

Summary Points of Alan D. Sugarman
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Community Board 7
Before the Community Board 7 Land Use Committee
Regarding 6-10 West 70th Street, Congregation Shearith Israel
October 17, 2007

The meeting is premature and should only be held if there is a substantially complete application. The public is entitled to have the opportunity to provide commentary on the actual application, not a wholly defective and incomplete application.

This is a summary of a 25 slide PowerPoint presentation, a full copy of which may be downloaded from www.protectwest70.org/powerpoint.pdf. These comments incorporate the opposition statement dated September 19, 2007 from Alan D. Sugarman to the BSA, a copy of which was provided previously to CB7 <http://www.protectwest70.org/2007-docs/2007-09-19-PreliminaryOpposition.pdf>.

Subject:

The initial and revised feasibility studies provided by the consultant Freeman & Frazier on behalf of the applicant.

Action Requests:

- CB7 is asked to require the consultant provide a detailed response to each of the issues raised herein ,and provide such at the same time that the Applicant provides its next written submissions to BSA and or CB7.
- Because the Board of Standards and Appeals has outstanding at least six new objections that relate to the Feasibility studies alone, an opportunity provide to CB7 a response to the final submission is requested prior to any action of CB7.

Selected Issues Raised by Study:

- As a result of the foregoing, substantially overstates costs and understate income and income equivalents, thereby providing substantially erroneous conclusions as to rate of return.
- Does not fully explain the distinction between the developer and the Congregation, nor even whether there will be a developer, thereby creating a confusing document that does not explain the handling of cost of land.
- Overstates in a substantial way the acquisition land cost by overstating the developable square feet. See New Community Board Objection 22.
- Overstates in a substantial way the acquisition land cost by not allocating to the Congregation, and by not deducting from the land cost, land value properly allocable to the Congregation..
- Understates the value of the community facilities being constructed for the Congregation by ignoring all space not defined as a classroom.
- Does not disclose that, inherent in the computations, the Congregation is to receive \$18.9 million in cash equivalents relating the land acquisition costs, thereby improperly treating an asset as a cost item.
- In other words, under the studies, the Congregation could receive net income of \$18.9 million in cash after construction costs, and the study would conclude that the Congregation had broken even.
- For there to be a positive return on investment, the study assumes that the Congregation should recover a reimbursement of all land costs, even though the Congregation reserves for itself a substantial portion of the development rights.