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June 10, 2015

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Martin Rebholz  
Borough Commissioner  
NYC Department of Buildings  
Manhattan Borough Office  
280 Broadway, 3rd Fl.  
New York, NY 10007

280 Broadway  
Call Center-Fifth Floor  
New York, NY 1007

Re: Challenge and Appeal  
8 West 70<sup>th</sup> Street, Manhattan, Congregation Shearith Israel  
Proposed Condominium-Community House

Dear Commissioner Rebholz:

On behalf of Nizam Kettaneh, Jay Greer, other interested parties, and myself, this letter constitutes a challenge and appeal to the determination of the DOB of May 4, 2015 approving the plans of Congregation Shearith Israel (“CSI” or “Congregation”) to construct a new condominium-community house building at 8 West 70th Street, Manhattan. BIS-32.<sup>1</sup> The challenge period is open until June 18, 2015. BIS-36.

The relevant Zoning Resolutions are 24-67, 23-633, 24-36, 23-633, 23-663, 24-11/77-24. The BIS Job Number is 121328919 and the Bin Document Number is Bin 1028510. This is an initial challenge to the DOB.

This matter was the subject of my letter to you of April 22, 2015. Exhibit 3.

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<sup>1</sup> Attached are documents presented by CSI to BSA to obtain its variances (cited as A-xxxx) and several documents obtained from BIS, cited as BIS-xxxx, as well as other documents with the prefix “MISC.”. These documents are described in the annexed Exhibit A, together with a second Exhibit B containing excerpts from those documents. Copies of these documents are being e-mailed with the challenge and hard copy will follow.

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In support of its permit application, CSI submitted to DOB the variance decision BSA 74-07 BZ of the Board of Standards and Appeals (“BSA”) of August 26, 2008 (A-56-A-65) and the plans approved by BSA at the same time in 2008. BIS-1. There are no subsequent full plans on BIS or filed with the BSA.

We are filing herewith a Freedom of Information Law request to DOB for the plans and other information. Exhibit 5.

1. The variances granted by the BSA were predicated upon the assertions by the Congregation of critical mandatory religious programmatic needs to house three floors of classrooms (15 in all as shown on the 2008 plans) and related bathrooms and offices on Floors 2, 3, and 4. These assertions to the BSA and CB7 were made repeatedly – many of these assertions are presented in the table annexed hereto as Exhibit 2. These claimed programmatic needs were the predicate of both the community house variances and the variances for the condominiums atop the community school floors. These variances must be vacated, for, once application was made to the DOB for final approval of its plans, the Congregation eliminated most of the classrooms, replacing them with general offices and other uses for which there is no programmatic need to house these facilities only in the new building.

2. The BSA furthermore had restricted the height of the building to 105’ 10” ¶ 27, A-53. Subsequent to the BSA 2008 determination and without the approval of BSA, as shown by plans provided in 2103 to LPC and approved by LPC, the Congregation increased the size and height of the bulkheads atop the building from 105’ 10” to 119’ 2” feet, far exceeding the as-of-right height and BSA approved height. MISC-01-MISC-05. These 2013 LPC-approved plans differ materially from the BSA 2008 plans. BIS-1-BIS-20. Thus, DOB should not have approved the application.

3. The Congregation in its application also stated that it intended to provide an outdoor terrace on Floor 2. BIS-28. This was not in the BSA-approved-2008 plans and, given that the BSA had already provided rear yard extension variances, we believe the BSA would not have approved such a use, because of the impingement upon surrounding buildings such as the penthouse at 18 West 70th Street.

5. Finally, from the BIS filings, we note that the DOB appears to have required that CSI place a restrictive covenant for a 1200 square foot apartment, now located on the third floor, for the superintendent/caretaker. BIS-46. First, CSI was always clear that the caretaker’s apartment was required to be on the Fourth Floor and critically must be in the community house building. A-54 (¶39, ¶41), A-4193, BIS-12. Thereafter, in 2013, CSI filed plans with the DOB showing no caretaker’s apartment in the proposed building. BIS-21. Then, in 2015, suddenly the caretaker’s 1200 square foot apartment reappears, but now on Floor 3. BIS-29. The restrictive covenant does not indicate whether the duties of the superintendent will also include acting as superintendent for the five luxury condominiums and as well for the luxury

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townhouse on the same zoning lot known as the Parsonage. The Congregation offers to rent the Parsonage for \$21,000 a month with on-site support. Anyone paying \$10 million for a condominium or paying \$21,000 a month for rent is going to expect a full time superintendent. If the superintendent is to take care of the condominiums and/or the Parsonage rental, then this apartment does not represent a programmatic need of the Congregation. We believe that this apartment is not a “programmatic need.”

### **Factual Background**

- A. In 2008 BSA approved plans showing that floors 2, 3, and 4 are to be devoted to 15 classrooms, bathrooms for the classrooms, and offices supporting a school (plus one superintendent’s apartment.) BIS-10, BIS-11, and BIS-12. Floor 2 is shown as having six toddler classrooms and four bathrooms. BIS-10. Floor 3 is shown as having six classrooms and two large bathrooms, and a Boys Room and a Girls Room. BIS-11. Floor 4 is shown as having three classrooms and a large Boys Room and Girls Room. BIS-12.
- B. During the BSA approval process, CSI repeatedly stated that these classrooms spaces required ample “floor plates” and that there needed to be bathrooms and offices to support the classrooms. A-2264, A-2265, A-2414-7, A-2425, A-2491, A-2814-5, A-2819-20, A-2822, A-3328, A-4025, A-4189, A-4199, A-4205-6. In other words, smaller floors, according to CSI, just would not meet the critical CSI programmatic needs for three floors of classrooms. The BSA accepted CSI’s arguments, and extended the rear-yard setbacks. A-54, A-55.
- C. Because of these programmatic needs, CSI argued repeatedly that waivers were required to allow larger floors on Floors 2, 3 and 4. A-55, A-2417, A-2491, A-2814-5, A-2819, A-2820, A-2822, A-3328, A-4189, A-4199, A-4203, A-4204-5.
- D. CSI stated that these classrooms were an essential programmatic need of CSI and could not be accommodated elsewhere on the zoning lot, such as in the Levy Auditorium and the Parsonage. BIS-8, 9, 10, 11 & 12, A-53, A-55, A-1989, A-2819, A-4025, A-4170. *See e.g.* A-4170: “... are essential to CSI’s mission but either cannot be accommodated within or beneath the Synagogue or can no longer be accommodated in the physically obsolescent and deteriorating Community House ...”
- E. CSI stated repeatedly that these classrooms on floors 2, 3, and 4 were needed and critical to CSI, even were the classrooms not utilized by a third-party school renting the classrooms during the day. A-56, A-1980, A-1981, A-2413, A-2414, A-2486, A-2490, A-2494, A-2718-9, A-4026, A-4169, A-4178. As just one example, counsel for CSI stated at A-2718:

”MR. FRIEDMAN: We were asked of (sic) the BSA whether this had anything, whether the application was predicated on the tenant school and we stated in front of the BSA as we stated in front of this committee [CB7 Committee], it does not. The

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offices that are, the rooms that are there for a synagogue as opposed to a school can be multi-purpose.”

F. CSI argued that because of these critical programmatic needs represented by the classrooms, it could not build any condominiums on floors 2, 3 and 4 and generate income and therefore CSI argued that it should be allowed variances to build condominiums on floors 5-9, exceeding height and setback requirements. A-2816, A-4025, A-4170, A-4420.

As CSI counsel stated at A-4025:

“The resulting configuration of the proposed new residential floor area on the narrow development parcel further requires that such residential uses not begin until elevation 49' 1", and end at elevation 75 ft in an R8B district, which will not allow the residential use as proposed.”

This latter point is unequivocally articulated by counsel to CSI at A-2816:

“With the entire development footprint of the site consumed by the community house volume within the New Building for four stories, the otherwise fully legal as-or-right residential floors cannot begin until the fifth floor.” A-2816.

CSI in its Closing Statement to the BSA was emphatic at A-4220:

“The residential component of the Application ... could be built as-of-right were it not for the limitations placed on the siting of the Community House to provide necessary adjacencies with the Synagogue and the minimal properly-configured religious and educational spaces to overcome the current programmatic deficiencies. All of the requested height and setback waivers owe their origins to the need to overcome the programmatic deficiencies within the volume of lower portions of the building currently designed for religious and educational uses.” A-4220.

G. The five condominiums would have five bathrooms and four bedrooms with direct Central Park West views through large windows and approximately 6000 square feet of floor space. *See* floor plan of Floor 5 at BIS-44 and elevations and cross-sections of Floors 5-9 at BIS-18 and BIS-19. These luxury condominiums could easily sell for \$10 million each - and have a dramatic impact on the space available on the lower floors because of the extra elevator shafts, mechanical rooms, superintendent’s apartment, lobby, stairs, and very likely storage rooms.

H. In 2013, when CSI finally applied for a construction approval, it filed a “PWIA: Schedule A- Occupancy/Use” form. BIS-21-BIS-25. In 2013, CSI in its PWIA showed a sub-sub-basement Banquet Hall (340 Persons) and on Floor 1, a Community Facility (305 persons) - and now apparently only one classroom on Floor 2, classrooms (for only 60 persons) and other uses on Floor 3, and NO classrooms on Floor 4. BIS-21, BIS-22, BIS-23. The 2013 PWIA did not show a caretaker’s apartment. Thus, CSI had virtually eliminated the facilities

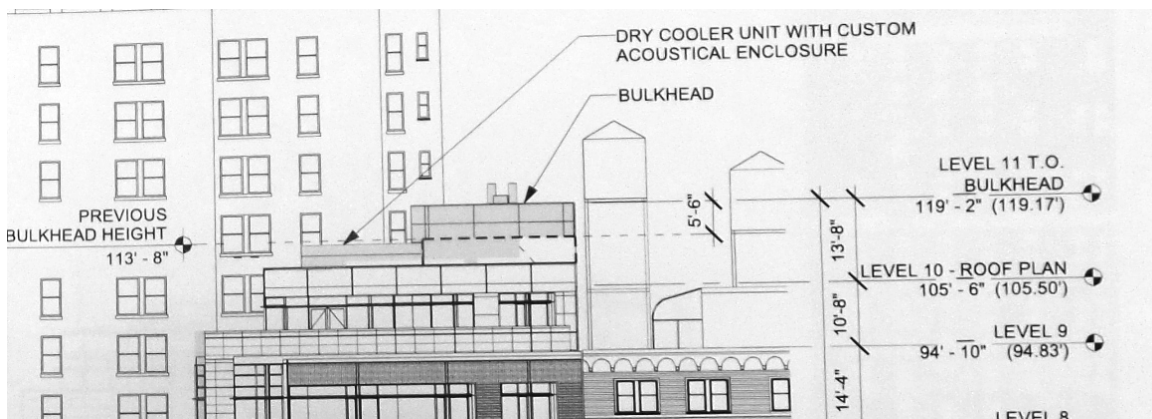
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satisfying the urgent and critical programmatic needs upon which all the variances were predicated.

I. On or about March 13, 2015, CSI filed a revised PWIA - this time showing NO classrooms on Floors 3 and 4 and a classroom or classrooms for only 60 persons on Floor 2. BIS-28, BIS-29. Once again, CSI had virtually eliminated the programmatic needs upon which all the variances were predicated. DOB has not made the associated approved 2015 plans available to the public and has not provided them in response to a FOIL request by a related party.

J. The 2015 PWIA also shows an Outdoor Terrace on Floor 2, which was never presented to the BSA, and which obviously affects neighbors. BIS-28. BSA considered the impact of the rear depth variance, without being advised that CSI intended to also build a terrace. Compare BIS-10 and BIS-28.

K. In 2013, CSI presented plans to LPC, ostensibly to obtain approval for certain changes which had been required by BSA in 2008. But CSI in 2013 did more than that: CSI increased the height of the building to 119.17 feet and otherwise enlarged the rooftop bulkhead - so the building was now 25 feet higher than the façade of the adjoining 18 West 70th Street Building. CSI elected to sneak this change through DOB and chose not to resubmit its proposal to BSA. Clearly, the CSI's new plans must be rejected for this reason alone. See photographs of plans submitted by CSI to LPC in 2013. MISC-1-5.



M. As to the caretaker's apartment, the restrictive declaration submitted by CSI must be modified to restrict the resident caretaker from providing services to the condominiums and the parsonage. Otherwise, the unit should be reassigned as a taxable support facility for the residences, and not as a programmatic need.<sup>2</sup>

<sup>2</sup> Department of Finance Records appear to show that property tax is not being paid on the Parsonage, though a rental property.

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N. On April 24, 2015, as shown in the letter attached as Exhibit 2, DOB (as well as BSA and CB7) were advised of the impropriety of the approval request and the invalidity of the BSA variances. Yet, on May 4, 2015, notwithstanding this notification, DOB went ahead and approved the new building plan. BIS-32.

Upon review of these facts, the proposed conclusions may be made as to the predicate of the variances:

1. False representation that rear setbacks on 2, 3, and 4 were required because of classrooms and that no other configuration or arrangement was possible. A-2815, A-2813-22, A-3328, A-4025, A-4199, A-4202, A-4203-4, A-4204-6, A-4420 and as cited above.
2. False representation that classrooms on Floors 2, 3, and 4 were required primarily by Congregation, whether or not rented to private school. A-2415, A-2718, A-4026, A-4169, A-4178, A-4189, A-4192, A-4204-6, and as cited above.
3. False representation that Parsonage space and space beneath Sanctuary not usable or feasible for programmatic needs. A-2829, A-4170, and as cited above. False representation that the Parsonage and Assembly Room could not be used for any of the purposes ultimately assigned to floors 2, 3, and 4. The offices and caretaker's apartment in the new configuration, as an example, could easily be placed in the Parsonage.
4. False representation that variances on floor 5-9 required because floors 2, 3, and 4 are "taken" for religious programmatic needs. See citations above.

**Discussion:**

The BSA variances allow the Congregation to eliminate upper floor setbacks in the front and rear and increase overall height beyond 75 feet and to build five large luxury condominiums with an estimated market value today in excess of \$40-50 million.<sup>3</sup> The Congregation's asserted purposes underpinning the variances were to meet the programmatic needs of the Congregation to build classrooms on floors 2, 3, and 4. The Congregation argued that the classrooms needed to be contiguous and required large floors and that other space available on its site could not be used for classrooms. Thus, rear extensions, it was argued, were required for floors 3 and 4 to accommodate the classroom uses. The Congregation provided no other reason for the need to have the rear extensions.

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<sup>3</sup> The five condominiums occupy at total 15,797 square feet, with Central Park views. The financial projections produced in 2008 by the Congregation showed condominium sale proceeds of approximately \$30 million or \$6 million per apartment, or approximately \$1900 a square foot, less than current valuation for CPW property. The apartments have four bedrooms and five bathrooms.

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The Congregation contended that these classrooms could not be placed in the 10,000 square foot area under the Congregation's Sanctuary nor in the Parsonage town house at 99 Central Park West (the Sanctuary, Parsonage, and community house site are one zoning site.)

The Congregation then argued to the BSA that because of these urgent programmatic needs for classrooms, as a property owner it was unable to use these three floors to generate income and that thus it had a right to add floors to create the luxury condominiums that could have been located on these school floors, if not for the claimed urgent programmatic need. The Congregation asserted that there could be no front-setbacks for the condominium floors, because the proceeds from the sale of smaller condominiums would not generate sufficient income.

Thus, the variances for Floors 2, 3, and 4 were predicated on the large floor plates allegedly required for programmatic needs and the variances for the condominiums above the community spaces were predicated on the unavailability of Floors 2, 3, and 4 for condominium construction because of the alleged programmatic needs.

The Board of Standards and Appeals accepted these arguments, over the objection of the Community Board. A-2645-6.

The latest filings show that the Congregation substantially misled (whether intentionally or not at the time is of no relevance) the BSA when claiming that the school classrooms were urgent programmatic needs of the religious institution. The Congregation implicitly argued that as a religious entity with First Amendment rights, the BSA was obligated to grant the variances – because of the stated programmatic needs.

The Congregation misled the BSA as to its asserted programmatic needs that underpinned the variances. The new documents show that the Congregation no longer has an urgent programmatic need for school space, if it ever did. There are now classrooms only on a part of floor 2, and none on floors 3 and 4. Importantly, the Congregation's justification for enlarged floors with rear setback variances on floors 2, 3 and 4 no longer exists.

Absent these so-called imperative programmatic needs, three condominiums floors could be relocated to floors 2, 3, and 4, obviating the need for the taller building and the unjustified front setbacks.

The chart attached as Exhibit 4 shows the evolution of the uses of floors 2, 3 and 4 over time.

We accordingly request that the application be denied, and the Congregation be directed again to the BSA.

Sincerely,

Alan D. Sugarman

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Attachments:

- Exhibit 1 Table of Documents in Support of this Challenge and Appeal
- Exhibit 2 Extract of portions of Documents listed in Exhibit 2.
- Exhibit 3 Letter of April 22, 2015.
- Exhibit 4 Table of Uses
- Exhibit 5 Freedom of Information Law Request.

Documents Listed in Exhibits 1 and 2 will be provided by E-mail. Hard copies and a CD-ROM will be provided subsequently by mail.