

WEST PARK PRESBYTERIAN CHURCH

165 WEST 86TH STREET

BLOCK 1217, LOT 1

LPC DOCKET # LPC-26-02776

March 10, 2026

RESPONSE TO PUBLIC TESTIMONY

INTRODUCTION

THE APPLICATION MEETS ALL LEGAL STANDARDS

- Contract Contingency
- Reasonable Promptness
- Depreciation of Renovation Costs

THE OPPOSITION'S ALTERNATIVE REASONABLE RETURN ANALYSIS IS WRONG

- Flawed Analysis
- Insufficient Renovation Costs
- Transferable Development Rights

FURTHER PROOF THAT THE BUILDING IS NOT SUITABLE FOR THE CHURCH'S USE

- Church Use & Mission
- The Center's Lease Offer and History
- Social Justice Fund

CONCLUSION

APPLICATION FOR A NOTICE TO PROCEED TO ALLOW FOR DEMOLITION ON THE GROUNDS OF HARDSHIP- THE LAW

Section 25-309(2) of the Landmarks Law sets forth the statutory standard for non-profits.

Applicable requirements

- 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 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.

THE OPPOSITION ARGUMENTS CONFLICT WITH THE STATUTE & PRECEDENT

Sec 25-309 (a)(2)(a):

The mere existence of the Developer's right to proceed with the purchase if the Commission does not grant a hardship determination does not invalidate this finding because the developer is not obligated to proceed and the Church could not compel the developer to purchase the landmark if the Commission does not issue a Notice of Proceed. The opposing counsel's insertion of the word 'entirely' before the word "contingent" when that word does not appear in the statute is misleading and deceptive.

Sec. 25-309(a)(2)(d):

The opposition's assertion that the Church cannot proceed to demolish with reasonable promptness because of the necessity of obtaining Supreme Court approval of the contract of sale is contrary to Commission precedent in the St. Vincent's hardship determination. It would also effectively eliminate most not-for-profits' ability to ever satisfy the requirements under the hardship statute because most not-for-profits are required to get Attorney General or court approval for the sale of their property.

Precedents

The opposition misstates the precedents in Stahl and Kiska concerning the depreciation of renovation costs. Those cases do not require that the building be uninhabitable in order for renovation costs to be depreciated. The Commission's consultants agreed that these costs are necessary in order to generate the rents assumed in the reasonable return analysis, and so were properly calculated and incorporated in the analysis.

OPPOSITION'S REASONABLE RETURN AND TDR ANALYSES

Hiller's (Opposition) Reasonable return methodology departs from statute and precedent

- Ignores that Applicant's methodology was previously accepted by LPC expert (Weitzman)
- Improper treatment of repair costs in reasonable return calculation

Transferable Development Rights ("TDRs") materially overstated

- Theoretical zoning capacity conflated with real market demand, as confirmed by Bob Knakal's independent analysis
- No feasible receiving site identified
- Speculative air-rights pricing treated as realizable income

Opposing reports (Lima and Leitner) rely on a shared set of flawed and interdependent assumptions

- Selective interpretation of Old Structures Report ignores deferred work and necessary code compliance obligations
- Lima and Leitner minimize full restoration scope, relying on Old Structures scope
- Wildly overstated income in both reports
- One-time transactions substituted for recurring annual income
- Post-renovation assessment methodology – via the cost approach – presented by Leitner is inconsistent with LPC guidance

OPPOSITION'S FLAWED TDR VALUATION

Theoretical Zoning does not equal Market Demand

Transferable Development Rights ("TDRs") materially overstated

- Theoretical zoning capacity conflated with real market demand
- No feasible receiving site identified
- Speculative air-rights pricing treated as realizable income

Receiving sites identified in theory only (200 West 88th Street as an example)

- No feasibility or buyer analysis
- Rent-stabilized & co-op barriers
- Sliver sites - no history of bonus pursuit

FLAWED TDR EXAMPLES

200 West 88th Street – Development not pursuing bonuses

Theory:

- Urban/Factors Report (page 9): “Proof that a development on these lots is a viable possibility is the construction now underway of a new building by RAMSA architects immediately adjacent to these lots that replaced three tenement buildings in favor of a 10 FAR, 37 unit, high-end market rate apartment building...”
- DSA Report (Page 1): “Developers regularly assemble similar buildings, vacate tenants, and build high-end condominium projects. The direct precedent is the RAMSA-designed condo at 200 West 88th Street, which demolished comparable structures and delivered a 10 FAR luxury building with 37 units and amenities without triggering any affordability requirements.” and **“This site is a strong candidate for absorbing TDRs at a premium.”**

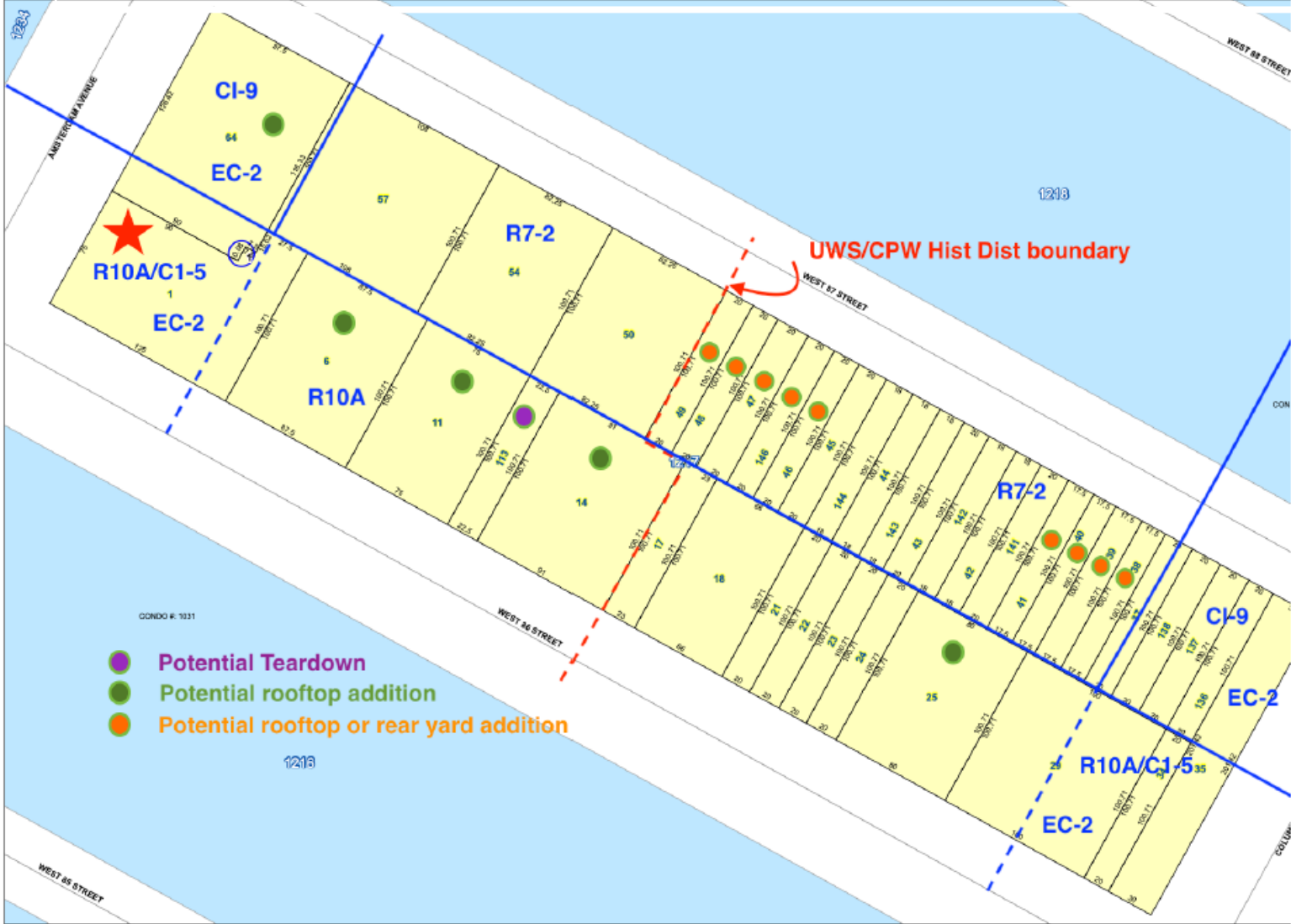
Reality:

- 9.97 FAR developed when up to 12.0 FAR was possible
- Did not bonus with UAP; they were available
- Did not bonus with Belnord TDRs; they were available

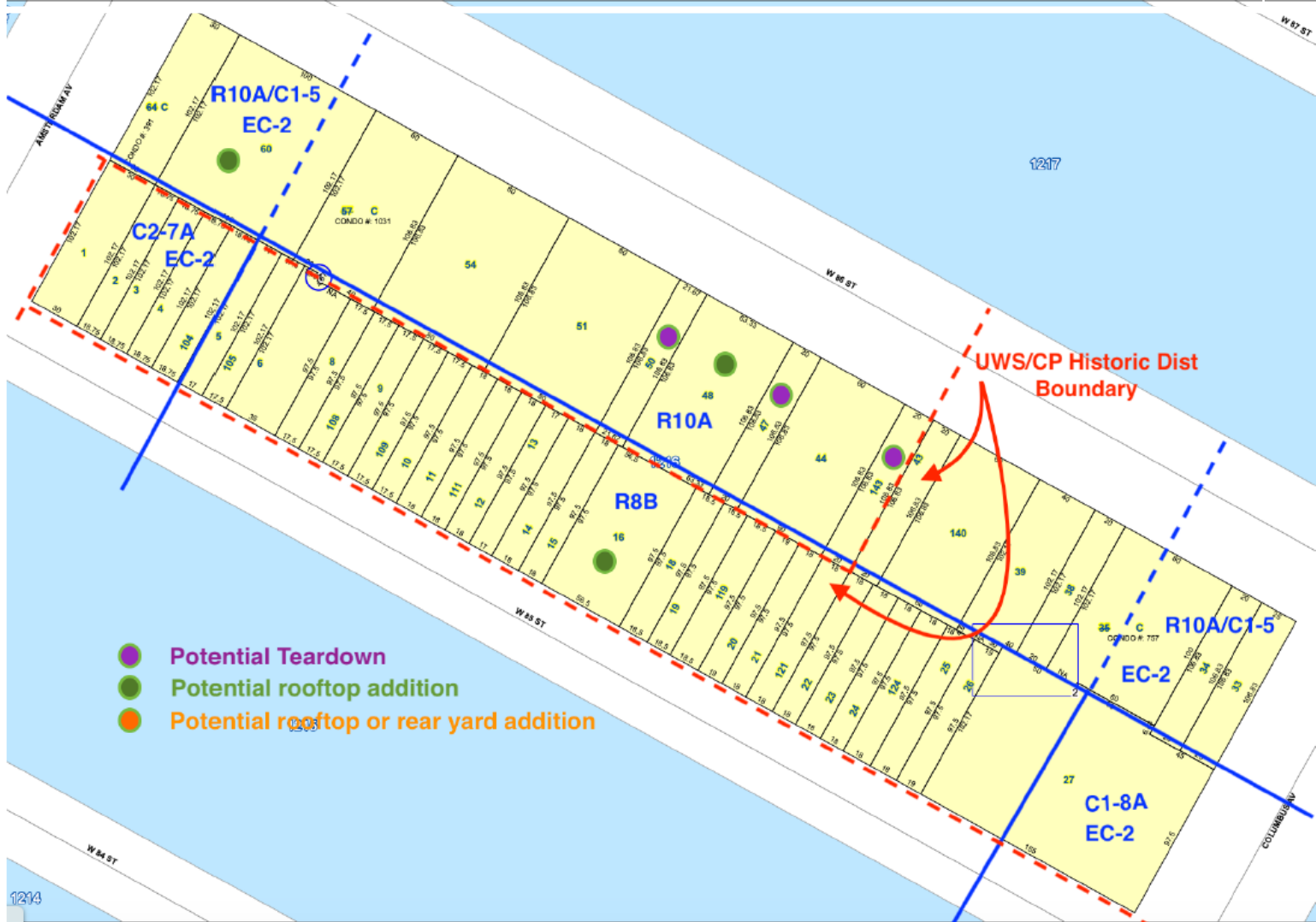
FLAWED RECEIVING SITE ANALYSIS

Potential Receiving Sites per Urban/Factors Report

Block 1217



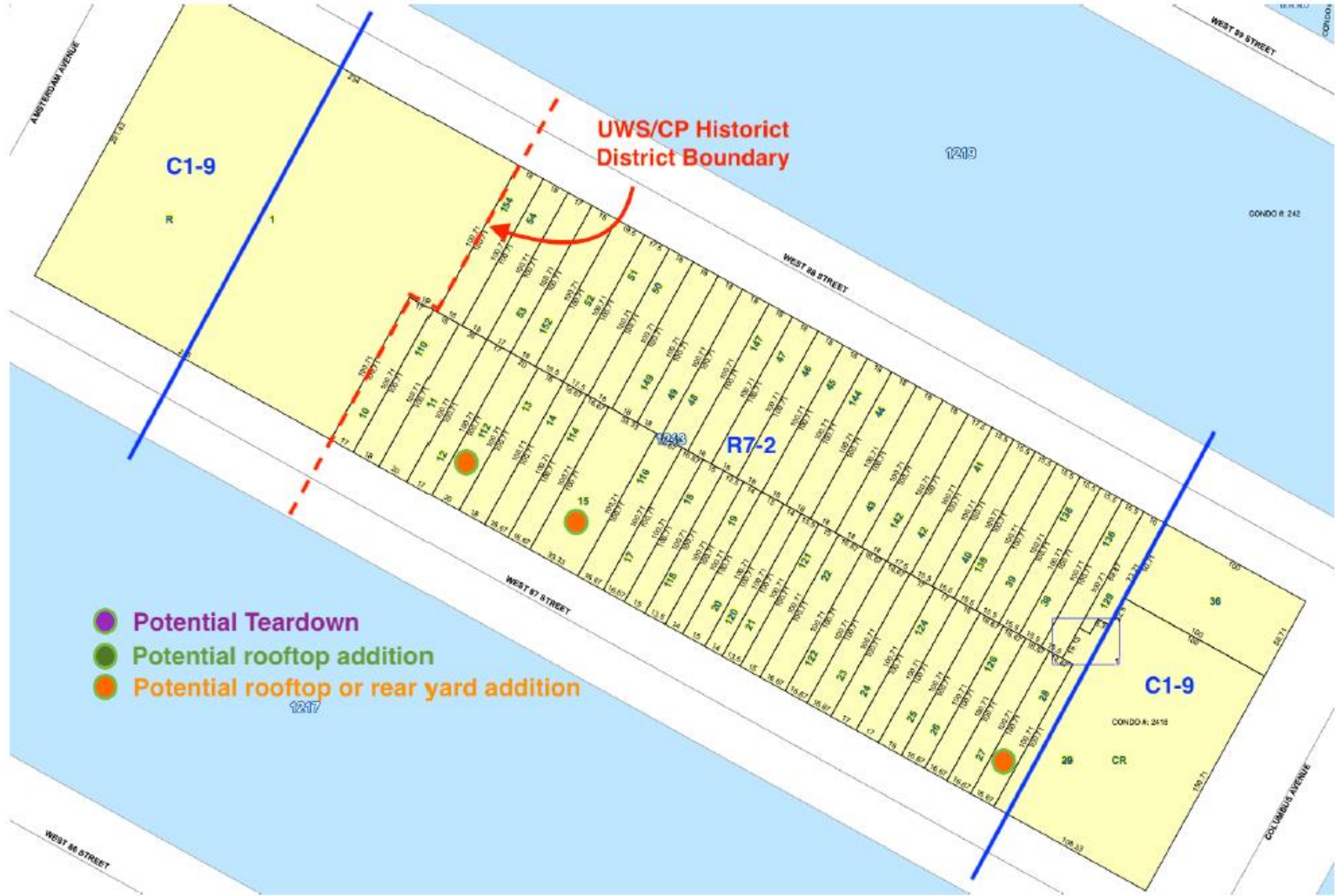
Block 1216



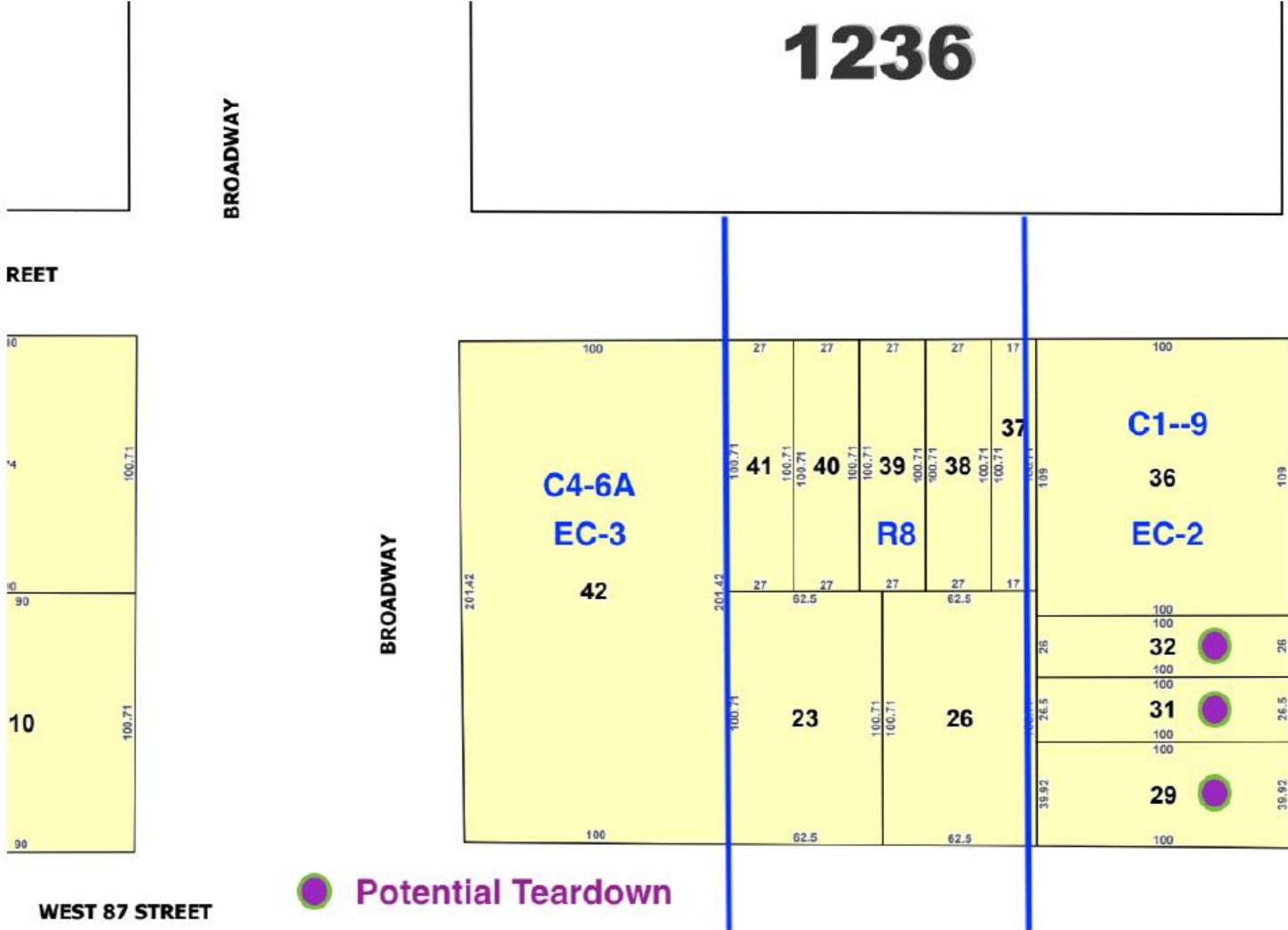
FLAWED RECEIVING SITE ANALYSIS

Potential Receiving Sites per Urban/Factors Report

Block 1218

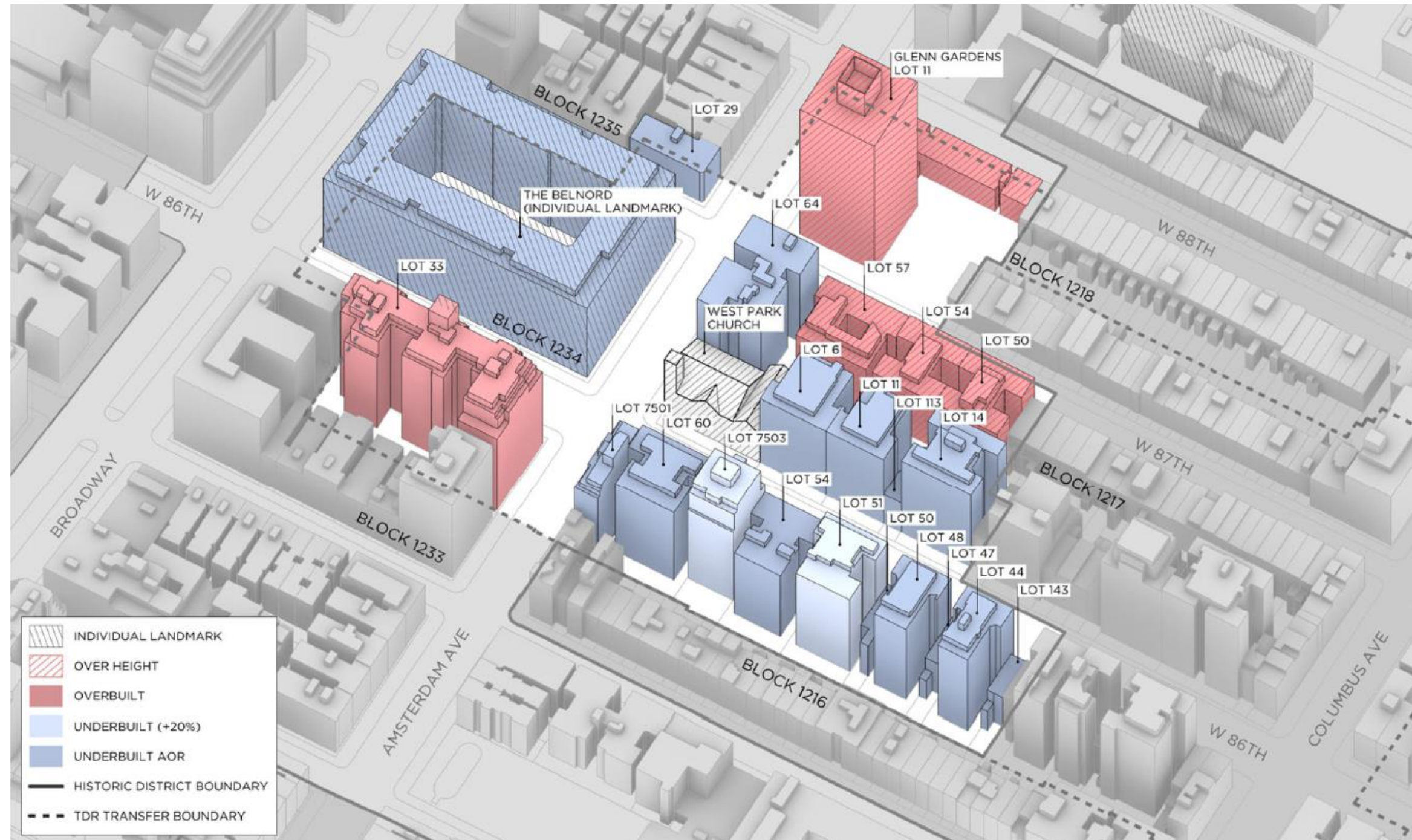


Block 1235



APPLICANT RECEIVING SITE ANALYSIS

Potential Receiving Sites – FX Collaborative Rendering



OPPOSITION FLAWED TDR VALUATION

Teardowns Are Not Feasible Receivers

Teardown sites identified by Urban/Factors are encumbered by Rent Stabilized tenants

- Risks and Costs: High buyout costs; multi-year delays

Block/ Lot	Address	Width	Bonus TDRs to Acquire (WPPC or UAP)	Rent Regulated Encumbrances	Likely to Purchase Bonuses to Maximize ZFA?	Candidate for Bulk Waiver?
1217 / 113	147 West 86th Street	22'	5,280	Two (2) RS Units	NO - Sliver	NO
1216 / 50	142 West 86th Street	21'	5,556	One (1) RS Unit	NO - Sliver	NO
1216 / 47	134 West 86th Street	20'	5,129	Two (2) RS Units	NO - Sliver	NO
1216 / 143	126 West 86th Street	20'	5,129	Two (2) RS Units	NO - Sliver	NO
1235 / 29, 31 & 32	560-566 Amsterdam Avenue*		22,080	64 Total Lot 29 - 57 RS Lot 31 - 3 RS Lot 32 - 4 RS	NO - No evidence**	Maybe

*Three distinct owners, would require a time-consuming and costly assemblage

** Abutting development has not pursued any bonuses beyond the basic maximum FAR

OPPOSITION FLAWED TDR VALUATION

Sliver Sites Identified by Urban/Factors Are Not Feasible Receiving Sites

- Sliver sites built below maximum FAR historically
- Market evidence contradicts the claim that developers maximize FAR for sliver sites through bonuses.
- Comparable “sliver” projects identified in opposition reports (949 Park Ave, 1477 Third Ave, 985 Park Ave) were built below basic FAR limits.
- None pursued available bonus mechanisms to increase density.
- 1477 Third Avenue demonstrates infeasibility of exceeding ~10.0 FAR on a sliver site. Even where additional density was permitted, the developer elected to build to 9.93 FAR
- Unlikely candidates for bulk waiver under a landmark transfer

OPPOSITION FLAWED TDR VALUATION

Expansions Identified by Urban/Factors Are Not Feasible Receiving Sites

Co-op expansion requires:

- Supermajority approval in most cases
- Lender consent & offering plan amendment

No precedent for landmark TDR expansions, confirmed through research and echoed by Bob Knakal

Block/Lot	Address	Bonus TDRs to Acquire (WPPC or UAP)	Rent Regulated Encumbrances	Likely to Purchase Bonuses to Maximize ZFA?	Candidate for Bulk Waiver ?
1217/6	161 West 86th Street	10,000	N/A - coop	NO	Maybe
1217/11	151 West 86th Street	15,000	N/A - coop	NO	Maybe
1217/14	145 West 86th Street	24,026	N/A - coop	NO	Maybe
1217/25	115 West 86th Street	5,767 to 8,276	17 RS Units	NO	Maybe
1217/64	541 Amsterdam Ave	17,816	N/A - coop	NO	Maybe
1216/60	168 West 86th Street	8,000	19 RS Units	NO	Maybe
1216/48	140 West 86th Street	10,950	N/A - coop	NO	Maybe
Total ZFA		91,559 to 94,059			

OPPOSITION FLAWED TDR VALUATION

Curing Overbuilt Conditions

Unprecedented and Unnecessary

- No precedent for purchasing TDRs solely to cure overbuilt conditions.
- Overbuilt structures may continue legally as non-complying buildings.
- Rebuilding rights (up to 75%) reduce urgency to cure.
- No economic incentive exists to pursue a cure-only transaction.
- Theory assumes market behavior that does not occur in practice.
- Market evidence – supported by Bob Knakal’s report - confirms such transactions are extremely uncommon.

FLAWED OPPOSITION COST ASSUMPTIONS

Both Lima and Leitner Employ Selective Interpretation of Old Structures Report

\$9.1 million scope is not full restoration

- Phased exterior stabilization only
- Focus on façade safety / shed removal
- Deferred work lacks timeline/funding
- Older pricing; costs higher today

No interior, ADA or code compliance work included

- Savills report, prepared by Ira Schuman, concludes that no tenant would accept this scope of work

FLAWED OPPOSITION RENT ASSUMPTIONS

Market Reality – Effective Rent Impact

Assumes tenant funds \$9.1 million in repairs

- Exterior amortization → ~\$106.50/SF
- +\$150/SF interior → ~\$119.50/SF
- Excludes life-safety & ADA compliance

Effective rent far above market

- Rent comps show up to \$55 per square foot for renovated and fully compliant condition
- 2022 Weitzman analysis confirmed this conclusion (\$50 PSF)

Concluding opinion of the Savills report: no tenant would assume this burden or pay this effective rent

FLAWED REASONABLE RETURN ANALYSIS (LIMA)

Lima Report

Fails to Disprove Economic Hardship

- Reasonable return analysis departs from LPC statute and precedent
 - Improperly incorporates speculative TDR sale proceeds as income
 - Assumes near-term sale despite no identified buyer
 - Relies on unsupported \$200/SF TDR pricing
- Misstates rental economics
 - Assumes \$20/SF rent despite major structural and code deficiencies
 - Treats tenant repair obligations as 'additional rent'
 - Ignores true renovation and life-safety compliance costs
- Incorrect ROI methodology
 - Fails to properly annualize repair costs per LPC guidance
 - Improper treatment of post-renovation assessment
 - Substitutes one-time gains for recurring 6% annual return requirement

FLAWED REASONABLE RETURN ANALYSIS (LEITNER)

Leitner Report

Fails to Disprove Economic Hardship

- Reasonable return methodology inconsistent with Stahl precedent and LPC statute
 - Fails to properly apply depreciated repair costs x 2% as an expense in the analysis
 - Post-renovation assessment derived using unsupported weighted cost approach
 - Fails to apply income approach required by Commission guidance
- Mischaracterizes building condition – Permeates throughout analysis
 - Classifies 140-year-old structure as 'average condition'
 - Assigns 40-year effective age despite serious structural issues
 - Applies minimal rent adjustment inconsistent with physical reality of the building
- Overstates TDR value and marketability
 - Fails to properly study marketability and demand for WPPC TDRs
 - Uses non-comparable air-rights transactions
 - Omits first post-COYHO landmark TDR sale
 - Treats air rights as collateral without viable receiving site
- Introduces valuation concepts unrelated to hardship standard

CONCLUSION-OPPOSITION REASONABLE RETURN

Opposition Experts Present Flawed Analyses

- Ignore that Applicant's methodology was previously accepted by LPC expert (Weitzman)
- Improper treatment of repair costs in reasonable return calculation

Transferable Development Rights ("TDRs") Materially Overstated

- The WPPC TDRs, "...do not currently appear to have significant practical market value" according to Bob Knakal
- No feasible receiving sites identified
- Speculative air-rights pricing treated as realizable income

Opposition Experts Miss the Mark

- Improper treatment of repair costs in reasonable return calculation
- Wildly overstated income in both reports
- Ignore market realities identified by Savills: no tenant is taking on the scope and no tenant can pay the imputed effective rent

Result: The property cannot earn a reasonable return as defined by law

SUITABILITY IS FOR OWNER'S USE NOT THE CENTER'S

- The test is whether the building is suitable or appropriate for the Church's religious purpose. Past use by tenants with no responsibility for building maintenance is not relevant.
- Issue is not whether it could be used by tenants with short-term leases, but whether the burden of repairs and maintenance are wholly beyond the resources of the Church.
- *Commission's own counsel cites the financial impact of repairs in determining suitability.*
- Friedman's cost estimate are for temporary repairs only - part of a cycle of work every three to five years until the entire façade is replaced
 - Does not address any code or ADA issues that cannot be ignored indefinitely
- Income from short term rentals cannot support restoration costs, even if the building were marketable in its current condition.

THE CENTER AT WEST PARK IS NOT A PARTY TO THIS APPLICATION

Does not occupy the Church's building, has no say in its use, and has no special status in this proceeding

- Currently successfully housed in another landmark church
- Has never demonstrated that it spent anything to restore the building, despite blatant misrepresentations to the contrary
- Has never pledged or made a contribution to the Church for repairs to the Building.
- June 2025 “Offer to make an Offer” neither financially nor practically viable. Sole purpose: to mislead Commissioners regarding available funding
- Simply does not have the funds to pay for restoration of façade

THERE IS NO AVAILABLE FUNDING

Church Resources

- Church has expended all of its available funds and has gone deeply into debt

Pledges when landmarked

- Promises by elected officials never materialized

Center at West Park

- Nearly bankrupt in 2023 – kept afloat by a gift from single anonymous donor.
- In 2024, a single anonymous donor contributed 79% of that year’s contribution income.
- These two anonymous gifts in 2023 and 2024 represent two thirds of *all* the Center’s fundraising since 2017. No indication that the donor will continue to provide support.
- Of the \$2.17 million on hand as of August 31, 2025, \$100,000 per month was being used for operations. At this rate, savings will be fully spent by the end of 2026.

FURTHERING THE CHURCH'S MISSION

Landmarking has effectively decimated the Church and prevented it from carrying out its religious mission.

If the hardship is granted, sale proceeds will fund an endowment for the Church to support local community programs in a new, state-of-the-art worship and community space

While technically not part of the hardship application, the impact of the Social Justice Fund on the City's most vulnerable residents is profound

- \$25 to \$30 million endowment to be managed by the Presbytery of New York City will provide up to \$900,000 per year in perpetuity to support food, housing, education, and immigration services in underserved communities across New York City.
- Carries forward the congregation's historic mission – its commitment to social justice programs

CONCLUSION

The Commission should make a preliminary finding of hardship with deliberate speed because the Church has met all of the requirements set forth in the Landmarks Law for this determination. The Church has clearly demonstrated that:

- The property is exempt from real estate taxation and there is a valid contract of sale which is contingent on the issuance of a notice to proceed with demolition.
- The building could not make a reasonable return in accordance with the criteria and methodology set forth in the statute.
- The building is not suitable for the Church's use and mission.
- The developer intends to proceed with reasonable promptness to demolish the existing building and build a new building that will provide a space for the Church and housing.