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January 30, 2008

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

Re : 6-10 West 70<sup>th</sup> Street  
New York, NY  
Calendar No. 74-07-BZ

Dear Chairperson Srinivasan:

The following has been prepared in response to a letter (the "Coalition Letter"), dated January 28, 2008, in opposition to the above referenced application submitted by Mark L. Lebow, Attorney at Law, on behalf of the coalition of buildings and residents of West 70<sup>th</sup> Street, 91 Central Park West, 101 Central Park West and 18 West 70<sup>th</sup> Street; and a letter (the "Sugarman Letter") dated January 28, 2007 from Alan D. Sugarman, Attorney at Law, resident of 17 West 70<sup>th</sup> Street, and on behalf of the owner of 15 West 70<sup>th</sup> Street. These Letters question specific items in my letter to you of December 21, 2007 and the Economic Analysis Report, dated March 28, 2007 (collectively referred to herein as the "Report"). Specifically, we reply to these Letters as follows :

### **The Coalition Letter**

#### Metropolitan Valuation Services

- The MVS summary states,

*"The report assumes that a potential developer of the site would pay for all of the site's potential developable building area, regardless of whether they were used in the project to be built."*

The MVS summary is correct as regards analyses submitted prior to the Response of December 21, 2007. This methodology was consistent with analyses of similar projects previously approved by the BSA. However, the BSA had asked for a revised acquisition cost, determined by not including the community facility.

The determination of this revised estimated acquisition cost was included in the Response of December 21, 2007 and was the basis of the revised feasibility analyses contained therein. As noted in the Response of December 21, 2007, this revised estimated acquisition cost is lower than was used in previous analyses.

- The MVS summary states that land values were “cherry picked” and “many relevant sales were ignored”. Our analyses included a diligent investigation of appropriate market sales. We look forward to having MVS identify any additional sales that they believe to be relevant, comparable and overlooked to support this statement.
- The MVS summary states the net sellable residential area to be “certainly not consistent with market measurement parameters.” And continues by attempting to conclude, “The sales revenues in the Report are substantially underestimated by virtue of undercounted saleable area.” The sellable area utilized in our analyses has been estimated by the project architect.
- The MVS summary states,

*“The construction cost estimates assumed in the report include very substantial interest carry on the site acquisition cost. Reducing the acquisition cost to only those development right actually being acquired will reduce the soft construction cost component substantially.”*

The acquisition costs identified in our analyses only relate to those development rights actually being acquired.

The carrying costs in our Report are based on the Total Development Costs, not just the construction cost estimates. As Mr. Levine well knows, site acquisition costs are incurred at the beginning of the project, and therefore substantial related costs must be carried for the extended life of the full development and sales period.

We look forward to the opportunity to respond to Mr. Levine’s full Report when we receive it. At this time we cannot respond further to unsupported allegations and anecdotal comments.

## **The Sugarman Letter**

### Monetization

The Sugarman Letter states,

*“In all of the feasibility study scenarios, the Applicant will receive in its own coffers the “acquisition cost”, i.e., the proceeds from the “sale” of the land, and these funds are of course available to the Applicant to meet its programmatic need.”*

This is not correct, and it was clearly identified within the report that the costs of construction of the community facility portion of the development were being carried by the synagogue. Therefore the proceeds of sale would be used to pay for such costs and not be available to the applicant for its programmatic need.

### F.A.R. 4.0 Response

The Sugarman Letter states, “The latest study did not respond to a Commissioner’s question as to why the FAR 4.0 project did not show a reasonable return.”

It was our understanding that no further response was necessary. However in our revised submission of December 21, 2007 we provided an updated analysis of the As of Right Residential FAR 4.0 scheme.

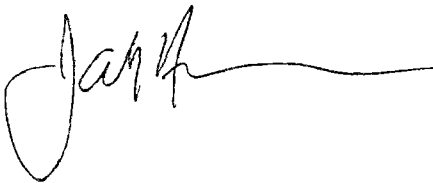
### Economic Return on Development Rights

The Sugarman Letter states, “The idea of computing an economic return of a slice of development rights is questionable and no authority for such an analysis would exist for finding (b).”

This comment is confusing since it implies that Sugarman is critical of the BSA requirements and not necessarily of any work done within the feasibility study. Without additional clarification we cannot provide a response.

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

Sincerely,



Jack Freeman