



VILLAGE FACTS

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PROPOSED USE OF HISTORIC MAIN BUILDING AS A SENIOR ASSISTED LIVING RESIDENCE

A MESSAGE FROM THE BOARD OF TRUSTEES:

This issue of Village Facts is being published to provide additional information to the residents of Garden City on the proposed use of the St. Paul's Historic Main Building as a senior assisted living residence. It is the Board of Trustees' intention that this information will supplement news releases, presentations at property owners' association meetings as well as at the Public Information Meeting at the High School.

In February 1993, when voters overwhelmingly approved the purchase of the property, the following benefits were achieved:

- Village control over one of the largest undeveloped land tracts in Nassau County.
- Prevention of undesirable use and development.
- Preservation of significant green space and playing fields.
- Acquisition of needed facilities for current and future social, cultural and recreational activities for residents of all ages.
- Immediate utilization of a large field house and gymnasium/auditorium.
- Preservation of an architectural jewel which defines our special historical character.

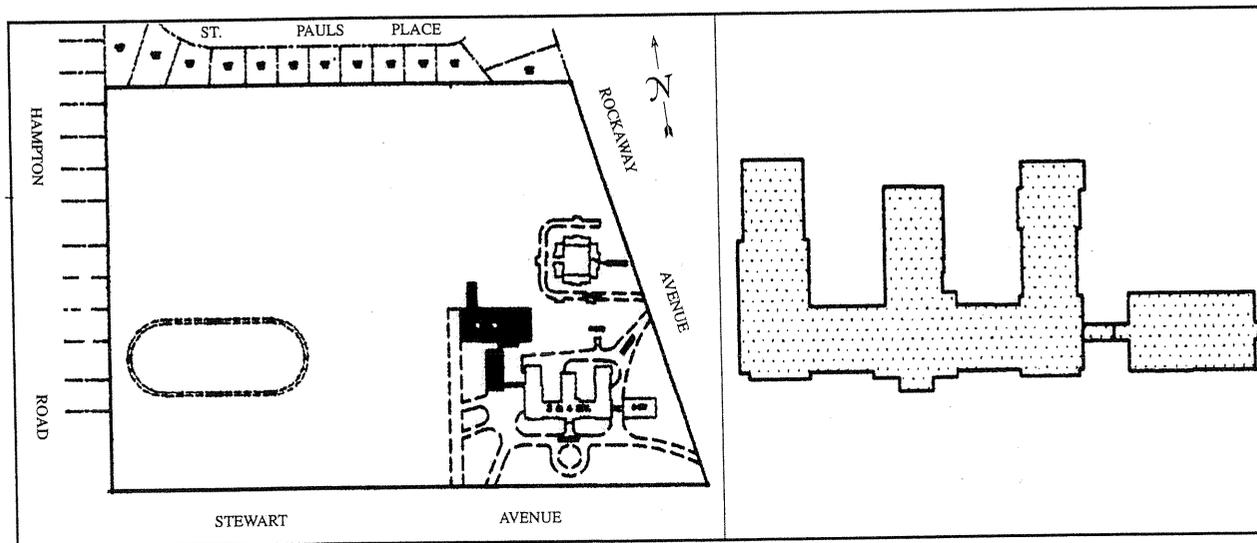
The Board of Trustees then focused on the specific municipal use for the Historic Main Building, the Field House, Cluett and Ellis Halls and the open fields. Although a structural engineering analysis indicated that the Historic Main Building was structurally sound, it was determined that its reuse as a Village Hall would be prohibitively expensive. For that reason, the Board directed the Mayor's Committee to search for another use which would be compatible with the residential nature of the community.

After intensive study, the Mayor's Committee recommended utilizing the Historic Main Building for a senior assisted living residence, operated by an experienced private market-driven operator. This recommendation provides for a residential use which is most compatible with the surrounding area. It would restore and preserve the Historic Main Building at no cost to Village taxpayers and does not interfere with the Village's use of the Field House, Cluett Hall and 40+ acres of open fields.

THE BOARD OF TRUSTEES wishes to publicly thank the members of the Mayor's Committee for the generous contribution of their time and services.

FRANK A. TAUCHES, JR. Mayor
JUDITH A. ASSELTA
EILEEN J. COLLINS
HAROLD P. HECKEN, JR.

ROBERT H. LEWIS
PETER A. BEE
LAURENCE J. KETTNER
BRUCE A. TORINO



SITE PLAN 48.6 ACRES OF THE EXISTING ST. PAUL'S CAMPUS

OUTLINE OF HISTORIC MAIN BUILDING & ELLIS HALL

CHRONOLOGY

- 1883
- St. Paul's School constructed.
- 1991
- School closes.
- 1992
- Board of Trustees develops a plan to acquire the 48.6 acre site for \$7.25 million.
- 1993
- In a special referendum vote, 88% of voters approved the purchase.
 - Mayor's Committee formed.
 - Engagement of consulting firms for Structural Engineering and Land Use.
- 1994
- Land Use Design Consultant prepared a conceptual park plan after workshops with varied groups of residents and presented it to the public at two public forums.
 - Structural engineering firm determined that the Historic Main Building was structurally sound but estimated the cost in excess of \$18 million to rehabilitate for municipal purposes, i.e., Village Hall, Police, Fire, Court and community meeting rooms.
 - Board of Trustees directs Mayor's Committee to find another appropriate use for the Historic Main Building.
 - Mayor's Committee met with more than 35 parties who indicated interest in the building for commercial, cultural, educational and/or residential uses. Some proved feasible - most did not.
 - Committee concluded that the economic feasibility of the restoration and redevelopment of the Historic Main Building required a demand-driven enterprise.
- 1995
- Mayor's Committee sends out Requests For Proposal to 31 organizations interested in providing a residence for seniors needing assistance in daily living.
- 1996
- Proposals received (6).
 - Having responded negatively to previous requests, the Board of Education expresses interest in St. Paul's for high school.
 - Joint Work Session of Board of Education and Board of Trustees.
 - Mayor's Committee recommends concept of assisted living as the most beneficial and desirable use of the Historic Main Building.
 - Visits to two senior residences by trustees, representatives of the property owners' associations, Chamber of Commerce and two local newspapers.
 - Mayor's Committee publishes four articles in local newspapers.
 - Committee's presentations to four property owners' associations and Joint Conference Committee.
 - Proposals received (2) from CareMatrix Corporation and Kapson Senior Quarters/Albanese Development Corporation by Committee and transmitted to Board of Trustees. *
 - Board of Education terminates its study of high school at St. Paul's.
- 1997
- Two proposers make presentations to the Board of Trustees.
 - Public Information Meeting at high school - approximately 500 residents attended.
- * After 111 meetings, including 15 meetings with the Board of Trustees, 25 presentations to the property owners' associations and the Joint Conference Committee, two meetings with representatives of the school district, 5 inspections of senior residence facilities in Suffolk and Westchester Counties and in Connecticut, 18 interviews of professional consultants, 19 interviews of firms interested in the Historic Main Building and countless other activities, the Mayor's Committee completed its task on December 3, 1996 and recommended to the Board of Trustees that:
1. The Village keep the approximate 40 acres of open fields for Village resident use as a park and for athletic activities;
 2. The Village keep both Cluett Gymnasium and the Field House for Village cultural, social and athletic activities;
 3. The Village permit the removal of Ellis Hall and eight cottages; and
 4. The Village allow the Historic Main Building to be used for its best and most beneficial use, a Senior Residence Facility.

What is a Senior Assisted Living Residence?

Assisted Living Residences ("ALRs") are an increasingly popular form of senior housing across the United States. They are not nursing homes. Instead, they offer senior citizens who are primarily in their late seventies and eighties a level of service that exceeds that of traditional retirement communities but which do not rise to the level of a nursing home. Unlike most retirement communities, Assisted Living Residences offer three daily meals (catered to special diets and medical needs), personalized assistance, support services and limited health care. These enable the senior resident to enjoy a fully functioning apartment where housing, meals, entertainment, housekeeping and numerous other services are provided for one monthly fee. This fee averages half the cost of a typical nursing home and is usually paid for privately by the senior resident or by close family members. Overall, it is the goal of Assisted Living Residences to provide help for a variety of daily needs in a setting closer to a retirement community than to an institutional or hospital setting.

CARE MATRIX

Number of Units: 148

Unit Type

57 Independent Living Units (In old bldg.)

91 Assisted Living Units (In new addition)

10	1 Studio	500 square feet
28	1 Bedroom	750 square feet
19	2 Bedroom	1150 square feet
47	Studio	420 square feet
40	1 Bedroom	510 square feet
4	2 Bedroom	700 square feet

License: Home Care Agency (throughout)

Total Square Feet: 164,500 98,000 (In old building)
66,500 (In new addition)

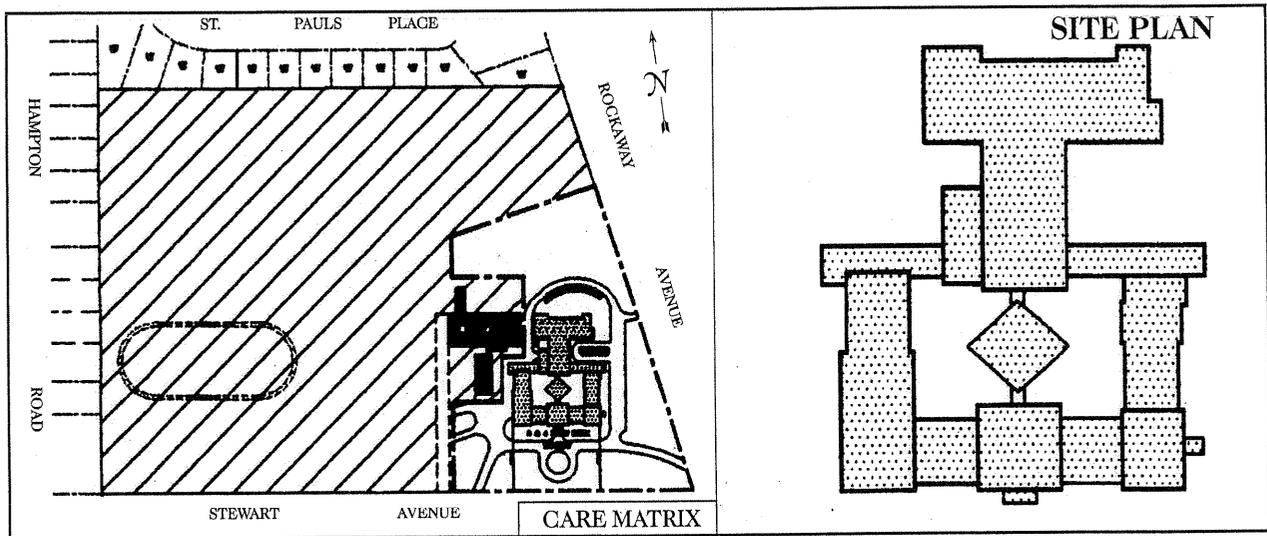
Parking Spaces: 90

Staff: 66 (30 Maximum - 10 a.m.-2 p.m.)

Staff/Resident Ratio: 2.2 Residents/per staff member

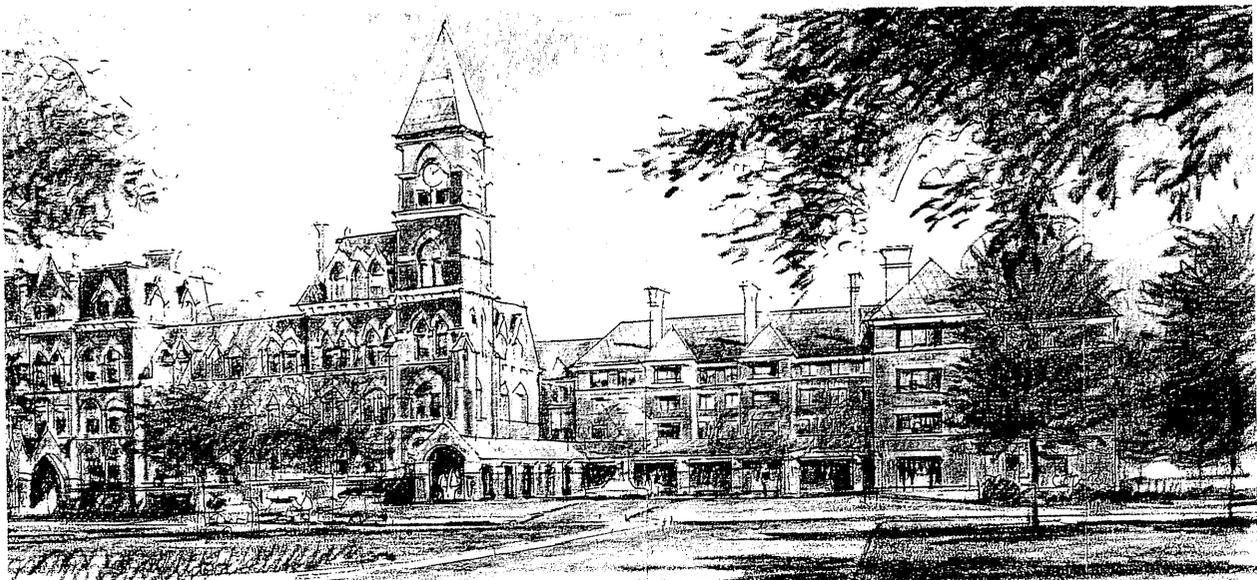
Demolition: Ellis Hall
Tunnel Connection to Cluett
Center Wing/Old Bldg.
Chapel Removed

Developer/Manager: CareMatrix Corporation



SCHEMATIC DESIGN

View from Rockaway Avenue facing west



KAPSON GROUP

Number of Units:

186

Unit Type

186 Assisted Living Units (In old building and new addition)

45 Studio 358 square feet

129 1 Bedroom 525 square feet

12 2 Bedroom 715 square feet

License: Enriched Housing (new addition) Home Care Agency (old building)

Total Square Feet: 169,544 62,212 (new addition) 107,332 (old building.)

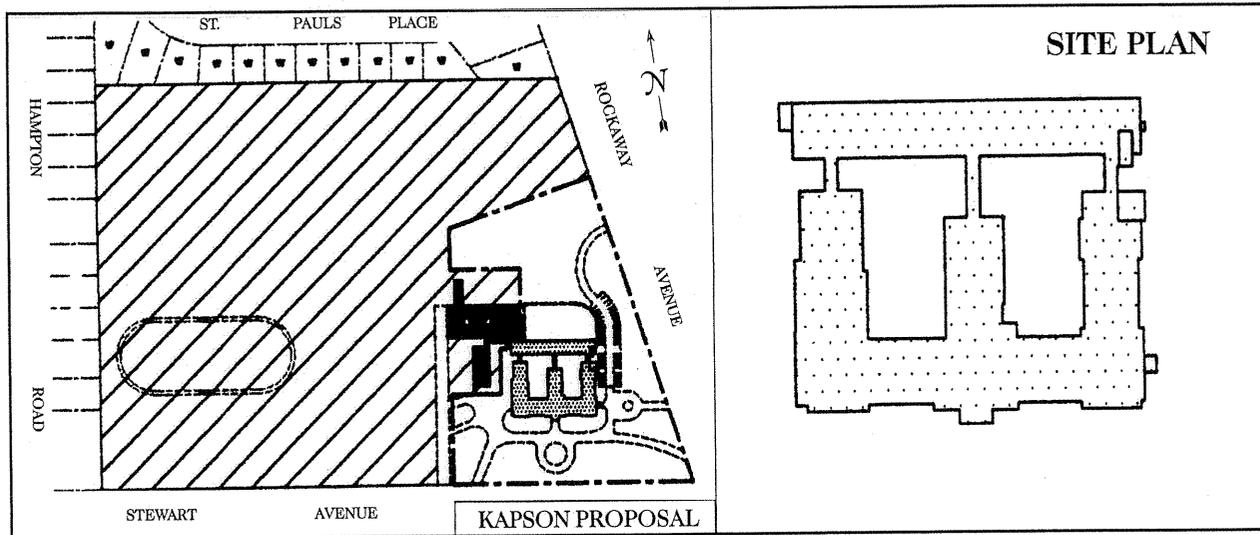
Parking Spaces: 40 - 60

Staff: 63 (24 maximum - 7 a.m.-3 p.m.)

Staff/Resident Ratio: 2.95 residents/per staff member

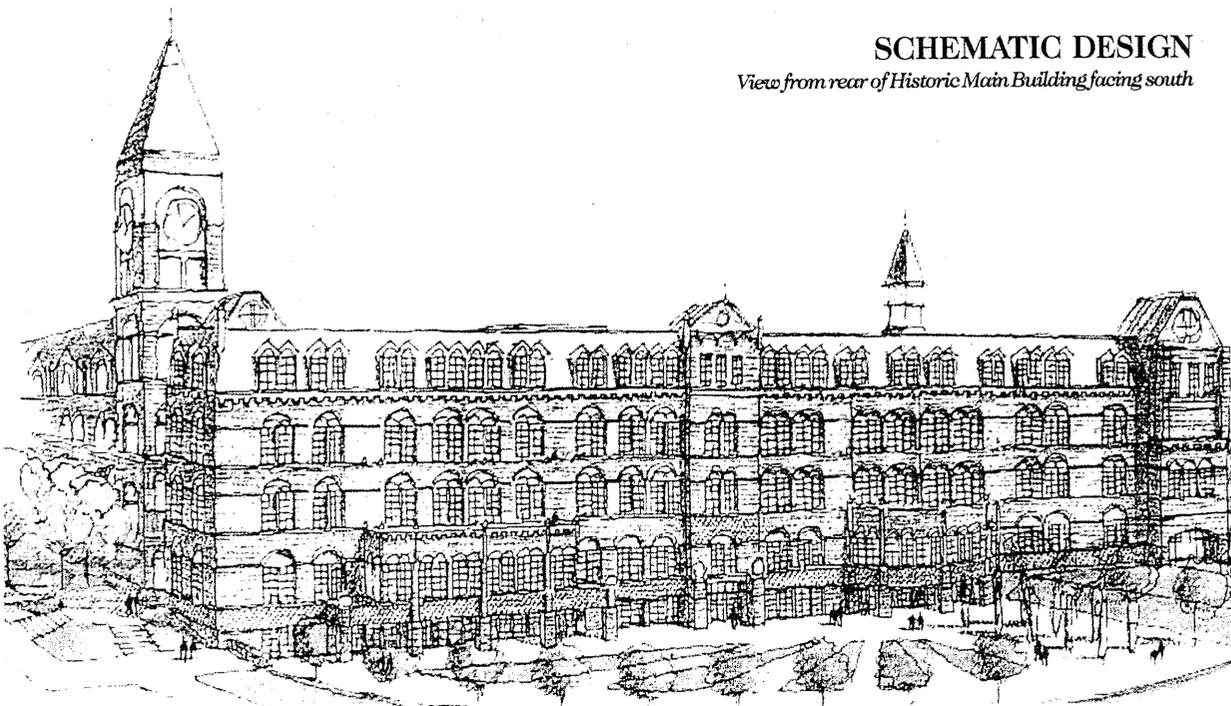
Demolition: Ellis Hall
Floor and Roof above Chapel
(Chapel - Kept)
Tunnel Connection to Cluett
Cottages

Developer: Kapson Senior Quarters Corporation and Albanese Development Corporation, a Joint Venture



SCHEMATIC DESIGN

View from rear of Historic Main Building facing south



FREQUENTLY ASKED QUESTIONS

1. What is the Village's annual cost to maintain the Historic Main Building and to keep it secure in an unoccupied state? Annual maintenance costs exceed \$100,000 for items such as fuel oil, electricity, contracted repairs and maintenance as well as a percentage of the salary of the Recreation Department employee who is responsible to maintain and secure the building. An unoccupied building can deteriorate rapidly and must be maintained. While the Village has incurred expenses in the short term to maintain the safety of the building and to prevent further deterioration, it has not expended major funds needed to address the following areas: structural, mechanical, electrical, plumbing and fire protection which were identified in the structural engineer's analysis.

Additionally, while police, fire and recreation maintenance personnel monitor the interior and exterior of the building on a regular basis, the Village faces a potentially expensive and serious liability exposure in the building's unoccupied state.

BENEFITS

2. What are the benefits to the Village in having a senior assisted living residence located here?

A senior assisted living residence would provide the following benefits:

- a. It restores and preserves the Historic Main Building at no cost to Village taxpayers.
- b. It does not interfere with the Village's use of the remaining 38 acres of open fields or Cluett Hall or the Field House.
- c. It provides a residential use similar to what existed previously for over 100 years in the Historic Main Building.
- d. There is minimal, if any, discernible impact on traffic with a need for only between 40 to 90 parking spaces.
- e. It provides the "quietest" use especially to neighboring homeowners.
- f. It provides the Village with yearly tax income and initial, up-front revenue to help the Village pay down part of the bonded debt or to improve the open fields and/or create a park.
- g. It imposes no burdens upon the Village or the School District for services beyond those presently provided.
- h. It introduces a facility whose residents will use the Village's central business district.

PAYMENTS AND TAXES

3. How will the payments to the Village be structured?

Although payments to the Village are not expected to significantly impact on the Village revenues or tax rate, it is anticipated that there will be an initial payment to the Village with annual escalating lease payments over the term of the lease. Naturally, this would be subject to negotiations between the Village and the proposer. The payment can be paid all up front, all over time or a combination of both. Annual payments depend upon the up-front amount. The higher the up-front payment, the lesser the annual revenue and vice versa.

4. Will real estate taxes be realized from the premises?

Nassau County will assess the property and place it on the tax rolls for the purpose of collecting County, Town and School District taxes. The Village, as part of its negotiations with the proposer, will require the payment of taxes or a payment in lieu of taxes (PILOT).

5. Are taxes assessed on leasehold improvements?

To the extent that leasehold improvements raise the value of the premises thereby increasing the net income, the amount of taxes (or equivalent PILOT) would be increased.

6. Isn't the up-front payment from the operator of the senior residence of at least \$1 million too low considering that some smaller homes in the Village sell for over \$1 million?

The amount of the initial, up-front payment to the Village by the operator will not be finalized until after discussions are completed between the Village and the operator. At least \$1 million, however, is conservatively estimated as a possible initial up-front payment. On top of that, the operator is expected to invest between \$30-\$40 million in restoring, preserving and expanding a building which at the end of the lease term (unless the term is extended) will revert back to the Village.

7. If the operator defaults, who is liable for the taxes?

Generally speaking, the owner of the building is liable. The Village will make every effort to include provisions in the lease through escrow's and bonds to insure against defaults in taxes or to satisfy liens which may attach to the premises.

PROPOSERS' FINANCIAL POSITION

8. What is the financial position of the two proposers?

Prior to selecting an operator, the Village Board will have a thorough financial examination conducted. The Village Board is currently gathering financial information as part of its selection process. These companies were highly successful as private companies and were two of the very few in the industry with the strength to go into the public markets.

FEES

9. Isn't the estimated \$3,000-\$4,500 monthly fee per month too expensive to afford?

The facility is designed to be an up-scale residence. Not all seniors will financially qualify to live there. Those monthly fees, however, are comparable to those charged presently in other up-scale facilities. For that monthly fee, the resident receives a living unit, meals, housekeeping, transportation, social activities, utilities, security and assisted living care. Market research provided by the proposers indicates approximately 750 people in Garden City and 6800 people within a five-mile radius are age and income qualified.

BANKRUPTCY

10. With regard to possible bankruptcy of the owner/user, what are the risks? Does the Village lose control even with a lease? Village Counsel advises that under Section 365 of the United States Bankruptcy Code, a trustee in bankruptcy, including a debtor in possession under Chapter 11, may assume or reject an executory lease in its entirety. A lease may also be assigned in its entirety. Rejection of the lease by a bankrupt may give rise to a claim of damages for breach. In many cases, the trustee or debtor in possession may attempt to negotiate a modification of the lease prior to moving to assume or reject it. The Village could demand that before a lease is assumed that there be "adequate assurance of future performance."

11. In the event of the failure of the operator, does the State step in to oversee selection of another operator in order to protect the interests of the residents of the facility?

Should the operator fail and the lease is not assumed, the State could appoint a receiver to find another operator. The new operator would not be relieved of any of the obligations of the lease or the zoning restrictions.

ZONING

12. Will the property be rezoned or will a variance be sought? Will this set a precedent?

Zoning changes for the site of a senior residence should be done by a rezoning rather than by a variance granted by the Zoning Board of Appeals. The establishment of a special zone for a senior residence facility would not set a precedent for another site.

ACREAGE

13. How much acreage will be leased to the operator?

Of the 48.6-acre parcel, under ten (10) acres will be leased. The submitted proposals suggest a possible need of only between seven (7) to eight (8) acres. The Village will continue to maintain control and use of Cluett Hall, the Field House and the open athletic fields.

MISCELLANEOUS

14. What has been expended from the bonds issued for the St. Paul's property?

Of the \$8.5 million bond issue, a total of \$8,068,617 has been expended as follows: Acquisition - \$7,235,982; Engineering Study - \$90,538; Field House Roof - \$249,220; Cluett Roof - \$34,745; Main Building Roof - \$16,800; Removal of Steel Structure - \$9,740; Replacement of Oil Tank \$54,900; Financing and Legal Fees - \$376,692.

15. Since there was a referendum to purchase St. Paul's for a public purpose, does that prevent the Village from leasing it for private use? Are there actions that the Village Board would have to take to make this lease for private use possible if there are such restrictions?

Notwithstanding the resolution and referendum in connection with the purchase of St. Paul's, should the Village no longer have a public use for the Historic Main Building and Ellis Hall, it may dispose of them by sale or lease.

16. Looking forward, how much time would it take before such a facility is operational?

While it is anticipated that the construction period will be approximately two years, it will first be necessary for the Board of Trustees to determine whether the assisted living is the best use, complete its background check on the providers, select an operator and negotiate the terms of a lease. A State Environmental Quality Review (SEQR), site plan approval and rezoning of the 7-8 acres to be leased will also need to be completed if the project moves forward.

17. Would the creation of a senior assisted living residence in the Historic Main Building make a nursing home at St. Paul's inevitable? No. The lease will prohibit a nursing home use. Additionally, the proposed designs are not suitable for nursing home standards.

THE ST. PAUL'S CAMPUS HAS BECOME A HUB OF COMMUNITY ACTIVITIES

CLUETT HALL...

is used 12 hours a day Monday through Saturday for recreation aerobics, arts and crafts and dance classes and has become the focal point for special cultural activities such as Village Players, Dance Ensemble, art show, concerts, dinner dances, etc. The indoor running track has become popular during the winter months for residents who enjoy running and walking to maintain their exercise programs.

FIELD HOUSE...

is the Village of Garden City's facility for after school youth gym programs and nighttime adult basketball and volleyball on a daily basis. The Village has also accommodated the Centennials, GCAA, Rams Lacrosse, CYO programs and the Garden City School District's interscholastic athletic teams.

On an intermittent basis when weather prevents outdoor practices, School District teams and youth sports groups are provided indoor practice space. The Field House also complements Cluett Hall for Village recreation sponsored middle school and high school sports nights and grade parties and large cultural activities. During the past year the Village derived revenue from the rental of the Field House and playing fields in the amount of \$18,700.

FIELDS...

The field area at St. Paul's has become home to many different activities throughout the year. The following use the fields for both practice and games:

Garden City School District Teams - Lacrosse, Soccer, Middle School Track, Middle and High School Softball

Rams - Boys' and Girls' Lacrosse

Centennials- Soccer

G.C.A.A. - Softball

Recreation Department - Men's and women's softball league games, lacrosse camp and summer activities' camp.

WE HOPE THE AFOREMENTIONED INFORMATION PROVES USEFUL TO VILLAGE RESIDENTS.

MAYOR AND BOARD OF TRUSTEES