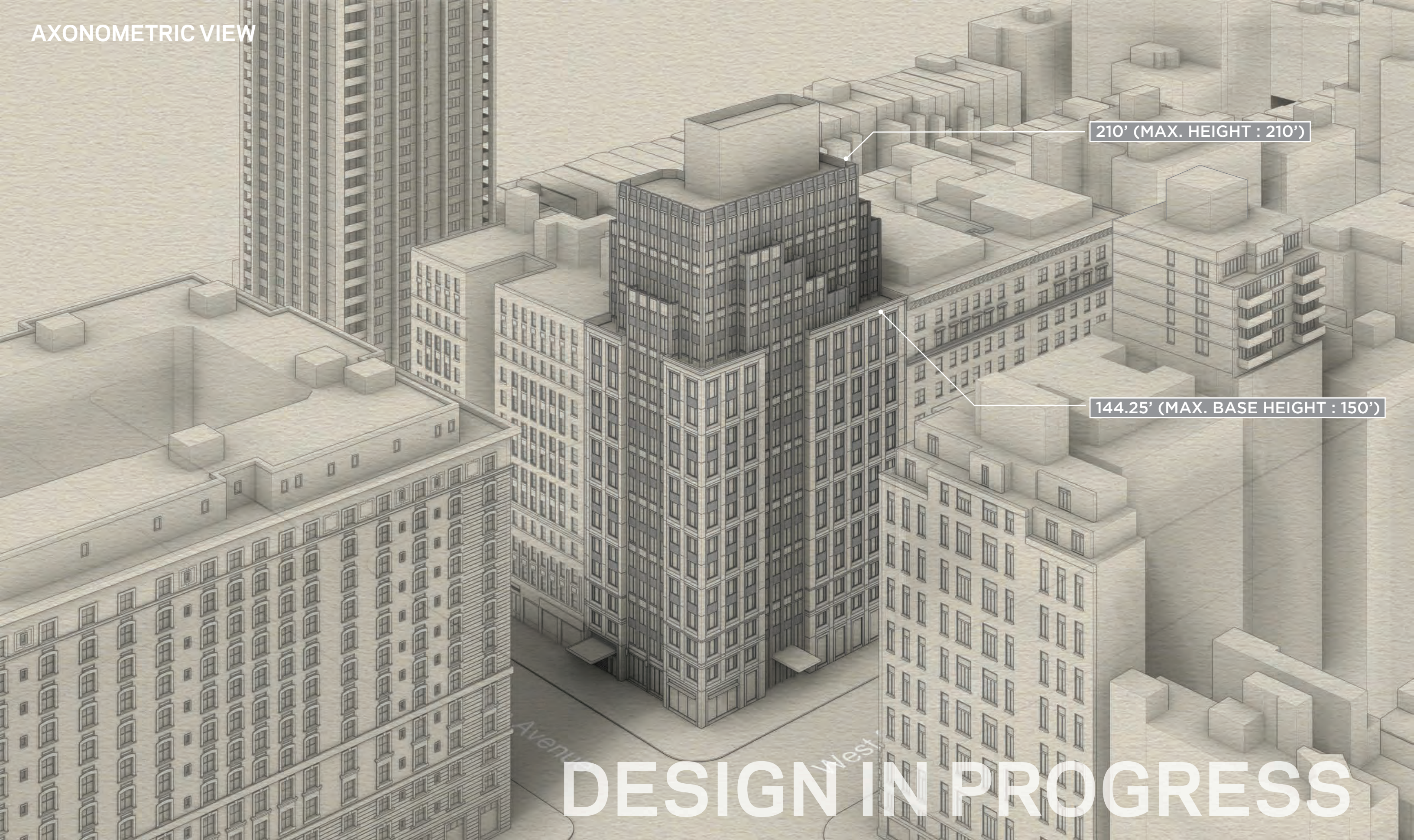
WEST 86TH STREET
(100' - WIDE STREET)

Proposed Building

Block	1217
Lot	1
Zoning	C1-5
Lot Area	10,157

35-21	Residential bulk set by residential equivalent		
35-22	<i>Residential Equivalents</i>		
	C1-5 = R10A		
	Bulk regulations set by 23-66 but modified by 35-65		
		<i>FAR</i>	<i>ZFA</i>
23-153	<i>Residential</i>	10	101,570
33-123	<i>Community Facility</i>	10	101,570
33-121	<i>Commercial</i>	2	20,314
35-651	<i>Street Wall Location</i>		
(b)	<i>Regs for wide streets</i>		
(1)	Street wall located on the street line		
	Extend for the entire street line up to minimum base height		
	Corner articulation permitted within 15' from corner		
(2)	Above 15' or First Story whichever is less, 30% of street wall may be recessed		
	no greater than 10' so long as it complies as an outer court		
35-652	<i>Maximum Height of Buildings and Setback Regulations</i>		
(a)	Height and setback set by 23-662		
23-662	<i>Min Base Height</i>	125'	
	<i>Max Base Height</i>	150'	
	<i>Max Building Height</i>	210'	
35-652	<i>Wide Street Setback</i>	10'	
74-711	<i>Landmark preservation in all districts</i>		





210' (MAX. HEIGHT : 210')

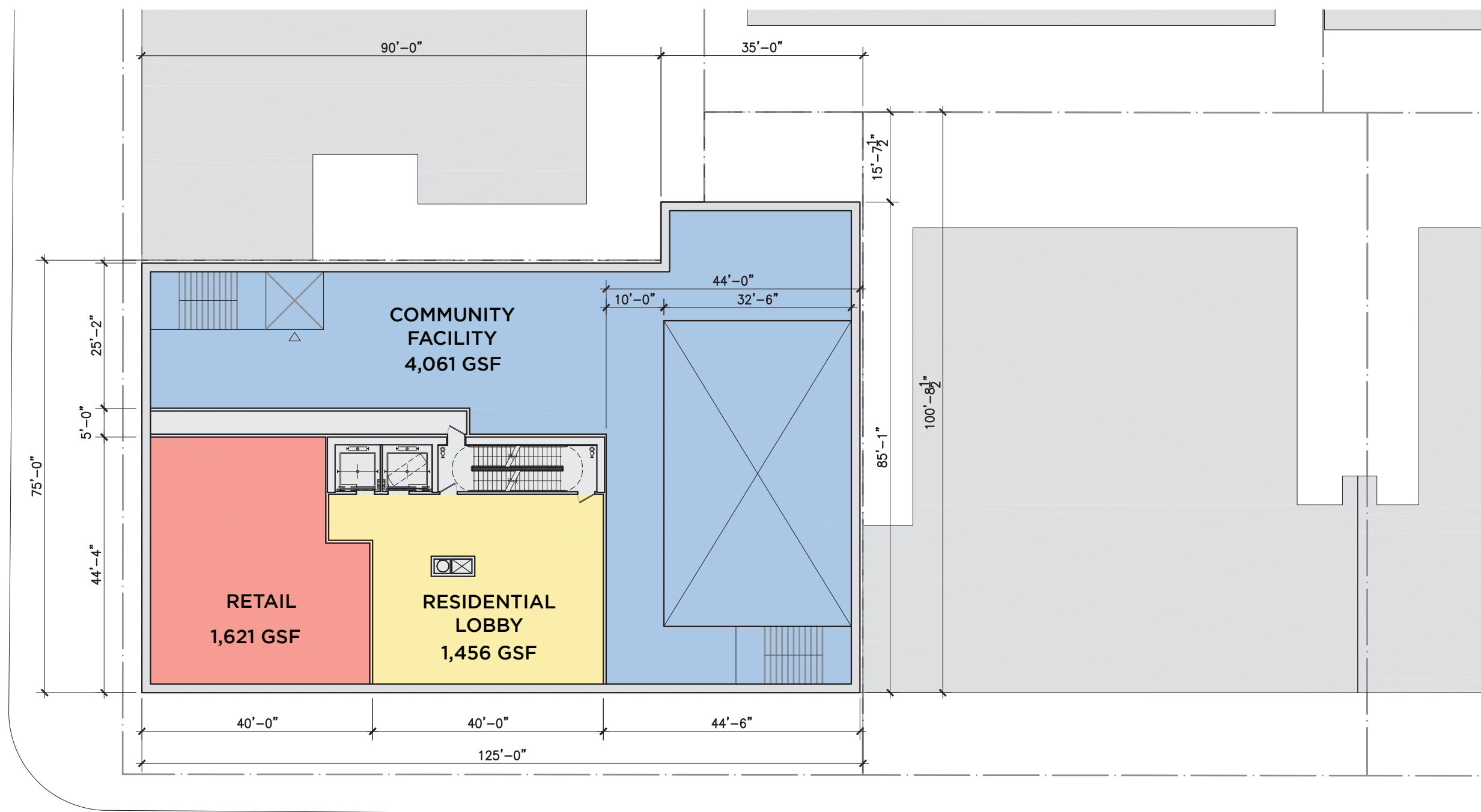
144.25' (MAX. BASE HEIGHT : 150')

DESIGN IN PROGRESS

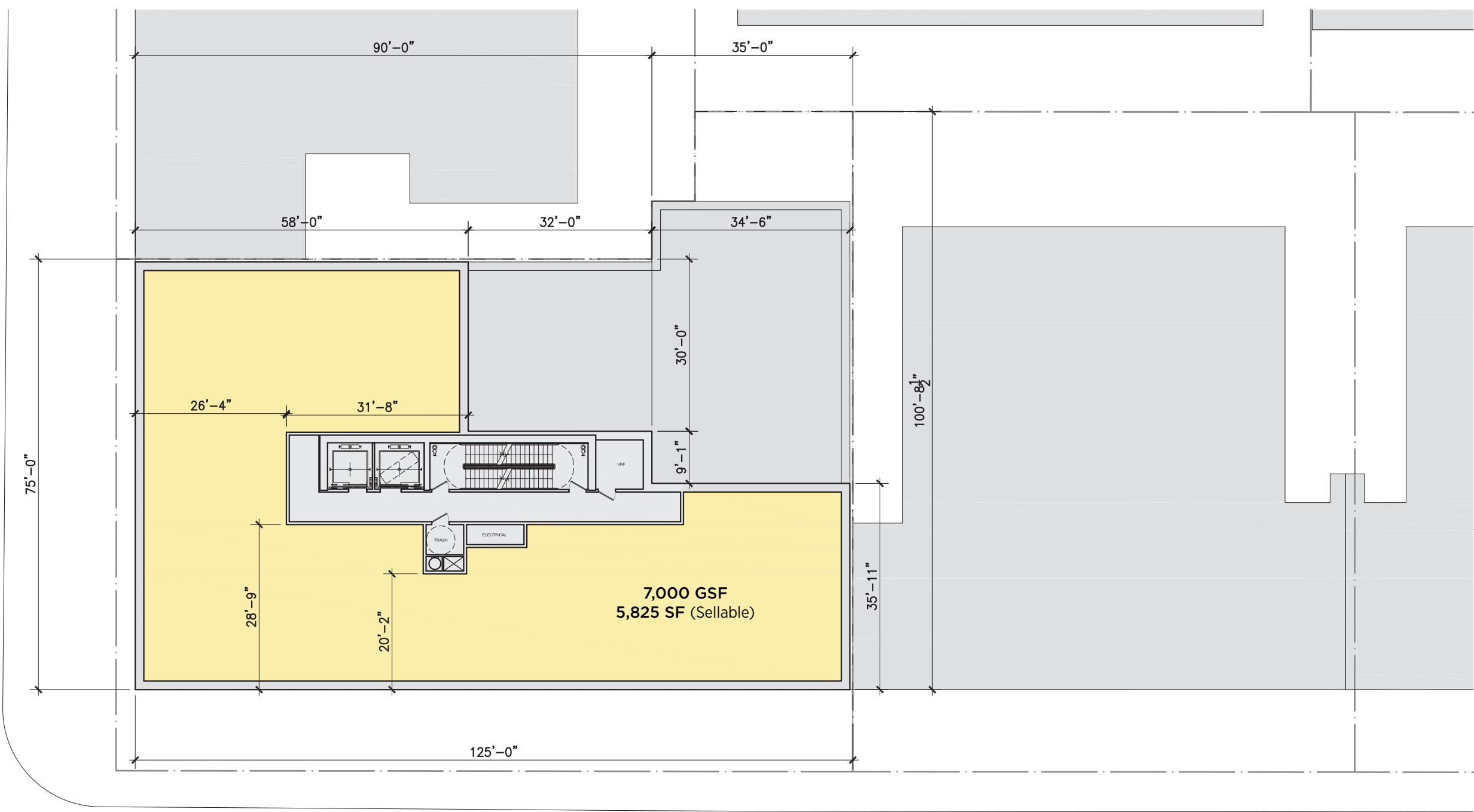




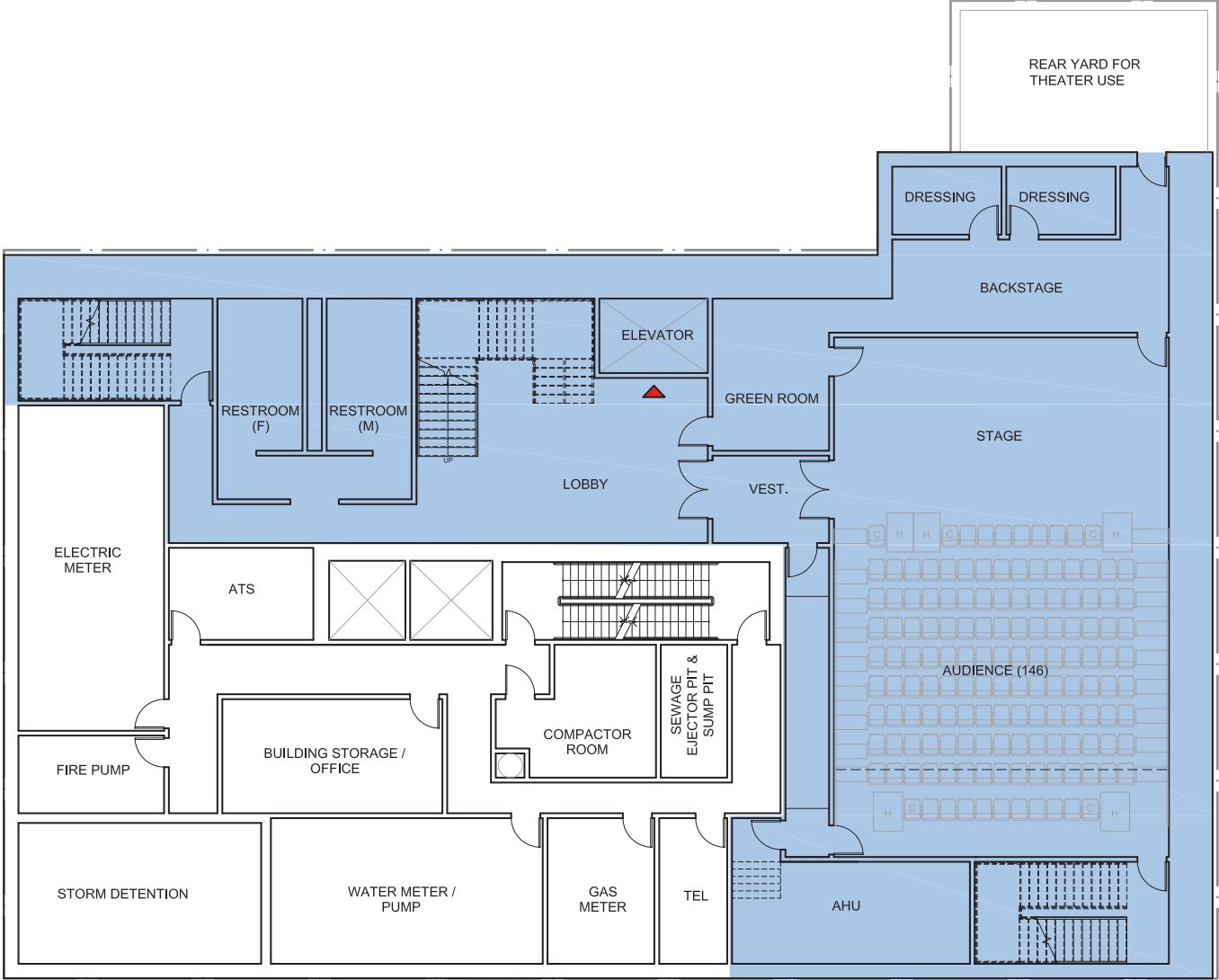




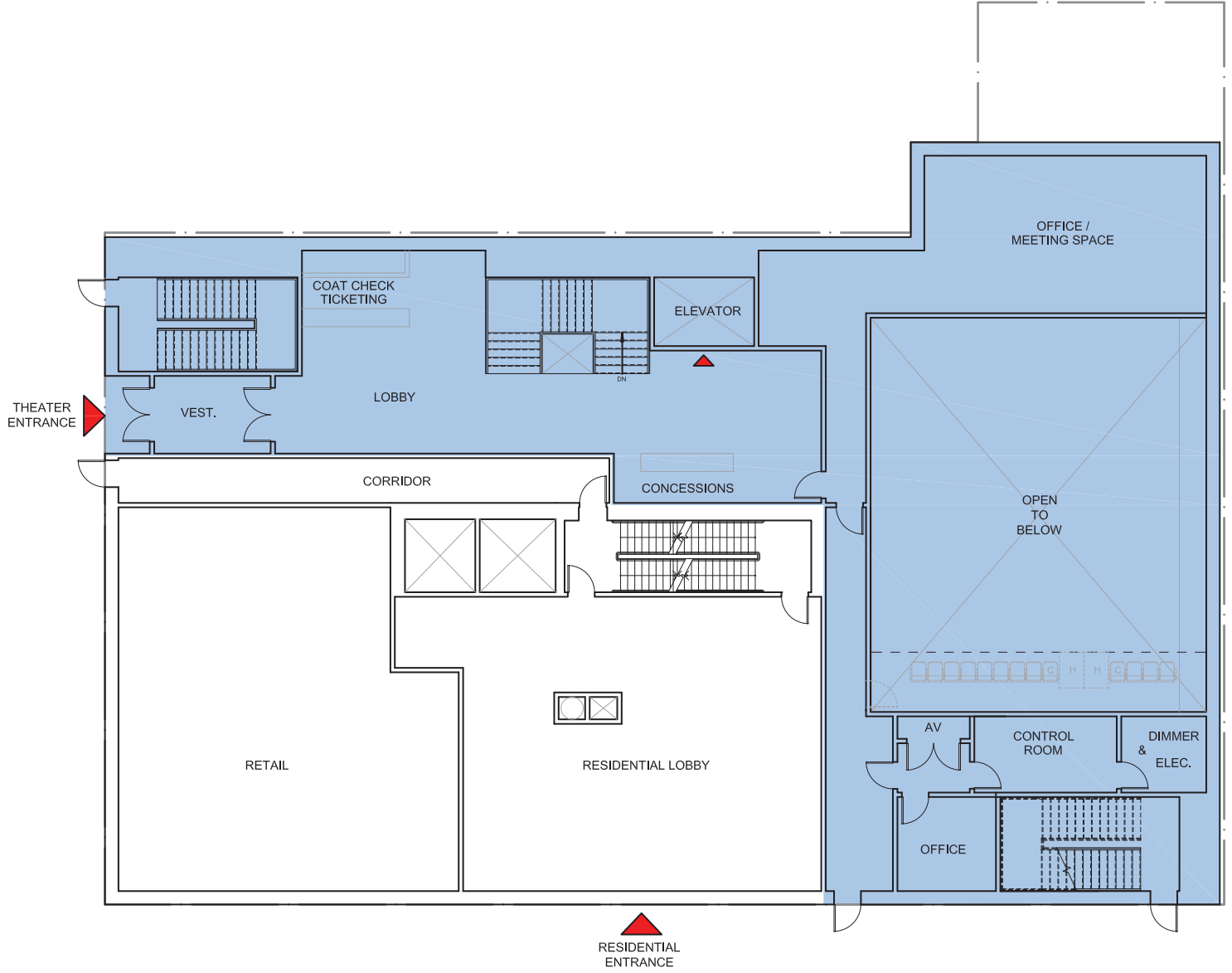
GROUND LEVEL



TYPICAL PLAN



AMSTERDAM AVENUE



WEST 86TH STREET

WEST PARK CHURCH AUDITORIUM / THEATER



**Center for Architecture,
536 LaGuardia Place**



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

EXAMPLE ASSEMBLY SPACES

Supplemental Materials on Façade Stability

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	
2	-0.52	-0.42	90.94	
3	-0.42	-0.36	94.64	
4	-0.36	-0.31	89.72	
5	-0.31	-0.21	155.06	
6	-0.21	-0.11	179.36	
7	-0.11	-0.03	170.59	
8	-0.03	0.06	52.84	



AREA MAPPED

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

REVISIONS:

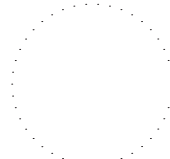
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PROJECT:

165 WEST 86th St.
New York, NY

SURFACE MAPPING
SOUTH FACADE

SEAL & SIGNATURE:



JOEEL J. VACCARO, PE
NY PE 093382

TO THE BEST OF THE SIGNING PROFESSIONAL'S KNOWLEDGE, THE PLANS AND
SPECIFICATIONS COMPLY WITH THE APPLICABLE MINIMUM BUILDING CODES.

DATE: 7/4/2022

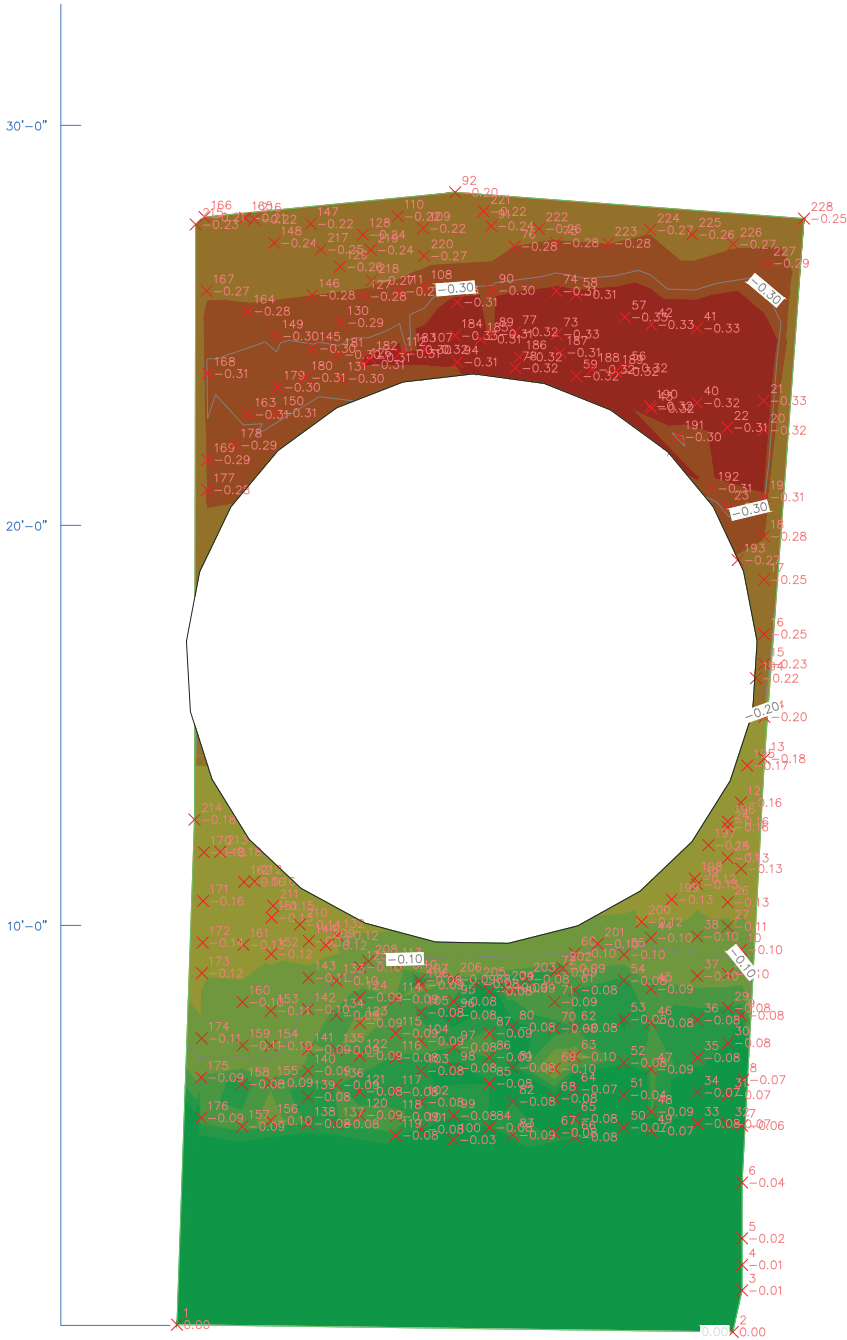
PROJECT #: 22001

DRAWN/CHECKED: JUV

SCALE: 1/2" = 1'-0"

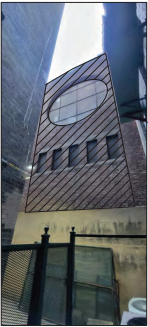
PAGE: 01 OF 02

MP-100.00



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	
2	-0.31	-0.28	33.93	
3	-0.28	-0.20	29.52	
4	-0.20	-0.12	20.28	
5	-0.12	-0.09	23.04	
6	-0.09	-0.08	15.54	
7	-0.08	-0.08	18.53	
8	-0.08	0.00	78.97	



AREA MAPPED

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

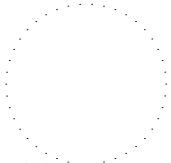
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PROJECT:
165 WEST 86th St.
New York, NY

SURFACE MAPPING
NORTH CHURCH FACADE

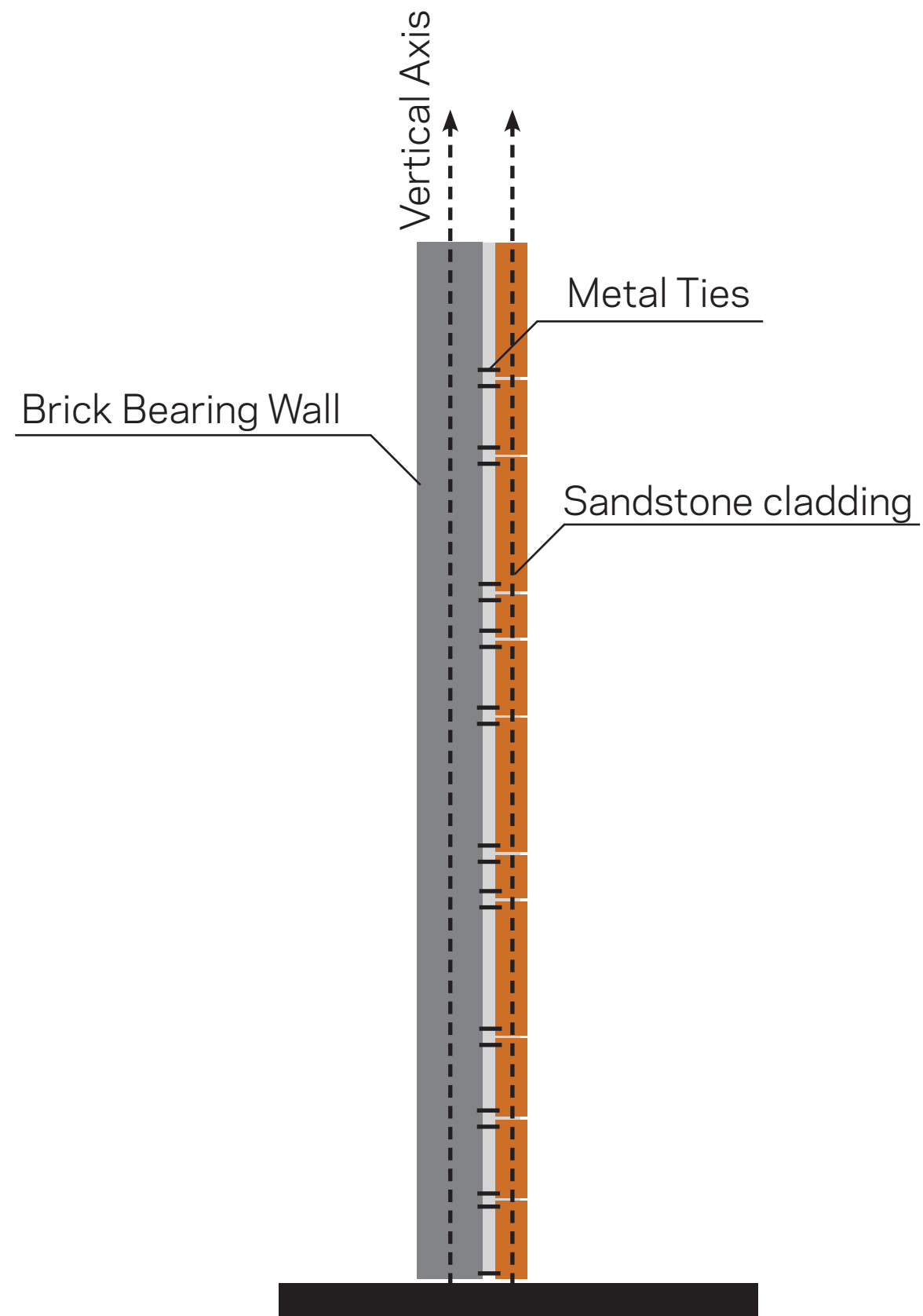
SEAL & SIGNATURE:



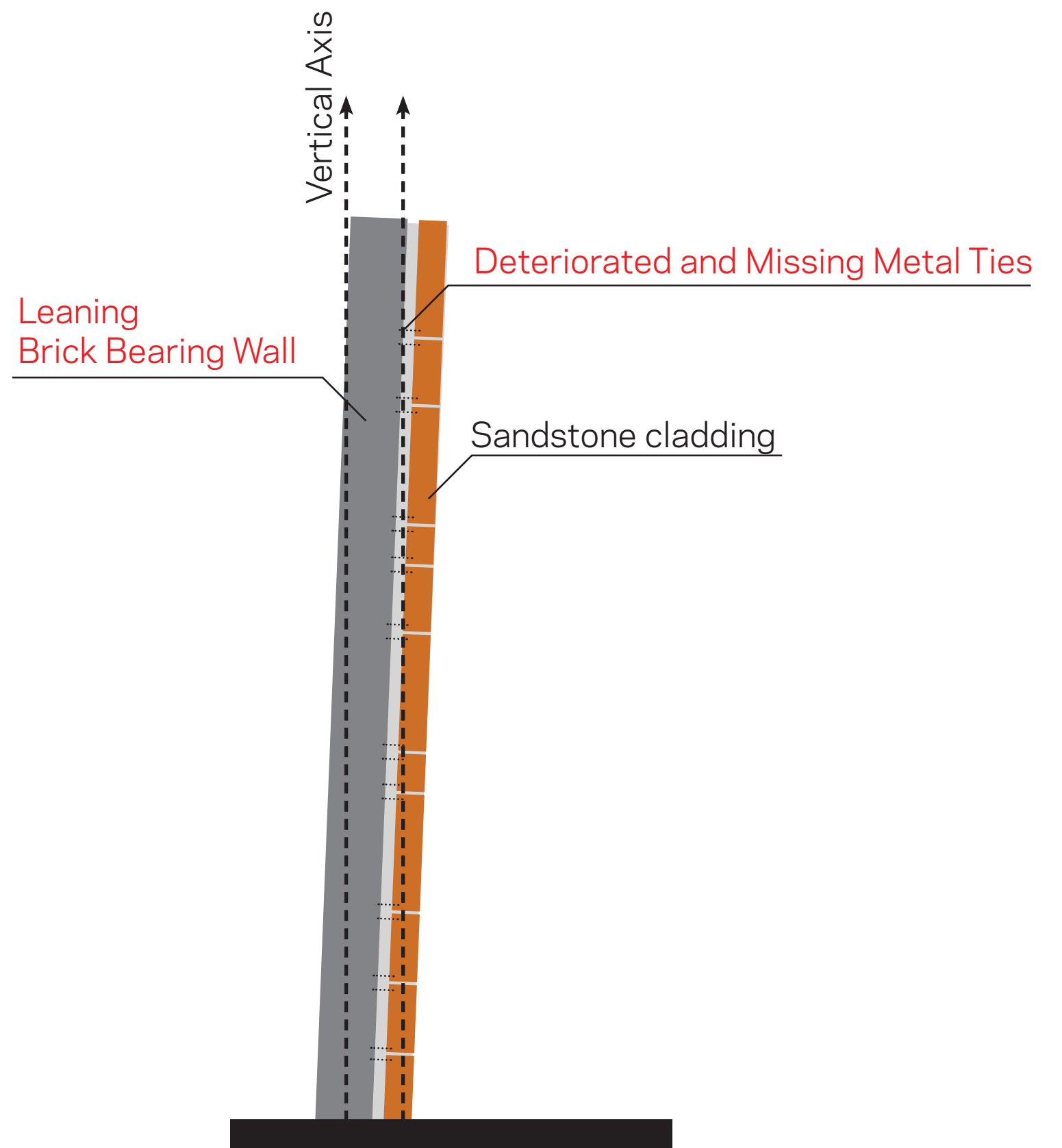
JOEEL J. VACCARO, PE
NY PE 093382
DATE: 7/4/2022
PROJECT #: 22001
DRAWN/CHECKED: JUV
SCALE: 1/2" = 1'-0"
PAGE: 02 OF 02

MP-110.00

REAR NORTH WALL SURVEY



**Typical Stone on
Brick Bearing Wall**



Failing wall