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& ASSOCIATES, INC.

REAL ESTATE SERVICES

132 NASSAU STREET
NEW YORK, NY 10038
TEL: 212.732.4056
FAX: 212.732.1442

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BOARD OF STANDARDS & APPEALS
2007 OCT 25 P 2:08
CAL. NO.

October 24, 2007

Hon. Meenakshi Srinivasan, Chairperson
New York City Board of Standards and Appeals
40 Rector Street
New York, New York 10007

Re : 6-10 West 70th Street
New York, NY
74-07-BZ

Dear Chairperson Srinivasan:

The Notice of Objections of October 12, 2007 for the above referenced Zoning Variance Application requested response to several specific questions regarding the Feasibility Study, dated March 28, 2007, and the first Notice of Objections, dated June 15, 2007. In addition, we are providing further consideration of Notice of Objection #35, dated June 15, 2007 based on review of our September 6, 2007 response to this question.

We provide the following in response to these questions:

Further Consideration: Notice of Objections #35(First Notice): *Although it is recognized that Congregation Shearith Israel has not-for-profit status, for the purpose of this study, please ascribe standard market-rate rents for community facility space based on comparable rents in the vicinity of the subject site for both the as-of-right and proposed scenarios.*

Upon further consideration of Objection #35 from the Notice of Objections, dated June 15, 2007, we noted that the feasibility analysis which incorporated the community facility rent did not assume any costs related to construction of the community facility space as part of the analysis. This was an incorrect assumption. If the community facility space were to be developed and operated by the for profit entity which developed the condominium portion, construction costs and development related soft costs would have to be considered in the feasibility analysis.

In order to account for these costs, we have undertaken a capitalization of income analysis of the community facility portion of the project, assuming the income from market rate rental which we identified in the September 6, 2007 response to the Notice of Objections. The income and expense assumptions for the capitalization of income analysis are identified in Schedule A2, attached as an exhibit to this letter.

The development related soft costs are identified in Schedule B2 are also attached as an exhibit to this letter.

In a capitalization income analysis, when the value created by capitalizing the net operating income is approximately equal to the project cost, then the project is considered feasible, as both the lender and investor would receive reasonable rates of return. However, when the project value is significantly less than the project cost, it would not be a feasible project, as a lender would not finance the project or would it attract private investment.

Exhibit 1, below, compares the project costs and value for the Proposed Scenario with market rate community facility rents. As shown in the exhibit, the market rents would not result in a feasible project. A negative project value of \$8,443,000 would result and the return as a percentage of cost would be a negative 58.1%.

In order to have a feasible for profit project, a rent in excess of \$87/sq.ft. would have to be imputed as the community facility rent. Rents at this level are not achievable in the marketplace.

Exhibit 1

Scenario	Project Cost	Project Value @ 7%	Project Value (Loss)	Return as a % of Cost
Market Rate CF Rent \$40/sq.ft.)	\$14,429,000	\$5,986,000	(\$8,443,000)	-58.51%
Feasible Rent CF Rent (487/sq.ft.)	\$14,429,000	\$14,429,000	\$0	0.00%

The capitalization of income analysis indicates that a private, for profit developer would not undertake the community facility portion of the project because it would not be feasible. In fact, without the ability to underwrite the costs of the community facility space with the proceeds of sale from the development rights, Shearith Israel would not be able to pay the rent required of a feasible for profit project and support its mission and program objectives.

As a result of the lack of feasibility demonstrated by the capitalization of income analysis, we have removed the market rate community facility space from the analysis of schemes in the following response to the Notice of Objections, dated October 12, 2007.

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NOTICE OF OBJECTION #19: *Please analyze the revised as-of-right scenarios ("Scheme A" and "Scheme B") as described by Objection #13.*

Notice of Objection #13: *As-of-Right schemes 'A' and 'B' both appear to violate the rear yard and thus are not "as-of-right." The rear portion of the building with the required rear yard appears to exceed one story and thus does not qualify as a permitted obstruction. Please revise these drawing sets to show a compliant rear yard*

A) As of Right Scheme A – Revised As of Right Community Facility/Residential Development

As requested by the Board, we have provided an analysis of the Revised As of Right Development (Plans set titled: As of Right - Scheme A (Original), dated 10-22-2007), which would consist of a new synagogue lobby on the ground floor, and community facilities on the second through fourth floors, with a gross floor area of 18,134 sq.ft. On the fifth and sixth floors there would be two condominium units for sale with a gross residential area on the fifth and sixth floors of 7,594 sq.ft. The total gross residential area, not including the cellar would be 9,638 sq.ft., and includes the lobby and core areas of the residential portion of the development.

The gross built area of this alternative would be 27,772 sq.ft. not including the cellar. The zoning floor area for this alternative would be 27,772. The residential sellable area is 5,316 sq.ft.

This development program is referred to as the "Revised As of Right Community Facility/Residential Development".

B) As of Right Scheme B – Lesser Variance Alternative As of Right Community Facility/Residential Development

This Lesser Variance Community Facility/Residential scheme (Plans set titled: Lesser Variance – BSA Objection #30 Synagogue Use and Residential Scheme, dated 10-10-2007) would consist of a new synagogue lobby on the ground floor, and community facilities on the second, third and a portion of the fourth floors, with a gross floor area of 15,404 sq.ft. The fourth, fifth and sixth floors would be three condominium units for sale with a gross residential area on the fourth and fifth floors of 8,593 sq.ft. The total gross residential area, not including the cellar would be 14,288 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 29,692 sq.ft., not including the cellar. The zoning floor area for this alternative would be 29,692. The residential sellable area is 8,593 sq.ft.

This development program is referred to as the "Alternative As of Right Community Facility/Residential Development".

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NOTICE OF OBJECTION #20: *Please analyze the revised "Scheme C" (as-of-right residential scenario) as described by Objection #15 of the Second Notice.*

Notice of Objection #15: *This as-of-right scenario does not maximize floor area that can be accommodated within the R8B zoning envelope. Instead of showing a six-story building with five stories below the 60' maximum base height, please reduce the floor-to-ceiling heights and show a seven-story building with five stories up to the 55' minimum base height and two floors above.*

The Revised As of Right Residential F.A.R. 4.0 Development alternative (Plans set titled: As of Right – Scheme C Residential Scheme, dated 10-22-2007) consists of new construction of a seven-story residential building on lot 37 with the synagogue remaining untouched. The new development consists of a ground floor residential and synagogue lobby and core, and floors 2-7 would be for sale condominium units. There will be a total of six residential units. The total gross residential area, not including the cellar would be 28,724 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 28,724 sq.ft., not including the cellar. The zoning floor area for this alternative would be 28,724 sq.ft. The residential sellable area is 17,780 sq.ft. This development program is referred to as the "Revised As of Right Residential F.A.R. 4.0".

NOTICE OF OBJECTION #21: *Please analyze the "lesser-variance" scheme as described within Objection #30 of the First Notice.*

Please see Lesser Variance, Scheme B (Response to Objection #19B, herein) previously As of Right Scheme B.

NOTICE OF OBJECTION #22: *The response given to Objection #36 of the first notice is not satisfactory. It does not directly respond to the overall point that because the development site, although partially located within an R10A district, is primarily zoned R8B and located entirely within a historic district, and thus cannot reasonably utilize additional floor area from the R10A district. Therefore, it is not appropriate to adjust upward, the vacant land sales comparables for zoning; and*

Notice of Objection #36(First Notice): *It is noted that all comparable properties analyzed to determine the subject site's value (Schedule C, Page10-12) are all downward adjusted for "inferior zoning" (the subject site has split zoning – R8B and R10A – and the comparable are all located in R8 or R8 equivalent districts). Please note that for developments in contextual districts, each portion of the zoning lot shall be regulated by the height and setback applicable to the district in which such portion of the zoning lot is located.*

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Further, it is noted that the subject site is located within a historic district which applies further regulation on the height of any development of this site. Given this information regarding height and setback controls, it does not appear that additional floor area above 4.0 FAR could be utilized on this site (please note that the as-of-right plans show an FAR of 3.23 or 5,513.60 sq.ft. on the R10A zoned portion of Lot 36). Therefore, it does not appear that the subject site's partial location within a 10.0 FAR district (R10A) should warrant any downward adjustment for comparable properties zoned R8, R8B, or C6-2A. Please revise this analysis.

As requested by the Board, in response to Objections #22 and #36, we have revised the vacant land comps to eliminate consideration of R10A (10.0 F.A.R.) and the previous downward adjustment in value. We have conducted additional research in similar R8B zones which provided several more recent sales and revised the comparables accordingly. Five appropriate sales were identified. A site visit to each property was made and location, condition and sales price data were compared. A schedule of the comparable sales is attached as Schedule C.

Vacant land sale prices, adjusted for comparability ranged from \$370.87/sq.ft. of F.A.R. development area to \$514.20/sq.ft. with an average of \$457.43/sq.ft. For purposes of this analysis, a revised value of \$450/sq.ft., or slightly below average was used. In the previous analysis the value of the \$500/sq.ft. 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 \$17,050,000, instead of \$18,944,000 in the previous analysis.

Economic Analysis

In order to analyze and compare the economic characteristics of the four alternatives in response to objection #19, #20, and #22, as described above, we have prepared the attached Schedule A1: Analysis Summary; Schedule A2: Analysis Summary – Capitalized Value of Market Rate Classroom Space; Schedule B1: Projected Development Costs – Without Classroom Expenses; Schedule B2: Projected Development Costs – With Classroom Cost; and Schedule D1-D4: Pricing Schedules.

The analyses incorporates the revised acquisition cost, as described above, and revised construction cost estimates provided by McQuilkin and Associates. The estimates are attached as Exhibit A to this letter. No construction costs related to development of the community facilities have been included in our analyses. In addition, the sellable area for the Proposed Alternative has been increased slightly as a result of adjusted sellable area calculations provided by the project architect.

All other assumptions are the same as those described in the Economic Analysis Report, dated March 28, 2007.

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a) As of Right Scheme A – Revised Alternative As of Right Community Facility/Residential Development (*Objection #19 and #13A*)

As shown in the attached Schedule A, the Feasibility Analysis estimated the project value to be the sum of residential condominium unit sales, less sales commissions. Consideration of the economic feasibility of condominium projects is typically based on the potential profit generated from the sale of apartment units and other sources, on an annualized basis. Profit is the amount available for distribution to investors after all project expenses incurred in the development and sale of units are deducted from gross revenues.

“Annualized Return on Total Investment” is measured by dividing the estimated annualized project profit by the total investment in the project.

The Feasibility Analysis estimated the net project value to be \$11,866,000. This amount is the sum of residential condominium unit sales, less sales commissions. The total investment required, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Revised As of Right Development is estimated to be \$25,950,000. As shown in Schedule A1, the development of the Revised Alternative As of Right Development would result in an annualized **capital loss of \$7,468,000.**

b) Lesser Variance Scheme B – Lesser Variance Community Facility/Residential Development (*Objection #19 and #13B*)

The Feasibility Analysis estimated the net project value to be \$18,980,000. This amount is the sum of residential condominium unit sales, less sales commissions.

The total required investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Alternative As of Right Residential is estimated to be \$26,779,000. As shown in Schedule A, the development of the Lesser Variance CF/Residential Alternative would result in an annualized **capital loss of \$4,261,000.**

c) Revised Proposed Development

The Feasibility Analysis estimated the net project value to be \$38,510,000. This amount is the sum of residential condominium unit sales, less sales commissions. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Revised Proposed Development is estimated to be \$31,722,000.

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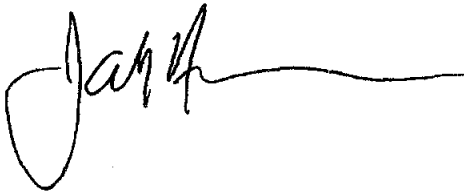
As shown in Schedule A, the development of the Revised Proposed Development would provide an Annualized Return on Total Investment of 8.16%. We note that this return is slightly higher than the original return of 6.55%. This results from the assumption of the reduced acquisition cost.

d) As of Right Scheme C – Revised As of Right All Residential F.A.R. 4.0
(*Objection #20 and #15*)

The Feasibility Analysis estimated the net project value to be \$37,437,000. This amount is the sum of total estimated gross sales proceeds, less sales commissions. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the As of Right Residential F.A.R 4.0 Development is estimated to be \$36,764,000. As shown in Schedule A, the development of the As of Right Residential F.A.R 4.0 Development would result in an annualized **capital loss of \$23,000.**

Please feel free to call me if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Freeman", with a long horizontal flourish extending to the right.

Jack Freeman

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SCHEDULE A1: ANALYSIS SUMMARY - CONDOMINIUM USE

	REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	LESSER VARIANCE CF/RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
BUILDING AREA (SQ.FT.)				
BUILT RESIDENTIAL AREA	7,594	12,575	20,863	28,724
SELLABLE AREA	5,316	8,593	15,799	17,780
CAPITAL INVESTMENT SUMMARY				
ACQUISITION COST	\$17,050,000	\$17,050,000	\$17,050,000	\$17,050,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$3,722,000	\$4,339,000	\$7,488,000	\$11,808,000
SOFT CONSTRUCTION COSTS	\$4,663,000	\$4,851,000	\$6,520,000	\$7,173,000
	<u>\$25,435,000</u>	<u>\$26,240,000</u>	<u>\$31,058,000</u>	<u>\$36,031,000</u>
PROJECT VALUE				
SALE OF UNITS	\$12,623,000	\$20,191,000	\$40,968,000	\$39,827,000
(less) SALES COMMISSIONS 6%	(\$757,000)	(\$1,211,000)	(\$2,458,000)	(\$2,390,000)
CAPITALIZED VALUE OF COMMUNITY FACILITIES	\$0	\$0	\$0	NA
EST. NET PROJECT VALUE	<u>\$11,866,000</u>	<u>\$18,980,000</u>	<u>\$38,510,000</u>	<u>\$37,437,000</u>
PROJECT INVESTMENT				
ACQUISITION COST	\$17,050,000	\$17,050,000	\$17,050,000	\$17,050,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$3,722,000	\$4,339,000	\$7,488,000	\$11,808,000
SOFT CONSTRUCTION COSTS	\$4,663,000	\$4,851,000	\$6,520,000	\$7,173,000
CARRYING COSTS DURING SALES PERIOD	\$515,000	\$539,000	\$664,000	\$733,000
EST. TOTAL INVESTMENT	<u>\$25,950,000</u>	<u>\$26,779,000</u>	<u>\$31,722,000</u>	<u>\$36,764,000</u>
RETURN ON INVESTMENT				
ESTIMATED PROJECT VALUE	\$11,866,000	\$18,980,000	\$38,510,000	\$37,437,000
(less) EST. TOTAL INVESTMENT	(\$25,950,000)	(\$26,779,000)	(\$31,722,000)	(\$36,764,000)
(less) EST. TRANSACTION TAXES	(\$230,000)	(\$368,000)	(\$748,000)	(\$727,000)
EST. PROFIT (loss)	<u>(\$14,314,000)</u>	<u>(\$8,167,000)</u>	<u>\$6,040,000</u>	<u>(\$54,000)</u>
DEVELOPMENT/SALES PERIOD (MONTHS)	23	23	28	28
ANNUALIZED PROFIT (loss)	<u>(\$7,468,000)</u>	<u>(\$4,261,000)</u>	<u>\$2,589,000</u>	<u>(\$23,000)</u>
RETURN ON TOTAL INVESTMENT	0.00%	0.00%	19.04%	0.00%
ANNUALIZED RETURN ON TOTAL INVESTMENT	<u>0.00%</u>	<u>0.00%</u>	<u>8.16%</u>	<u>0.00%</u>

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

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SCHEDULE A2: CAPITALIZED VALUE OF MARKET RATE COMMUNITY FACILITY

BUILDING AREA (SQ. FT.)

RENTABLE CLASSROOM AREA	14,430
TOTAL COMMUNITY FACILITY AREA	14,430

CAPITAL INVESTMENT SUMMARY

ACQUISITION COST	NA
HOLDING & PREP. COSTS	\$0
BASE CONSTRUCTION COSTS	\$11,552,000
SOFT CONSTRUCTION COSTS	\$2,959,000
	<u>\$14,511,000</u>

INCOME AND EXPENSES

CLASSROOM AREA INCOME		\$1,261,000
GROSS INCOME		<u>\$1,261,000</u>
(less)VACANCY (@ 10%)		(\$126,000)
EFFECTIVE INCOME		<u>\$1,135,000</u>
(less)M&O EXPENSES		(\$63,000)
(less)WATER & SEWER		\$0
(less)R.E. TAXES		(\$56,000)
NET OPERATING INCOME		<u>\$1,016,000</u>
CAPITALIZED VALUE OF NOI @	7%	\$14,514,000
CAPITALIZED VALUE OF NOI @	8%	\$12,700,000
CAPITALIZED VALUE OF NOI @	9%	\$11,289,000

FEASIBILITY ANALYSIS

PROJECT VALUE @ CAP RATE = 7%	\$14,514,000
PROJECT DEVELOPMENT COST (SCHEDULE B2)	\$14,511,000
PROJECT VALUE (less) PROJECT DEVELOPMENT COST	<u>\$3,000</u>

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

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SCHEDULE B : DEVELOPMENT COSTS

		REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	ALTERNATIVE AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
DEVELOPMENT COST SUMMARY					
ACQUISITION COSTS		\$17,050,000	\$17,050,000	\$17,050,000	\$17,050,000
HOLDING & PREP. COSTS:		\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS		\$3,722,000	\$4,339,000	\$7,488,000	\$11,808,000
TENANT FIT-OUT COSTS		\$0	\$0	\$0	\$0
EST.SOFT COSTS		\$4,663,000	\$4,851,000	\$6,520,000	\$7,173,000
EST. TOTAL DEV.COSTS		\$25,435,000	\$26,240,000	\$31,058,000	\$36,031,000
ACQUISITION COSTS :					
Land Purchase Price		\$17,050,000	\$17,050,000	\$17,050,000	\$17,050,000
TOTAL LAND VALUE		\$17,050,000	\$17,050,000	\$17,050,000	\$17,050,000
HOLDING & PREP. COSTS:		\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS :		\$3,722,000	\$4,339,000	\$7,488,000	\$11,808,000
EST.CONST.LOAN AMOUNT :		\$19,076,000	\$19,680,000	\$24,770,000	\$27,023,000
EST.CONST.PERIOD(MOS) :		20	20	24	20
EST. SOFT COSTS :					
Builder's Fee/Developer's Profit	3.00%	\$763,000	\$787,000	\$932,000	\$1,081,000
Archit. & Engin. Fees	8.00%	\$298,000	\$347,000	\$599,000	\$945,000
Bank Inspect.Engin.		\$30,000	\$30,000	\$34,000	\$30,000
Construction Management Inspections, Borings & Surveys	5.00%	\$186,000	\$217,000	\$300,000	\$590,000
Laboratory Fees	LS	\$5,000	\$5,000	\$5,000	\$5,000
Soil Investigation	LS	\$10,000	\$10,000	\$10,000	\$10,000
Preliminary Surveys	LS	\$5,000	\$5,000	\$5,000	\$5,000
Ongoing Surveys	LS	\$10,000	\$10,000	\$10,000	\$10,000
Environmental Surveys/Reports	LS	\$2,000	\$2,000	\$2,000	\$2,000
Controlled Inspection Fees	LS	\$45,000	\$45,000	\$45,000	\$45,000
Legal Fees					
Dev.Legal Fees		\$150,000	\$150,000	\$150,000	\$150,000
Con.Lender Legal		\$57,000	\$59,000	\$62,000	\$81,000
End Loan Legal		\$0	\$0	\$0	\$0
Permits & Approvals					
D.O.B. Fees	25.53%	\$116,000	\$116,000	\$139,000	\$151,000
Cond/Co-op Offering Plan		\$30,000	\$30,000	\$30,000	\$30,000
Other		\$40,000	\$40,000	\$40,000	\$40,000
Accounting Fees		\$5,000	\$5,000	\$5,000	\$5,000
Consultant Fees		\$0	\$0	\$0	\$0
Appraisal Fees		\$8,000	\$8,000	\$8,000	\$8,000
Marketing/Pre-Opening Expenses					
Rental Commissions	25.00%	\$0	\$0	\$0	\$0
Sales Expenses & Advertising		\$198,000	\$198,000	\$198,000	\$198,000
Financing and Other Charges					
Con.Loan Int. @ Loan Rate =	9.50%	\$1,510,000	\$1,558,000	\$2,353,000	\$2,139,000
Rent-up Loan Int. @ Loan Rate =	7.00%	\$0	\$0	\$0	\$0
Con.Lender Fees	1.00%	\$191,000	\$197,000	\$248,000	\$270,000
End Loan Fee	1.00%	\$0	\$0	\$0	\$0
Construction Real Estate Tax		\$334,000	\$334,000	\$445,000	\$334,000
Rent-up Real Estate Tax		\$0	\$0	\$0	\$0
Title Insurance	0.33%	\$84,000	\$87,000	\$102,000	\$119,000
Mtge.Rec.Tax	2.75%	\$525,000	\$541,000	\$681,000	\$743,000
Construction Insurance	1.00%	\$56,000	\$65,000	\$112,000	\$177,000
Water and Sewer		\$5,000	\$5,000	\$5,000	\$5,000
Other		\$0	\$0	\$0	\$0
TOTAL EST.SOFT COSTS		\$4,663,000	\$4,851,000	\$6,520,000	\$7,173,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

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SCHEDULE B2 : PROJECTED DEVELOPMENT COSTS - COMMUNITY FACILITY

DEVELOPMENT COST SUMMARY

ACQUISITION COSTS	\$0
HOLDING & PREP. COSTS:	
BASE CONSTRUCTION COSTS	\$11,552,000
EST.SOFT COSTS	\$2,959,000
EST. TOTAL DEV.COSTS	\$14,511,000

ACQUISITION COSTS :

Land Purchase Price	\$0
TOTAL ACQUISITION COSTS	\$0

HOLDING & PREP. COSTS: \$0

BASE CONSTRUCTION COSTS	\$11,552,000
EST.CONST.LOAN AMOUNT :	\$10,883,000
EST.CONST.PERIOD(MOS) :	20.00

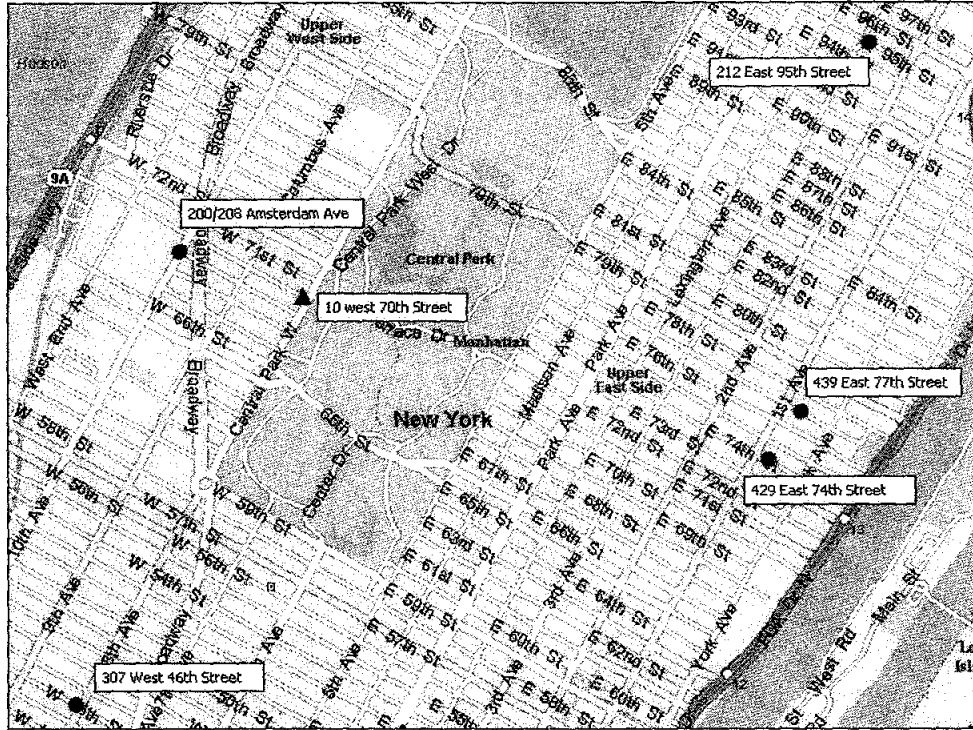
EST. SOFT COSTS :

Builder's Fee/Developer's Profit	3.00%	\$435,000
Archit. & Engin. Fees	8.00%	\$924,000
Bank Inspect.Engin.		\$30,000
Construction Management	5.00%	\$578,000
Inspections, Borings & Surveys		
Laboratory Fees	LS	\$5,000
Soil Investigation	LS	\$0
Preliminary Surveys	LS	\$0
Ongoing Surveys	LS	\$10,000
Environmental Surveys/Reports	LS	\$0
Controlled Inspection Fees	LS	\$45,000
Legal Fees		
Dev.Legal Fees		\$35,000
Con.Lender Legal	0.30%	\$33,000
End Loan Legal	0.30%	\$30,000
Permits & Approvals		
D.O.B. Fees	25.53%	\$4,000
Cond/Co-op Offering Plan	NA	\$0
Other		\$0
Accounting Fees		\$5,000
Consultant Fees	NA	\$0
Appraisal Fees		\$8,000
421-a Tax Exemption Fee	0.00%	\$0
421-a Tax Certificates		
Marketing/Pre-Opening Expenses		
Rental Commissions	0.25	\$0
Sales Expenses & Advertising	NA	\$0
Hotel Pre-opening	NA	
Financing and Other Charges		
Con.Loan Int. @ Loan Rate =	9.50%	\$0
Rent-up Loan Int. @ Loan Rate =	0.00%	\$0
Con.Lender Fees	1.00%	\$109,000
End Loan Fee	1.00%	\$100,000
Construction Real Estate Tax		\$83,000
Rent-up Real Estate Tax		\$0
Title Insurance	0.33%	\$48,000
Mtge.Rec.Tax	2.75%	\$299,000
Construction Insurance	1.00%	\$173,000
Water and Sewer		\$5,000
Other		\$0
		\$2,959,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

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Schedule C: Comparable Vacant Property Sales



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Schedule C: Comparable Vacant Property Sales

1. 429 East 74th Street

This is a 6,554 sq.ft. under utilized lot on Manhattan's Upper East Side. It is approximately 2.5 miles east of the subject property, and is located on East 74th Street between York and First Avenues. A +10% adjustment was made for time, and a +10% adjustment was made for the inferior location. No adjustments were made for size, zoning or other factors.

2. 439 East 77th Street

This is a 2,236 sq.ft. under utilized lot on Manhattan's Upper West Side. It is located on East 77th Street between York and First Avenues. It is approximately 2.5 miles east of the subject property. A +10% adjustment was made for time, and a +10% adjustment was made for the inferior location. No adjustments were made for size, zoning or other locations.

3. 212 East 95th Street

This is a 5,650 sq.ft. vacant lot located on East 95th Street between Second and Third Avenues on Manhattan's Upper East Side. It is located approximately 2.5 miles northeast of the subject property. A +10% adjustment was made for time, and a +25% adjustment was made for inferior location. No adjustments were made for size, zoning or other factors.

4. 200/208 Amsterdam Avenue

This is a recent sale of an existing school building and synagogue in two separate transactions that have been combined. Both properties sold for \$15,276,000 on May 1, 2007, and both are C2-5/R8 zoning districts. The lot size at 200 Amsterdam Avenue is 7,042 sq.ft., and the lot at 208 Amsterdam Avenue is 5,000 sq.ft. They are located approximately 0.4 mile west of the subject property. A +10% adjustment was made for the inferior location, and a -20% adjustment was made for superior zoning. No adjustments were made for time, size or other factors.

5. 307 West 46th Street

This is a 6,036 sq.ft. licensed parking lot located on the corner of West 46th Street and 8th Avenue. It is located approximately 1.6 miles south of the subject property. A +15% adjustment was made for the inferior location. No adjustments were made for time, size, zoning, or other factors.

Freeman/Frazier & Associates, Inc.

Date : October 24, 2007

Property : 10 West 70th Street

Block, Lot : Blk 1122, Lot 37

Total Land Area : 6,472 sq.ft.

Zone : R8B & R10A

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Schedule D1: Revised As of Right - Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,277	\$7,373,250	\$2,250	0
Six	2,039	\$5,249,501	\$2,325	1,459
Total	5,316	\$12,622,751	\$2,374	

Schedule D2: Lesser Variance - Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Four	3,277	\$7,291,325	\$2,225	0
Five	3,277	\$7,537,100	\$2,300	0
Six	2,039	\$5,362,394	\$2,375	1,459
Total	8,593	\$20,190,819	\$2,350	

Freeman/Frazier & Associates, Inc.
 Date : October 24, 2007
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lot 37
 Total Land Area : 6,472 sq.ft.
 Zone : R8B & R10A
 Page 16

Schedule D3: Proposed Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,337	\$7,675,100	\$2,300	0
Six	3,457	\$8,210,375	\$2,375	0
Seven	3,583	\$8,867,925	\$2,475	0
Eight	3,573	\$9,557,775	\$2,675	0
PH	1,849	\$6,657,306	\$2,975	1,555
Total	15,799	\$40,968,481	\$2,593	

Schedule D4: As of Right - Residential F.A.R 4.0 Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Two	3,495	\$7,252,125	\$2,075	0
Three	3,465	\$7,449,750	\$2,150	0
Four	3,465	\$7,709,625	\$2,225	0
Five	3,277	\$7,537,100	\$2,300	0
Six	2,039	\$4,689,700	\$2,300	0
Seven	2,039	\$5,189,138	\$2,375	1,459
Total	17,780	\$39,827,438	\$2,240	

Exhibit A

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

**AS OF RIGHT CONSTRUCTION COST ESTIMATE
LESSER VARIANCE
SCHEME B**

October 10, 2007

McQuilkin Associates, Inc.
Construction Consultants

**500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700**

MC QUILKIN ASSOCIATES INC.				DATE:	10/10/07
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
AS OF RIGHT - SCHEME B LESSER VARIANCE					
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	24,000	1,991,652	
03010	CONCRETE AND CEMENT WORK	2,342,300	1,059,200	3,401,500	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	89,350	43,100	132,450	
06100	ROUGH CARPENTRY	38,900	18,700	57,600	
06400	FINISH CARPENTRY	18,570	30,532	49,102	
07530	ROOFING & FLASHING	-	162,225	162,225	
07900	JOINT SEALERS	15,000	5,000	20,000	
08100	HOLLOW METAL DOORS	16,280	8,760	25,040	
08200	WOOD DOORS	8,750	10,750	19,500	
08700	HARDWARE	28,150	8,300	36,450	
08900	EXTERIOR FAÇADE	656,786	302,754	959,540	
09250	GYPSON WALLBOARD	237,573	184,542	422,115	
09300	TILEWORK	108,022	18,728	126,750	
09500	ACOUSTIC CEILING	116,781	2,212	118,993	
09600	WOOD FLOORING	-	56,416	56,416	
09680	CARPET & RESILIENT	37,358	1,210	38,568	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	72,947	28,464	101,410	
10100	VISUAL DISPLAY BOARDS	5,850	-	5,850	
10150	COMPARTMENTS & CUBICLES	16,400	-	16,400	
10520	FIRE PROTECTION SPECIALTIES	6,000	-	6,000	
10800	TOILET ACCESSORIES	16,200	3,900	20,100	
11130	PROJECTION SCREENS	10,800	-	10,800	
11400	APPLIANCES	5,000	15,000	20,000	
14000	CONVEYING SYSTEM	150,000	280,000	430,000	
15300	FIRE PROTECTION	157,685	99,237	256,922	
15400	PLUMBING	319,352	213,226	532,577	
15500	HVAC	1,433,500	631,505	2,065,005	
16050	ELECTRICAL WORK	833,930	530,747	1,364,677	
	SUBTOTAL	9,237,401	3,761,427	12,998,828	
	GENERAL CONDITIONS	12%	1,108,488	451,371	1,559,859
	SUBTOTAL	10,345,889	4,212,798	14,558,687	
	LIABILITY INSURANCE	3%	310,377	126,384	436,761
	TOTAL	10,656,266	4,339,182	14,995,448	

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

AS OF RIGHT CONSTRUCTION COST ESTIMATE

SCHEME C - 7 STORY

October 22, 2007

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.			DATE:	10/22/07
PROJECT: CONGREGATION SHEARITH ISRAEL			REV:	
LOCATION: NEW YORK, NY				
CSI #	TRADE SUMMARY			TOTAL
	AS OF RIGHT - SCHEME C 7 STORY			
02050	BUILDING DEMOLITION			103,500
02080	ASBESTOS ABATEMENT			NIC
02500	PAVING & SURFACING			24,786
02900	EXCAVATION/FOUNDATION			1,283,805
03010	CONCRETE AND CEMENT WORK			3,111,240
04200	MASONRY			83,358
05500	MISCELLANEOUS METALS			72,800
06100	ROUGH CARPENTRY			45,700
06400	FINISH CARPENTRY			72,734
07530	ROOFING & FLASHING			180,060
07900	JOINT SEALERS			5,000
08100	HOLLOW METAL DOORS			37,200
08200	WOOD DOORS			27,500
08700	HARDWARE			31,000
08900	EXTERIOR FAÇADE			1,018,010
09250	GYPHUM WALLBOARD			399,210
09300	TILEWORK			43,292
09500	ACOUSTIC CEILING			9,513
09600	WOOD FLOORING			121,152
09680	CARPET & RESILIENT			4,654
09700	TERRAZZO			22,920
09900	PAINTING			102,326
10800	TOILET ACCESSORIES			7,900
11400	APPLIANCES			35,000
14000	CONVEYING SYSTEM			385,000
15300	FIRE PROTECTION			205,854
15400	PLUMBING			399,786
15500	HVAC			1,309,910
16050	ELECTRICAL WORK			1,092,854
				SUBTOTAL
				10,236,063
			12%	GENERAL CONDITIONS
				1,228,328
				SUBTOTAL
				11,464,391
			3%	LIABILITY INSURANCE
				343,932
				TOTAL
				11,808,323

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