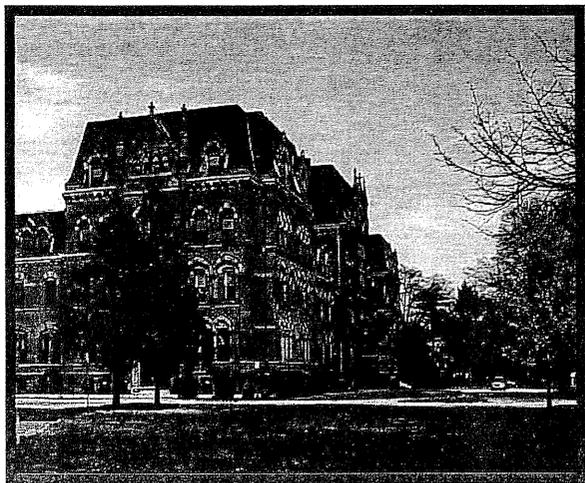
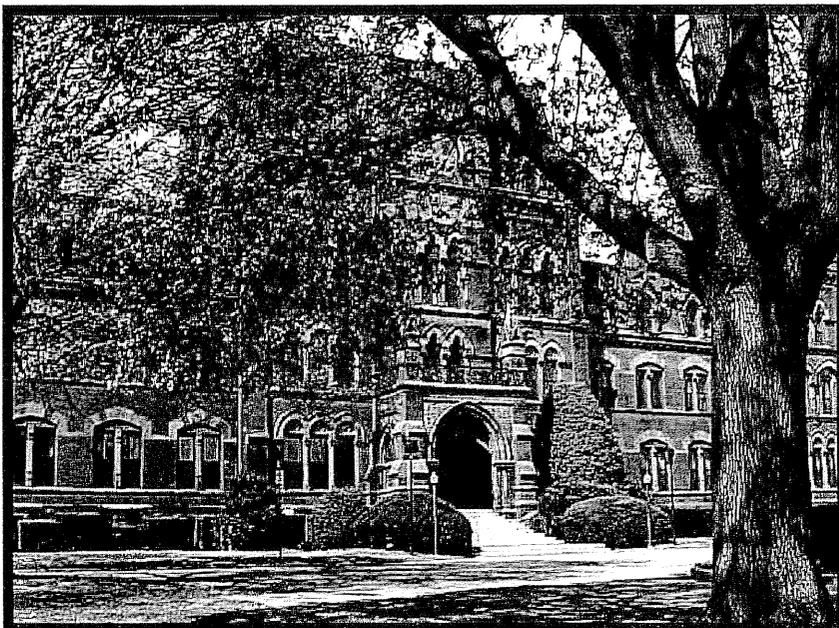


Deciding the future of

St. Paul's



Village
Facts
May 2006



Most residents would agree that acquiring the 48.6 acres of fields and historic buildings that make up the St. Paul's property was one of the best purchases the Village ever made. Since its acquisition 13 years ago, most of the property has been improved, and now stands as one of the finest complexes of park and athletic fields on Long Island. Over the years, various Boards of Trustees, citizens' committees and consultants have also explored a number of options for the public or private funding, restoration and reuse of the St. Paul's Main Building. Agreeing on a future use for approximately 7 to 10 of the acres surrounding and occupied by the Main Building, however, has proven to be a very difficult task.

Public Trust

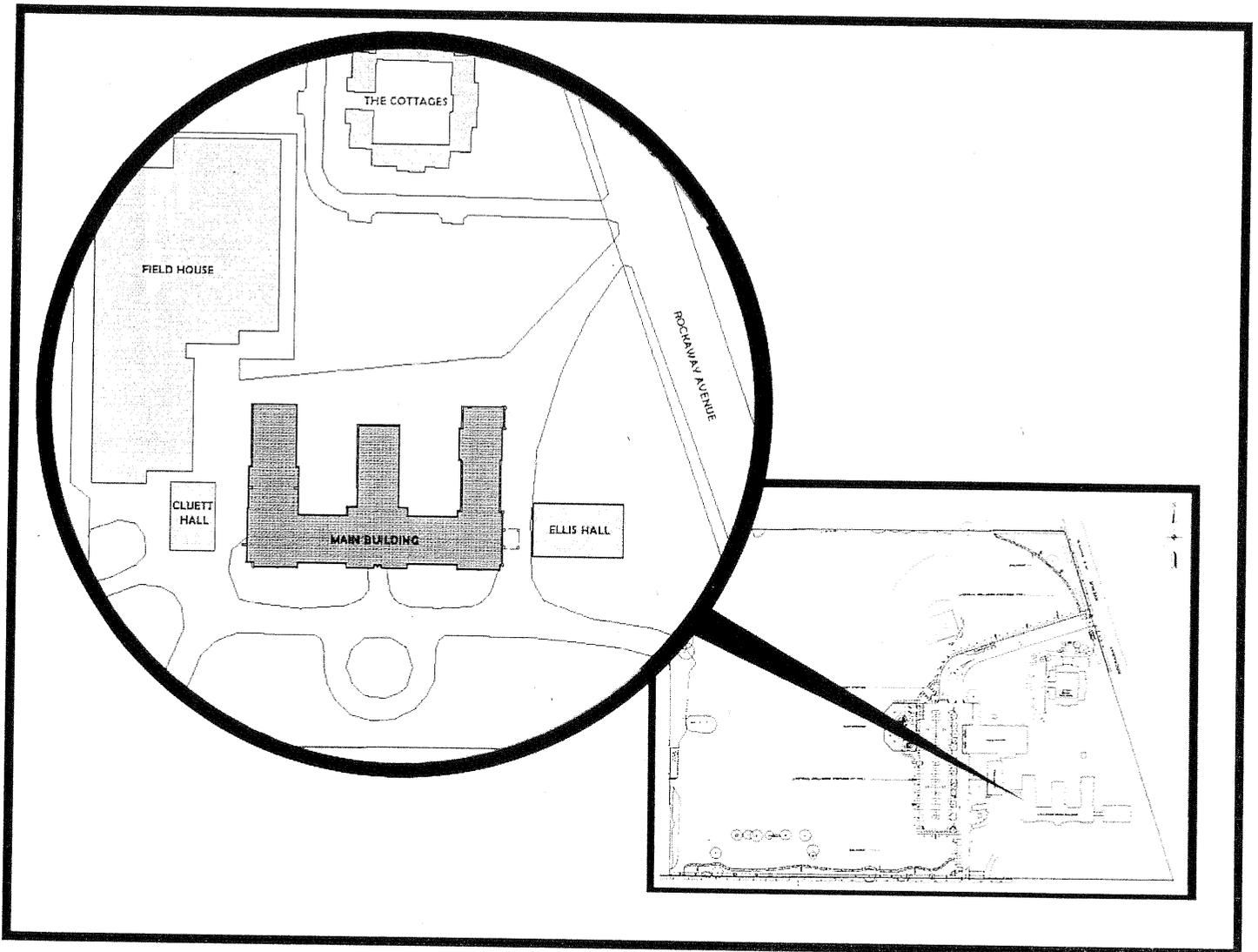
In response to a lawsuit filed by some Village residents seeking to prevent conversion of the Main Building into an assisted living facility, the court ruled in 2001 that all of the St. Paul's property had been acquired as a public trust. As such, the court found that the building could not be used for any non-public purposes without the adoption of Home Rule legislation by the New York State Legislature.

Parkland Designation and Its Consequence

Near the end of 2004, the Mayor at the time cast an extra tie-breaking vote for the Village Board of Trustees to adopt a controversial proposal designating all of the St. Paul's property as parkland. That designation further restricts the use of the property to public recreational uses consistent with parkland. That may sound appealing, and it's something that was always

anticipated for the playing fields and open space.

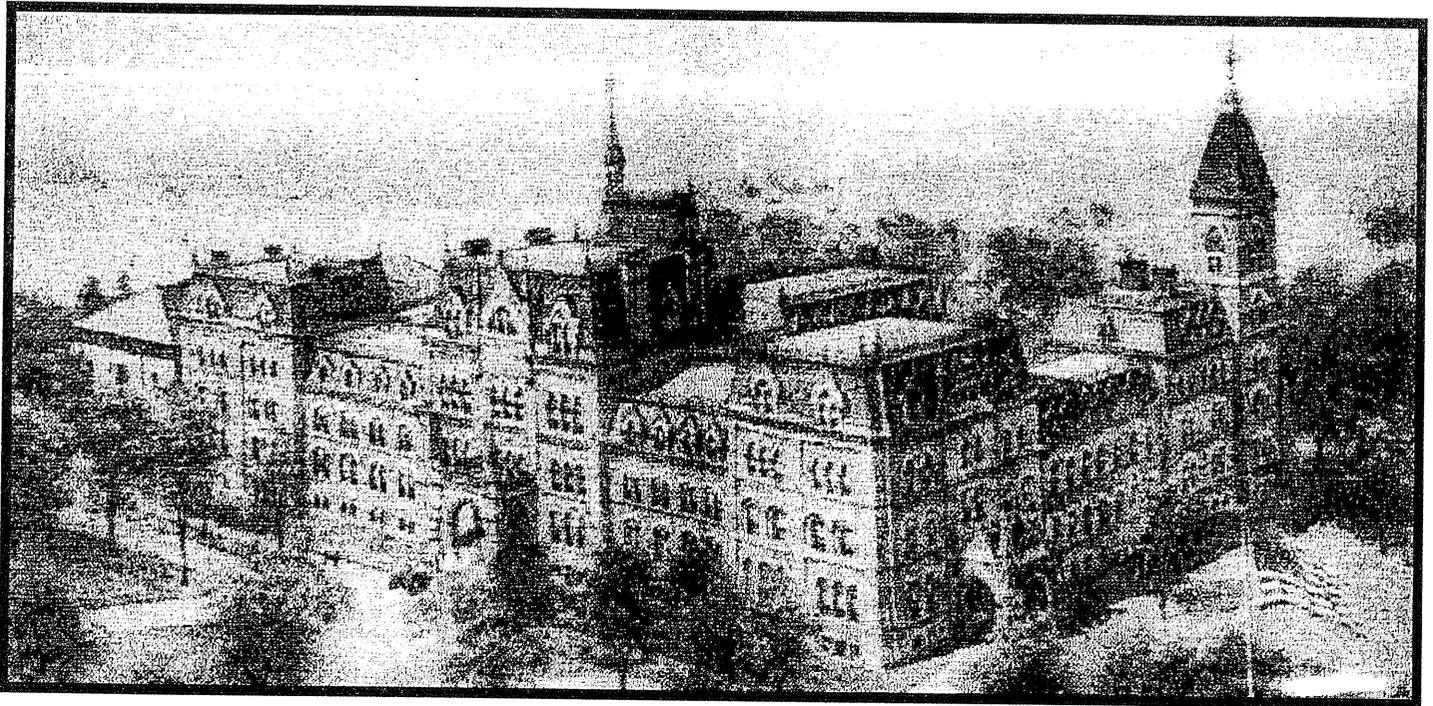
Unfortunately, because the designation also prohibits the private use of any of the buildings, it has the effect, together with the public trust finding, of requiring Village taxpayers to pay all future costs of preserving, restoring and maintaining the Main Building. That's a considerable expense. Experts project that it could take as much as \$33 million just to bring the building up to code and allow for the "Minimal Use" of some of the large rooms on the main floor. The cost of full restoration for public use is currently estimated at \$53 million, and could cost much more. The other alternatives under the public trust and parkland restrictions are to allow the building to slowly deteriorate, or for it to be demolished by the Village.



Taxpayer Expense

Although the members of the Board of Trustees don't always agree on what should be done with the building, none of us is willing to impose the huge cost of full restoration or even Minimal Use on Village taxpayers. The Board is resolved to continue exploring options for attracting private investors who will pay

for restoration in exchange for using some or all of the Main Building for private purposes. *The Trustees also agree that private use of the Main Building would never even be considered if we thought there was any other viable solution for saving the building that would be acceptable to the taxpayers.* Removal of the public trust and parkland designations from a small



part of the property is being explored as a means of soliciting the private funding needed for restoration.

Expert Opinion

In the fall of 2005, the Board retained a professional real estate planning consultant to make an unbiased assessment of the Main Building and help all of us in the Village reach a decision on its future. The consultant was told that *the primary objective is to restore the historic façade and other distinguished features of the building to the extent possible, and provide for their long-term maintenance at no cost to Village taxpayers.* Despite the many opinions expressed over the years about what should be done

with the Main Building, hiring the consultant marks the first time anyone has been asked to make a comprehensive, factual assessment of the entire building, assess the costs of restoration, and come up with a solution that has a chance of being achieved.

In a public presentation last December, the consultant team expressed “cautious optimism” that many of the distinguished building features could be restored and preserved by attracting private funding to convert the building into a high-end luxury residential condominium. They also predicted such redevelopment would have considerable benefit for the Village.

Questions and Answers

To help assure that all of the residents can knowledgably participate in discussions on this important issue and make informed decisions about the future of the Main Building, the Board is issuing this Village Facts to answer many of the important questions about St. Paul's. Addressing all of the complex elements pertaining to this issue requires more detail than we would like, and the material is a bit lengthy. If you don't have time to read the questions and answers from beginning to end, we recommend that you scan the pages and focus on questions of importance to you.

In any event, please save this issue of Village Facts and review it again as time permits. We think you will find it to be a useful reference piece as we all try to resolve this important issue.

The Mayor and Trustees of the Village of
Garden City

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Questions and Answers About

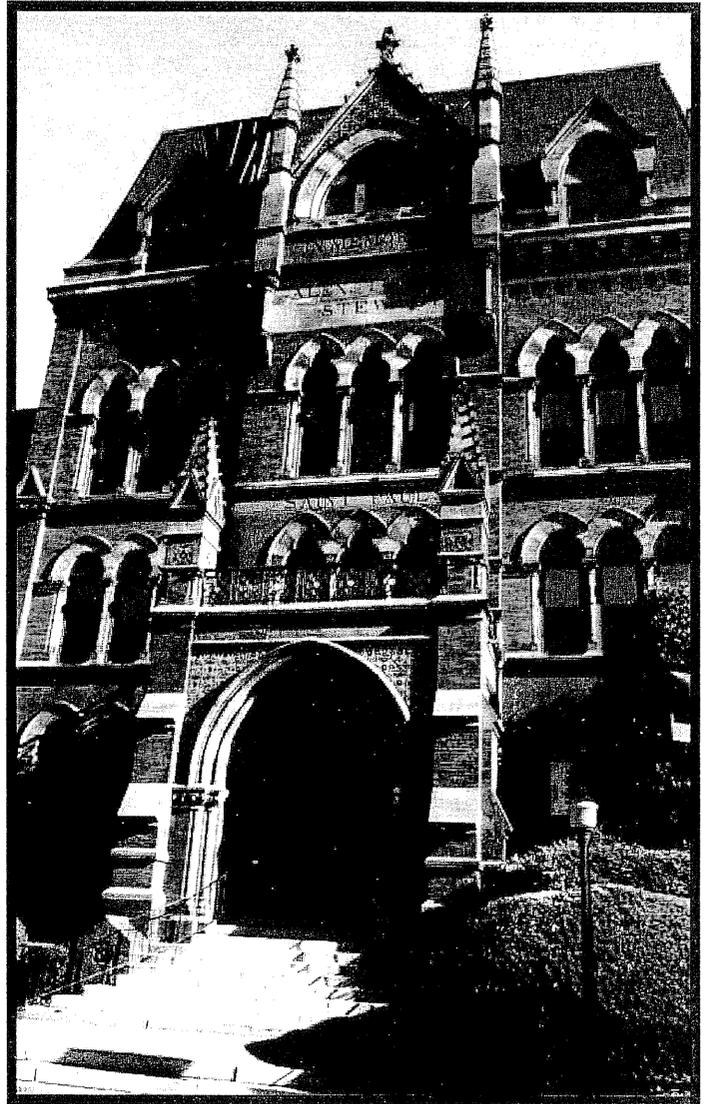
St. Paul's

1. As things now stand, what are the options for the future of the St. Paul's Main Building?

In general, only three: (a) Restoration and redevelopment for **private** use, probably as a residential condominium as is currently being studied; (b) restoration and redevelopment for some type of **public** use that has yet to be clearly identified; or (c) **demolition**. (The possibility of a mixed public/private use is discussed below.)

2. Why can't we just leave the Building the way it is?

That's primarily what has been done since the property was acquired, but there are fire safety and security concerns from continuing to leave such a large wood-frame structure unused and uninhabited



in the middle of the Village. There are also increasing costs involved. The Village already spends an average of \$100,000 a year just for basic maintenance. More expensive repairs must be made in the near future, including installation of a new roof at an estimated cost of over \$4 million. Before we incur this or any other significant additional expenses to preserve the building, the residents need to decide on the building's future.

3. Has the possibility of redeveloping the Building for public use been seriously considered?

Yes, of course. In fact, most of the Board members would prefer to have the building restored for public use. At present, that appears highly unlikely. Over a process of several years, the Main Building has been separately studied for conversion to a new High School, and as a facility for a new Village Hall and School District administrative offices. Adelphi looked at the building to expand their campus, as did Chaminade, who was mainly interested in the fields. Most recently, a proposal was considered to redevelop a portion of the building for a new Village Library. All of the proposals have been rejected, primarily because of concerns about the feasibility

Restoring the Building for Minimal Public Use would cost approximately \$33 million; about \$5,250 to the average household.

of adapting the old building for any of these uses and, especially, because of the high cost and risk of any redevelopment.

4. Why not convert the Main Building into a recreation facility for residents?

That's possible, but not as a means of restoring and reusing the building. Experts have told us it would be more practical – and far less expensive – to demolish the Main Building and build a new recreation facility in its place. Constructing and operating such a facility would probably entail considerable public expense, and significant additional taxes. Residents previously rejected a proposal to build a new recreation facility at the Garden City Community Park.

5. How much would it cost to restore the building for public use, and what are the implications of that for Village taxpayers?

(a) The cost of Stabilizing the building – making all necessary repairs to reduce further deterioration, but without allowing any public occupancy or use – is

projected to be in the neighborhood of **\$16 million**. That would cost the average Village household approximately **\$2,550** apiece. (b) The cost of restoring the building for Minimal Use - that is, making the building comply with building code and enabling 15,000 sq. ft. of it to be used for public meetings or other limited purposes, but with few interior repairs - would be approximately **\$33 million**. That's about **\$5,250** to the average household, and more than 87% of the total amount approved for the 1998 school construction bond. (c) Even Demolition and restoration of the property could be approximately **\$6 million**, or **\$880** per household. (d) Although the cost of full restoration is difficult to forecast without knowing the eventual use planned for the building, even at a very basic level, Full Restoration is projected to cost a minimum of **\$53 million**.

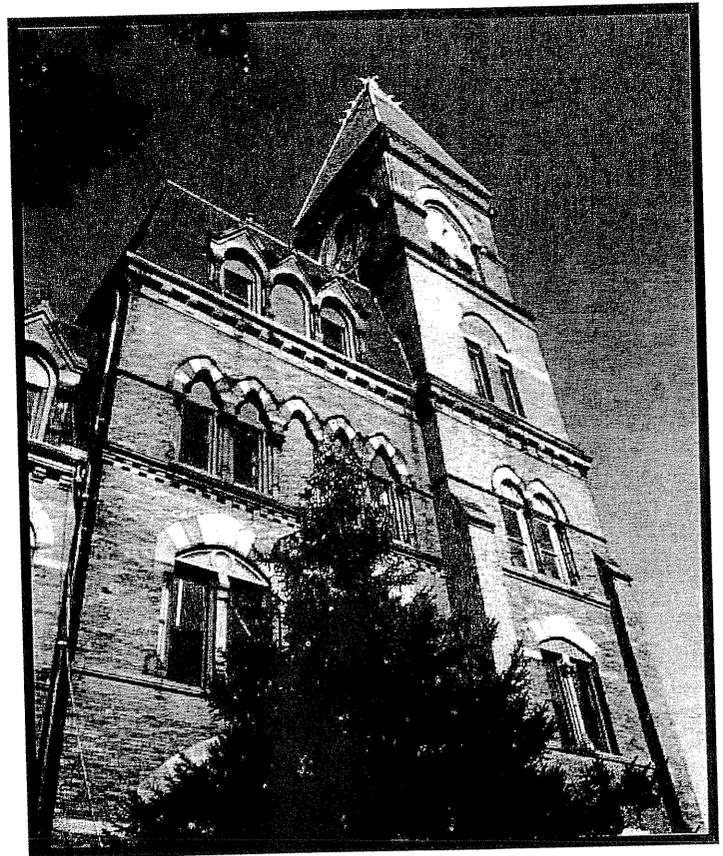
6. Why can't the project obtain grants or use tax credits to finance restoration, or do so with individual contributions?

The amount of grant funding available is limited relative to the high cost of this project. Tax credits might offer more benefit, but would impose restrictions on building use that would make it difficult to attract the substantial private funding needed for full restoration. The costs are also of such magnitude that it would take an abundance

of very generous individual donations to finance the project that way.

7. Why don't we just demolish the Building and use the land for recreational purposes?

Many residents seem to favor this option, and that may be the eventual fate of the building. However, even demolition is expensive to the residents. More important, many other residents are unwilling to see the building demolished unless there is no other alternative. St. Paul's has been an architectural



centerpiece of the Village for over 125 years, and one of the few remaining historical structures that distinguish Garden City from other communities.

8. Why don't we redevelop the Building to allow both public and private use; the "compromise" solution that some have advocated?

The concept sounds fine, but no one has come up with a specific proposal for such use, or a detailed plan for financing construction and operation.

The general proposals advanced thus far call on the residents to pay the initial \$33 million cost of restoring the building for Minimal Use, and then hope a private investor can be found to pay what's needed to get the remainder of the building in shape for some unspecified private use. In addition to having the Village now become a landlord, proponents of the mixed-use concept want to reserve the premium spaces in the building exclusively for the public. That is likely to repel private sector interest. And, regardless of how building areas are allocated, experts have told us that, for reasons of security, parking, marketability and other concerns, general community use

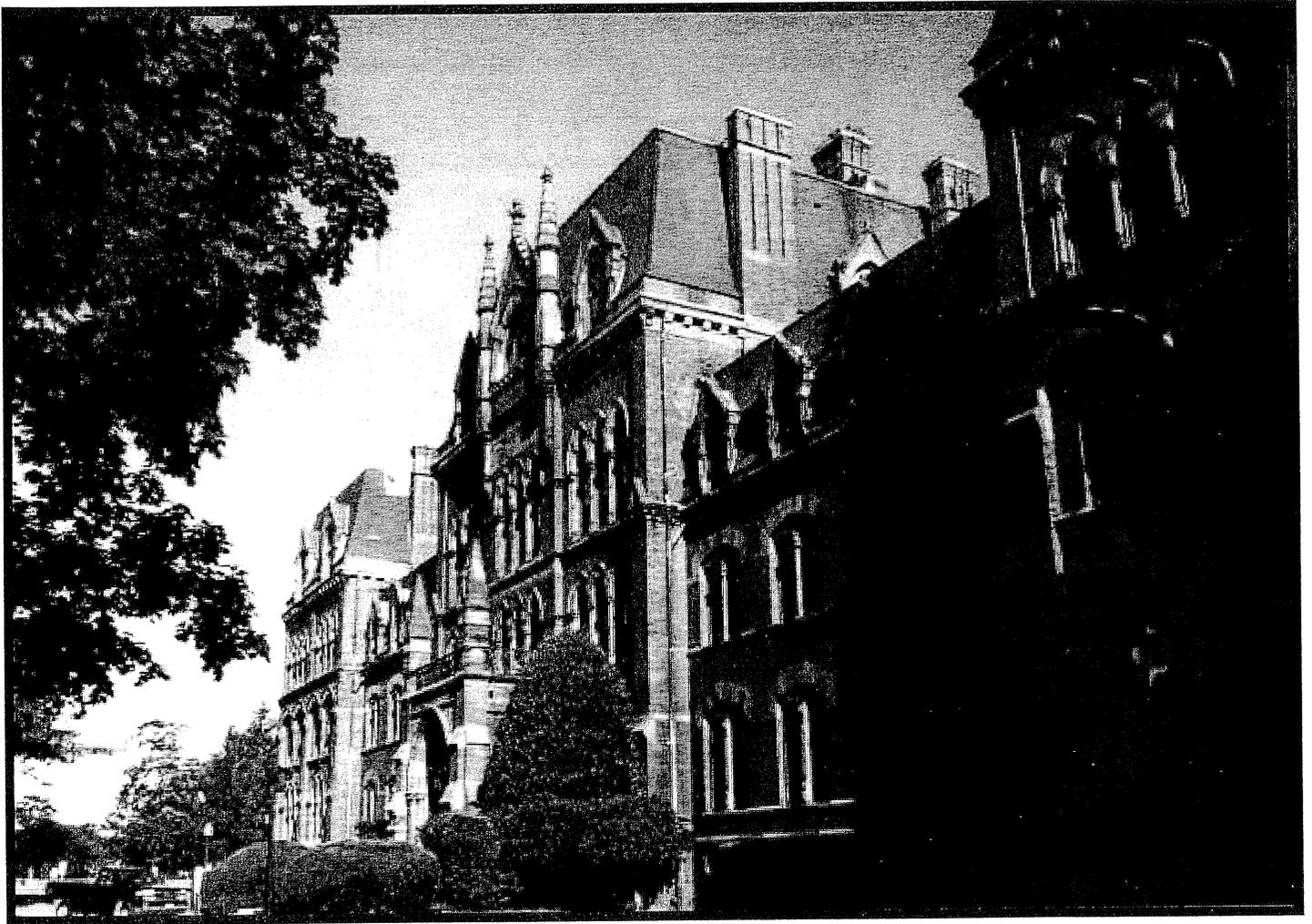
is incompatible with high-end residential redevelopment. Commercial uses, such as retail or office space, that might be slightly more adaptive to some mixed-use, are incompatible with the residential

neighborhood, and otherwise unacceptable because of the impact they would have on traffic and Village services.

Private investors in a residential condominium are unlikely to invest in any mixed public/private sharing of the building.

9. Why not do the basic repairs needed to restore some of the building for public use now, and decide on additional uses after the building is stabilized?

After all the years spent trying to find an acceptable public use for the building, it's a real gamble to think one will turn up if we just wait a little longer and throw more money at the problem. It would be foolish to have the residents spend the funds required to undertake such speculative partial reconstruction without a serious plan for the building's future use, and a method for financing additional construction. The consultants have also warned that private investors are unlikely to invest in any mixed public/private sharing of the building.



10. Some people say the residents would be willing to pay higher taxes to retain and restore the Building for public use. What about that?

The results of the Village poll on St. Paul's conducted in 2004 indicate that most residents would like to see

the building saved. But 59% of them also said they don't want to pay any more taxes to do so, or don't want to pay more than an additional \$75 a year. That amount won't even come close to the cost of funding restoration. Taxes on Long Island are already three times the national average, and a recent study indicated that people are leaving the Island as a result.

11. Wouldn't the cost of restoration be spread over several years anyway, so that the impact on taxpayers wouldn't be as noticeable?

Perhaps, to some extent. Any public reconstruction would probably be financed with 15-year bonds; the longest bonding period available for a building restoration such as this. On that basis, the cost to the average household for Minimal Use construction would be approximately \$350 a year. That still represents a substantial tax increase that would be in addition to other tax increases that will almost certainly be required for building maintenance, to support Village operations and capital programs unrelated to St. Paul's, and to fund the School District and the county. Most important, no matter how the payments are spread out, that won't reduce the enormous total cost of restoring this old building. The amount required for full public restoration and use, which is currently estimated at \$53 million just for basic reconstruction, might produce more benefit for the Village if it were used instead to pay for additional school construction, modernizing

Village Hall, development of community meeting rooms, or other worthwhile purposes. The total cost for all of these other community projects together might still be less than the cost of restoring St. Paul's.

The cost of full restoration for public use might produce more benefit if used to pay for other worthwhile community projects.

12. Is private development even possible in view of the court decision that the property is a public trust, and now that it has been designated as parkland?

No, it's not. We need our State Legislature to adopt Home Rule legislation to remove the

public trust and parkland designations from that small part of the property that would be the focus of redevelopment. Those designations make it virtually impossible to restore and reuse the Main Building for any purpose unless the taxpayers are willing to pay the bill. The legislators may be willing to approve Home Rule legislation if they understand that, otherwise, it is unlikely the historic building will ever be restored and reused. The approximately 40 acres that are not the focus of any restoration, of course, would continue to be used for public recreation purposes, just as always planned.

13. Will our local State Legislators help to obtain the necessary Home Rule legislation?

We hope they will. Without Home Rule legislation, there are two realistic options for the future of the building: (a) demolition; or (b) to have the residents endure steady tax increases to pay for ongoing maintenance and essential improvements to keep the building standing. Fortunately, we think our legislators appreciate the difficulty the Village is facing with this issue. Our State Representatives have said they want to see a viable plan for restoration that has strong public support.

14. Why did we need to hire another consultant? Don't we already have enough information to make a decision?

Although many different people have expressed their personal opinion over the years on how the building should be used, until now there has never been a systematic effort to examine all the facts and determine what is really feasible. The consultant and her team of real estate and construction experts were retained to provide just that kind of objective, factual assessment.

15. What's the focus of the recent lawsuit filed against the Village?

The three Village residents who brought the suit claim that engaging the consultant to study a private use of the property was an illegal action because of the court finding that the property is a public trust. In their view, the Village must first obtain Home Rule legislation before it can even explore the possibility of a private use. They allege that the Trustees are really embarked on an illegal process to sell the property, and that we are trying to deceive the public. We think this is nonsense. The few people supporting the suit are long-time vocal opponents of any private use of the building. But they have yet to come up with any specific viable alternatives for saving and restoring the building for any use without

major taxpayer expense. Instead of dealing head-on with facts that are not in their favor, they have worked to derail the process and undermine the credibility of anyone who opposes them. The Mayor called the suit "frivolous" and indicated that the Board intended to fight it. The Village expects the case to

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be dismissed by the court. Unfortunately, the act of filing the suit has caused the Village to incur additional legal expenses, and has further delayed a decision on the Main Building.

16. If the Building is converted into a private condominium, what would the Village get in return?

A primary benefit would be the restoration and future maintenance of one of the few remaining architectural centerpieces of Garden City at private expense, and without significant cost to the residents.

Although it's difficult to separate the value of restoration from the other costs of converting the building for residential use, the amount private investors will have to pay to restore the significant historical features will be considerable. As previously noted, it will require at least \$33 million just to bring the building up to code. If restoration is undertaken with private funding, the residents will be able to enjoy the restored façade of St. Paul's for years to come without making expensive payments for the

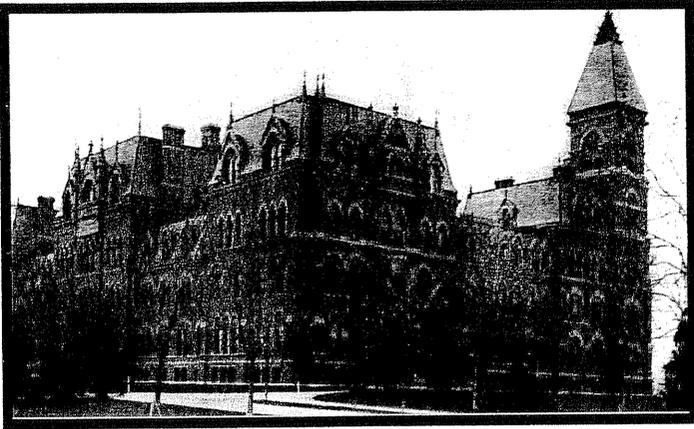
privilege. Private restoration would reduce the current security concerns and liability for the Village; and \$100,000 in average annual maintenance costs to Village taxpayers. The looming need for more expensive capital work would also be removed. And, restoring the building to the tax rolls would generate an estimated \$20 million in additional property tax revenues over the first 20 years. The

nature of the development also assures that it would impose a minimal burden on Village services and would have minimal effect on School District services.

17. If private use is allowed, would we be able to realize the secondary objectives some people have said we must achieve from reconstruction?

Regardless of whether public or private redevelopment is undertaken, it would be impossible to achieve all the many secondary objectives some residents demand. The consultant made it clear that, for financial reasons, matters of security, and issues of compatibility, it will be difficult to set aside any building space for community

A primary benefit of condominium development would be restoration of one of the few remaining architectural centerpieces of Garden City without significant cost to the residents.



use or to preserve the chapel (although the stained-glass windows can be saved). Some interior features might be preserved, but, as has always been the case, they would not generally be visible to the public. We expect to regulate the future use of the property through restrictive covenants but, under the law, the land must be conveyed if it is to be redeveloped as a condominium. Finally, although it may be possible to confine development to the existing building envelope, the consultant concluded that doing so would be financially risky and of limited attraction to most private investors.

18. How much of the property would have to be conveyed for redevelopment, and what would happen to the remainder?

The consultant estimates a successful redevelopment could be accomplished, and the significant building features could be restored, by conveying as little as

7 to 10 acres on the southeast of the 48-acre property. The Field House, Cluett Hall, and the many acres of playing fields will continue to be used for recreation and other public purposes regardless of what happens to the building.

19. Would we need to allow any new construction on the property?

Possibly, but we hope not much. The consultant concluded we may need to allow some new construction to make redevelopment more attractive and less risky to investors. Some potential investors have suggested, however, that they may be able to do a successful project within the existing building envelope. Any new construction would be required to blend in with the existing structure and be compatible with its architecture.

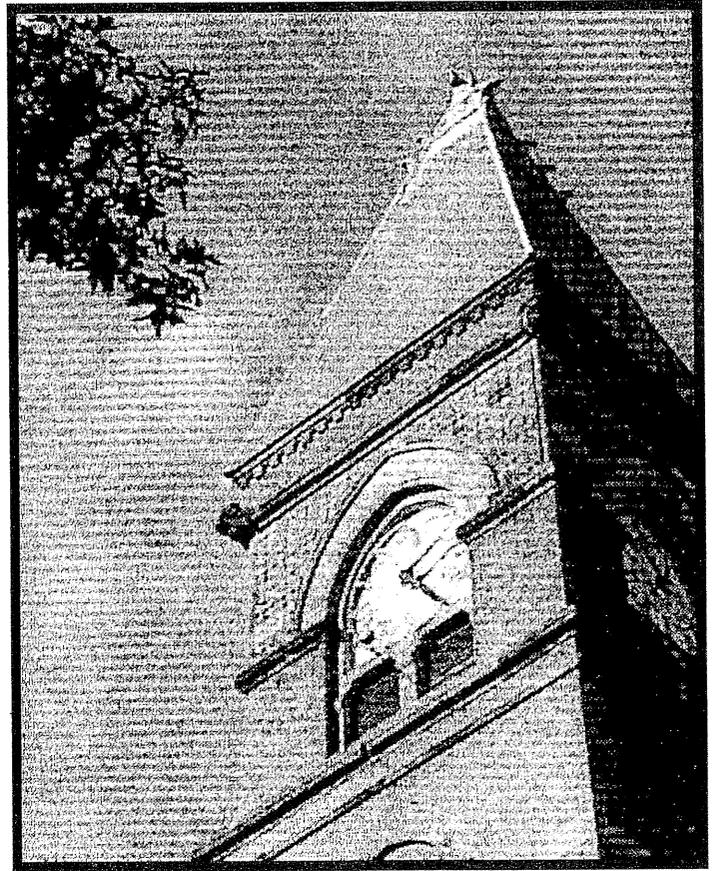
20. Before a decision is made, will the residents have an opportunity to indicate what they think should be done with the Building?

Yes, definitely. The Mayor and Trustees think it is critically important to understand exactly what the residents want. Although, by law, the Trustees aren't permitted to have the residents vote on a resolution that would bind the Village one way or another,

we expect the residents to have additional opportunity to express their views before a final decision is made. A clear demonstration of public support for one proposal or another is also an important element in convincing our State Representatives which way to move on the Home Rule legislation.

21. What happens next?

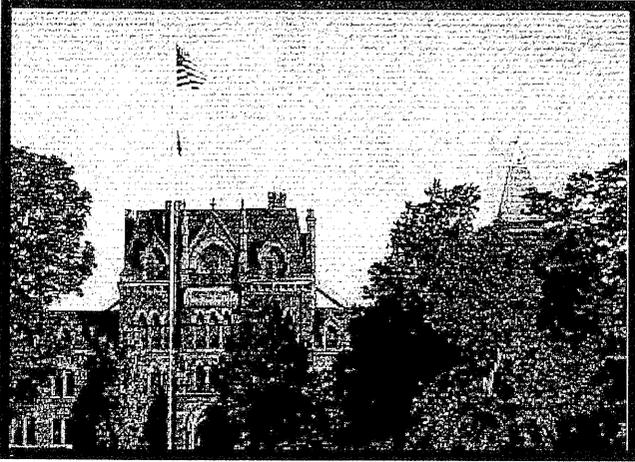
The consultant is presently testing the development concept in the market. Before issuing a formal Request for Proposals (RFP) to solicit private investment, we need to determine informally whether potential private investors are interested in the restoration and redevelopment, and whether they would abide by the many constraints the Board of Trustees intend to impose on such a project. Once the findings are presented, the residents will have additional opportunity to discuss the alternatives and have their questions answered. Eventually, residents will be asked to indicate their preferences; then it will be time for the Village Board to vote on a course of action. If a decision is made in favor of private redevelopment, our State Legislators will need to do their part in getting the Village's choice implemented through passage of Home Rule legislation.



May 2006

Village Facts

Deciding the future
of St. Paul's



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