



Freeman Frazier Feasibility Study

- Even so, Congregation did submit an analysis claiming economic hardship, illogical at the first go.
- But, the study does not clearly disclose that the land costs are purely hypothetical, in that Congregation already owns land.
- If land costs are deducted from project costs used in study, all scenarios show a cash inflow to the Congregation.

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A Threat to Mid-Block Zoning

- CSI's New Rule: Non-profits may exceed mid-block zoning height limitations by claiming the need for income from commercially developing property.
- This would mean the end of mid-block zoning height limitations on the West Side.
- Non-profits can tweak numbers to show negative return on investment – especially since there is retained property value.

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BSA Objections to Feasibility Study

- New October BSA Objections raise 6 objections relating to study:
- Questions land valuation.
- Questions base numbers used for community space and school.
- Asks for information for entire site, which would include rental income from Parsonage.

the second sentence of the first full paragraph with the following: "While the Synagogue provides a full cellar level and a small sub-cellar, the demolition and replacement of the Community House will permit excavation of Lot 11 to provide both a sub-cellar and cellar level for the proposed building."

Economics: Zoning Resolution 72-21(a) and (b)

- 72-21(b) requires that owner prove site cannot earn a reasonable return – not a requirement for non-profits.
- (b) Applies only if 72-21(a) is satisfied – i.e. unique physical conditions.
- 72-21 (a) not satisfied: site is a rectangular 60' x 104' lot, which the Congregation claims is worth \$18.9 million.

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Financial Cookery

- Congregation claims that the value of contributed land value should be used to prove project loss, but, value retained by the Congregation should be ignored.
- Wants to have cake and eat it too.
- Want to include land as cost, but conceal the related cash value retained.

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Hidden Assumptions

- Analysis assumes that a developer purchases land for \$18.9 million from the Congregation.
- Congregation keeps \$18.9 million and also receives banquet hall, new lobby and elevator, offices, school, archives, synagogue extension etc.
- Because of cost of land and facilities kept for Congregation, developer suffers a "loss."

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I. Land: Why Study Claims Losses of \$2.3 to \$7 million.

RETURNS ON INVESTMENT	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
ESTIMATED GROSS REVENUE	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
LESS: INVESTMENT TRANSACTION TAXES	(\$178,000)	(\$178,000)	(\$178,000)	(\$178,000)
BEST PROFIT (LOSS)	(\$182,000)	(\$134,000)	\$1,118,000	(\$1,111,000)
DEVELOPMENT USABLE PERIOD (MONTHS)	20	20	20	20
ANNUALIZED PROFIT (LOSS)	(\$9,100)	(\$6,700)	\$55,900	(\$55,550)
RETURNS ON TOTAL INVESTMENT	0.05%	0.03%	0.29%	0.03%
ANNUALIZED RETURNS ON TOTAL INVESTMENT	0.05%	0.03%	0.29%	0.03%

NOTE: ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

- Total Investment includes \$18.9 million of land "costs" [next slide] – so all scenarios mean the "developer" "pays" \$18.9 million to the Congregation. Plus, \$18.9 million is overstatement

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Unrealistic Expectations

- In As Of Right Scenarios, \$12 million to \$18 million of apt. sales income is generated.
- This exceeds construction costs.
- Congregation unrealistically desires new Community facilities at no cost and at the same time wants to cash out its land ownership value of \$18.9 million – at break even.

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37,899 Sq.Ft. Used for Land Cost of \$18,944,000

	ALTERNATIVE AS OF RIGHT OF RESIDENTIAL DEVELOPMENT	REVISED AS OF RIGHT OF RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
BUILDING AREA (SQ.FT.)				
BUILT RESIDENTIAL AREA	11,520	7,294	20,363	25,842
SELLABLE AREA	8,593	5,316	14,980	15,883
CAPITAL INVESTMENT SUMMARY				
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,248,000	\$3,722,000	\$7,488,000	\$10,831,000
SOFT CONSTRUCTION COSTS	\$5,060,000	\$4,919,000	\$6,154,000	\$6,873,000
TOTAL	\$28,273,000	\$27,585,000	\$33,026,000	\$36,648,000

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Cost of Land \$18.9 Million Based on 37,899 sq feet Lot is 60 x 104 feet

Economic Analysis Report

6-10 West 70th Street
New York, New York
March 28, 2007
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2.10 Value of the Property As Is
Vacant land sale prices, adjusted for comparability ranged from \$453.09/sq.ft. of F.A.R. development area to \$565.62/sq.ft. with an average of \$500.31/sq.ft. For purposes of this analysis, a value of \$500/sq.ft., or slightly above the average, was used. The site area is approximately 6,427 sq.ft. with a potential residential zoning floor area of 37,889 sq.ft., therefore, the acquisition cost for Lot 37 for residential use is estimated at \$18,944,000.

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Value (Cost of Land) Related to Value to Payer

- An arm's length developer would pay the Congregation no more than \$8 million for the development rights for 3 floors, not \$18.9 million.
- This overpayment is the reason there is one reason there is a "loss".

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II. Fails to Properly Allocate Value to Community and School

PROJECT VALUE				
	AOR	AOR	Proposed	AOR
SALE OF UNITS	\$18,871,000	\$12,114,000	\$37,768,000	\$35,138,000
(Net) SALES COMMISSIONS	6% \$1,180,000	\$727,000	\$2,268,000	(\$1,198,000)
CAPITALIZED VALUE OF COMMUNITY FACILITIES	\$1,100,000	\$1,450,000	\$4,958,000	NA
EST. NET PROJECT VALUE	\$20,624,000	\$14,820,000	\$38,558,000	\$33,818,000
PROJECT INVESTMENT				
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,245,000	\$3,722,000	\$7,488,000	\$10,821,000
SOFT CONSTRUCTION COSTS	\$5,080,000	\$4,919,000	\$6,594,000	\$8,873,000
CARRYING COSTS DURING SALES PERIOD	\$574,000	\$554,000	\$683,000	\$740,000
EST. TOTAL INVESTMENT	\$28,847,000	\$28,139,000	\$33,899,000	\$37,388,000

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BSA OBJECTS TO LAND VALUATION – New Objection 22

- "The response given to Objection #36 ... is not satisfactory. ...It is not appropriate to adjust upward the vacant land sales ..."
- In plain language, Freeman Frazier overstated the land value by overstating the number of developable sq.ft.

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Important Expense Items

- Construction Costs – hard and soft. Requires source of cash to pay contractors and consultants.
- Land Cost – this is purely conjecture and based on assumptions. Congregation already owns land. Hypothetical Payment.
- As Land Cost is estimated upward, profit decrease/loss increases.

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Important Income Items

- Sale of Condominium Units. This is received in the form of cash.
- Value retained by Congregation – banquet hall, lobby, elevator, classroom, archives, small synagogue, offices, kitchens etc.
- As the subjective estimate of retained value increases, the profit increases/loss decreases.

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Subjective Elements Return on Investment

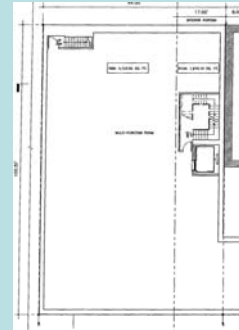
- The subjective valuation of land cost has enormous impact on the computed return on investment. As it is raised, the profit goes down. BSA objected to the land cost used by Congregation.
- As subjective valuation of community space retained goes up, the overall return on investment goes up as well. BSA asked for more detail.

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6000 Sq. Ft Banquet Hall

- Banquet Hall
- 64 feet x 105 feet
- 3 full rowhouse lots
- Two kosher kitchens and extensive restrooms.
- Larger than *Roseland's* Dance Floor.
- Larger than 47 St. *Supper Club* Floor.



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As Community Space Valuation Increases, "Loss" Decreases

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SALE OF UNITS	\$19,671,000	\$12,114,000	\$37,798,000	\$35,128,000
(Net) SALES COMMISSIONS	6% (\$1,180,000)	(\$727,000)	(\$2,286,000)	(\$2,108,000)
CAPITALIZED VALUE OF COMMUNITY FACILITIES	\$2,123,000	\$1,432,000	\$4,056,000	NA
EST. NET PROJECT VALUE	\$20,624,000	\$14,820,000	\$39,558,000	\$33,018,000
PROJECT INVESTMENT				
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
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SOFT CONSTRUCTION COSTS	\$3,980,000	\$4,919,000	\$6,594,000	\$6,873,000
CARRYING COSTS DURING SALES PERIOD	\$274,000	\$554,000	\$683,000	\$740,000
EST. TOTAL INVESTMENT	\$28,947,000	\$28,159,000	\$33,899,000	\$37,380,000

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Feasibility Study Ignores Parsonage

- Parsonage on CPW - part of zoning lot.
- Recently renovated to rent as private residence at over \$17,000 a month.
- Offices, custodian apartment, archives, library and other alleged programmatic requirements could be located in the Parsonage.
- Value of Parsonage should be included as part of project.

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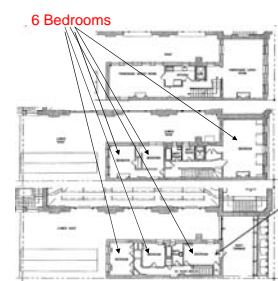
Undervalues Community Facility Property Retained by Congregation

- Study ascribes only \$2-\$4 million of value to all of the following:
- 12 Classrooms with offices, restrooms, recreation and assembly space, related mechanical space, etc.
- 6000 Sq. Ft. Banquet Hall and Kitchens and restrooms
- Synagogue Extension, New Lobby, Archives, elevator, offices, apartment etc.

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CPW Parsonage: 6 br, terrace, living room, dining room



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Conclusion Feasibility Study

- Based upon its incomplete and flawed nature, the feasibility study should be disregarded.
- Absence meaningful financial disclosure and unbiased analysis, the BSA and CB7 should disregard all financial hardship claims, especially since financial hardship alone cannot justify a zoning variance when there is no factual basis for the other 72-21 findings.

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Environmental Impacts on Neighborhood. 6 slides

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Restrictive Covenants - 1

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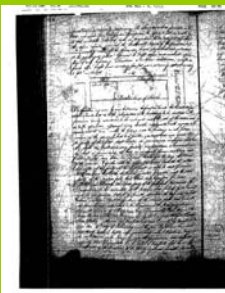
Community Impacts



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Honoring Tradition?



- 1896 Congregation Trustees Imposed Restrictive Covenants to protect new Synagogue.
- Jewish Tradition disfavors Synagogue being lower than adjoining buildings.

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Traffic



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Sunday's Post Banquet Garbage



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Windows



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Sunday Banquet Garbage



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Parsonage and Alternative:

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Shadows



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CPW Parsonage: 6 br, terrace, living room, dining room



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Access and Circulation 4

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