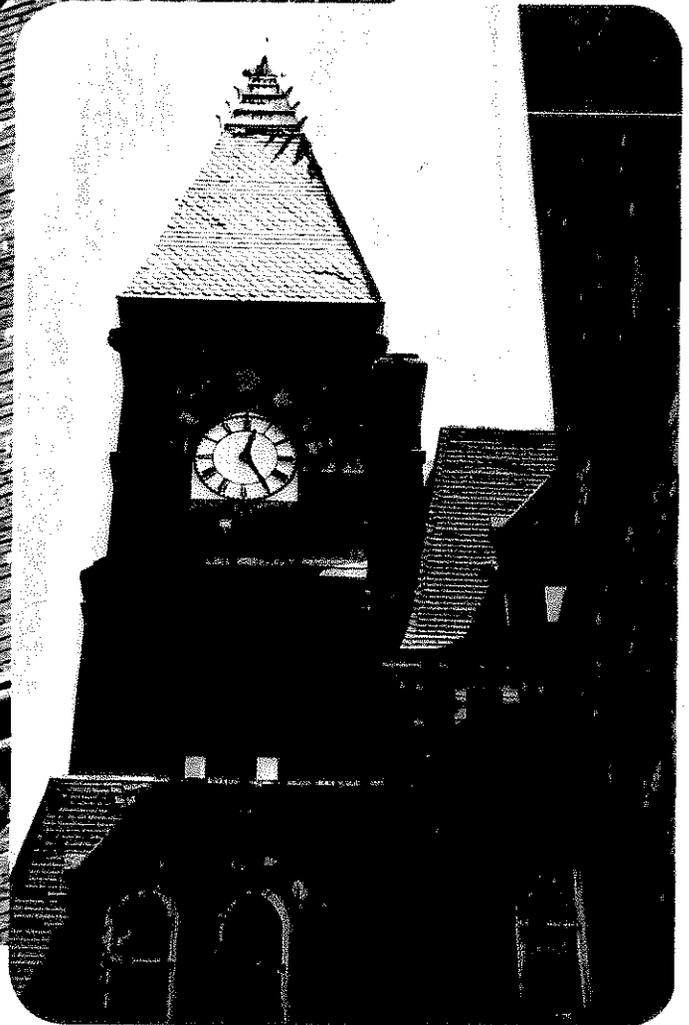


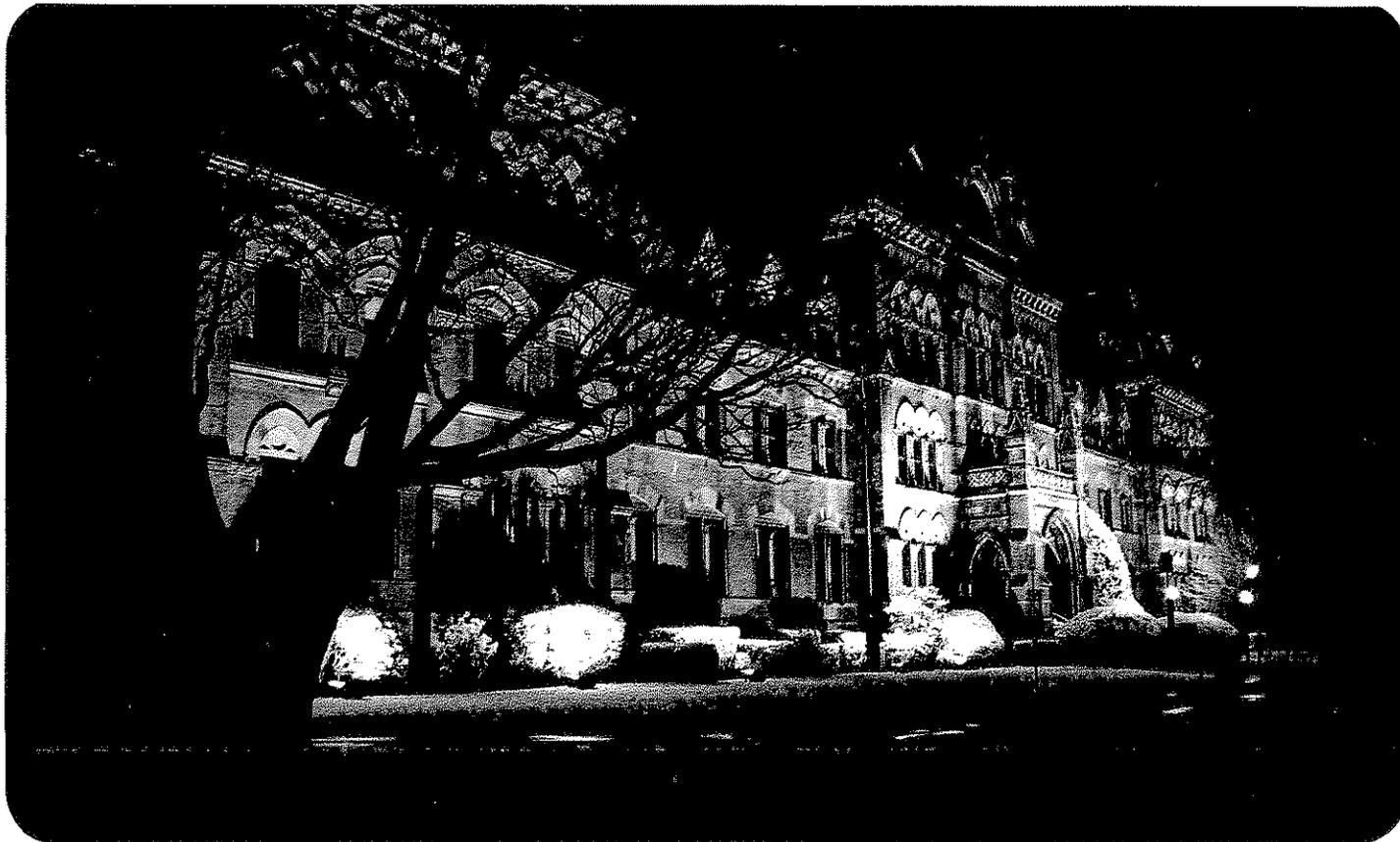
Incorporated Village of Garden City

# Village Facts December 2007

## *Designating a Developer for St. Paul's*



All current and historic photos taken or supplied by John Ellis Kordes, Village Historian



**In October**, the Garden City Board of Trustees accepted the recommendation of the Mayor's Special Committee on St. Paul's conditionally designating AvalonBay Communities, Inc. to redevelop the St. Paul's Main Building. The conditional designation is an acknowledgement that AvalonBay and its redevelopment proposal offer the best available option for saving and restoring the building to productive use with minimal or no direct expense to Village taxpayers.

## **RFP Process Concluded**

The designation concludes an effort begun over a year ago when the Village issued a Request for Proposals (RFP) to identify and solicit redevelopment proposals from private firms with the experience, creativity, and financial capability to help the Village save the Main Building for future generations. The decision to involve private developers was made following a determination that the cost and risk of restoring the historic building are too great a burden to place on

Village taxpayers, and that restoration will not be achieved without private investment.

## Plan Approval

The conditional designation of AvalonBay should not be construed to mean that the Trustees have approved the company's specific redevelopment project.

Far from it. In many ways, the designation marks the start of a

final process to determine once and for all whether the building will be saved or demolished. Several important elements of the redevelopment plan still remain to be resolved with the developer. In addition, residents need to be informed about AvalonBay and its specific plans for redevelopment, and given an opportunity to express their opinions.

## Home Rule Requirement

A potentially difficult process is also ahead in obtaining the Home Rule legislation needed before any redevelopment can take place. The court ruled

in 2001 that all of the St. Paul's property had been acquired as a public trust. All of the 48.6 acre property is also designated as parkland. That's

fine as it applies to the many playing fields the Village has developed on the property. They will continue to be used for recreational purposes regardless of what happens to the Main Building. But the parkland designation restricts use of the Main Building to public purposes consistent with park or recreational use. Before the

building can be used for anything else, the public trust and parkland designations must be removed from approximately 7 acres of the property occupied by the Main Building and Ellis Hall. That can only be accomplished through the passage of Home Rule legislation by the New York State Legislature.

## Final Decision

A final decision about the future of St. Paul's will not be made until the details for a redevelopment are fully negotiated, the residents have a full opportunity

**The designation of AvalonBay marks the start of a final process to determine whether the Main Building will be saved or demolished.**

to comment on the plans, and the process for obtaining Home Rule legislation is well under way. Sometime thereafter the Board of Trustees, as the elected governing body of the Village, will vote on whether the Village will move forward to redevelop the Main Building.

### **Available Options**

Unfortunately, after all the years spent by many Village committees searching for a viable means of preserving the Main Building, few options remain. If the Village cannot reach a decision to undertake a redevelopment with AvalonBay, there is insufficient public support for the plan, or the Trustees decide, for whatever reason, that the redevelopment would not be a benefit to the Village, a majority of the Trustees believes it is likely that the Main Building will be demolished. All other options will have been exhausted by then, and, after all these years, it is time to make a decision.

This edition of Village Facts is intended to familiarize Village residents with the process leading to the conditional designation of AvalonBay and to describe the next steps in this process. We urge you to keep and review this brochure, so you can participate

knowledgably in the forthcoming presentations and discussions on this important issue for the future of Garden City.

## **The Mayor and Trustees of the Village of Garden City**

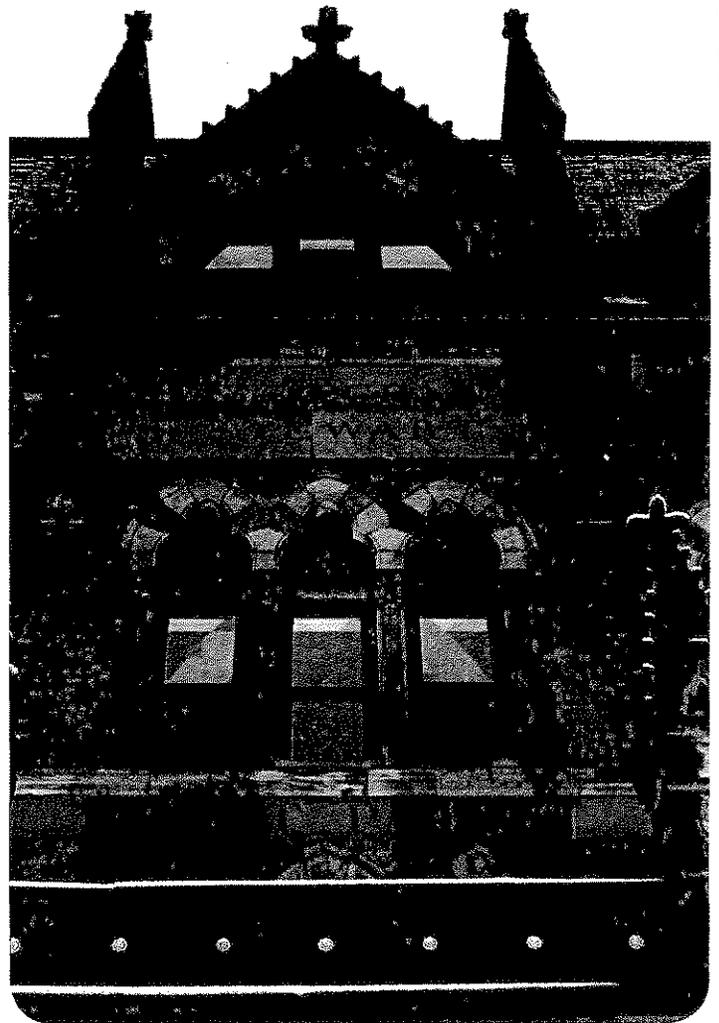


## Questions and Answers

# St. Paul's

### *1. Were possibilities for a public reuse explored before settling on private redevelopment and reuse of the Main Building?*

Yes, many times. The Main Building was considered for conversion to a new High School, and for relocation of the administrative offices for Village Hall and the Garden City School District. Adelphi and Chaminade looked at the building to expand their campuses. Before the RFP was issued, a proposal was considered to convert a portion of the building into a new Village Library. Although similar ideas are raised again from time to time, public redevelopment continues to be unacceptable because of the high cost and risk to Village taxpayers. Private redevelopment is a last resort. It provides the only feasible option for restoring and maintaining the historic building exterior and other distinguishing features with minimal or no direct taxpayer expense.



John Ellis Kordeas

***2. Could the Village convert the building to a public recreation facility?***

That was also briefly considered, even though the residents previously rejected construction of a Village recreational facility near the Garden City Pool. According to experts, converting the Main Building into a recreational facility is not a workable solution for restoring and reusing the building. It would be far more practical they say, – and much less expensive – to demolish the building and build a new recreation facility on the site. Constructing and operating such a facility would likely entail considerable public expense and additional taxes.

***3. What should we expect from a redevelopment?***

As stated in the RFP, the primary objectives for any redevelopment are to (a) return the Main Building to productive use, (b) restore its historic exterior and other distinguishing features to the extent possible, and (c) provide for its long-term maintenance at minimal or no direct cost to Village taxpayers. Real estate experts have told us that private residential redevelopment is the only viable solution for achieving these objectives.

**Public redevelopment and reuse of the Main Building are unacceptable because of the high cost and risk to Village taxpayers.**

***4. Was any effort made to attract experienced developers to the project?***

Yes. Before issuing the RFP, the Village reached out to a number of qualified developers. Unfortunately, although many of them expressed enthusiasm for the St. Paul’s site, only seven proposals were submitted, and only two of those were from developers with significant track records

***5. Why were so few proposals received for this project?***

Some of the developers who didn’t submit a proposal later attributed this to a down-turn in the residential condominium market. Others characterized St. Paul’s

as a risky project, with questionable financial return. Many were discouraged by the lack of consensus among Village residents, and said uncertainty about the political environment and Home Rule process made them uncomfortable.

### ***6. How were proposals evaluated?***

Proposals were judged on (a) design quality and historic preservation, (b) feasibility of the project

proposal and developer team experience, and (c) return to the Village. Since none of the proposals fully complied with the RFP requirements, responders were allowed time to supplement their proposals to meet the criteria. Once they had a full and fair opportunity to explain the details and benefits of their plans, the group was reduced to three finalists: the Albanese Organization, AvalonBay Communities, Inc, and a coalition of the Canus Corporation and the Committee to Save St. Paul's (CSSP). The finalists were asked to



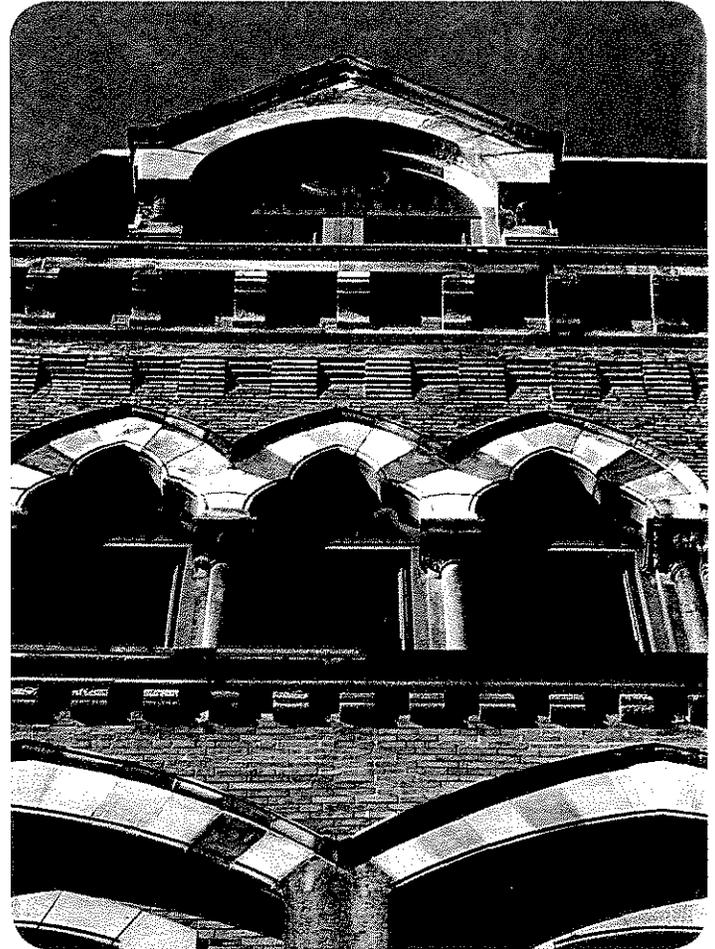
John Ellis Kordes

modify their proposals using similar assumptions to enable an apples-to-apples comparison. Following a withdrawal by the Albanese Organization, the evaluation proceeded with the remaining two finalists.

**With assets of over \$6 billion, AvalonBay is ready to invest millions of dollars to help preserve the Main Building.**

***7. Who is AvalonBay and why was it selected over the other proposals?***

AvalonBay, a publicly traded real estate investment trust (REIT), has developed and operates nearly 50,000 rental units nation-wide, including five high-end residential complexes on Long Island. Its proposal rated higher than any other in the evaluations. With assets of over \$6 billion, AvalonBay plans to self-finance the St. Paul's project, and is ready to invest millions of dollars to help preserve the Main Building. The Mayor's



JOHN ELIAS KORCIUS

Committee concluded that the company's proposal offers the best opportunity for saving the historic building and achieving the other primary objectives of redevelopment without significant risk to the Village. It would also provide a return to the Village in the form of additional tax revenues and possible other payments. (See the company's Web site at [www.avalonbay.com](http://www.avalonbay.com))

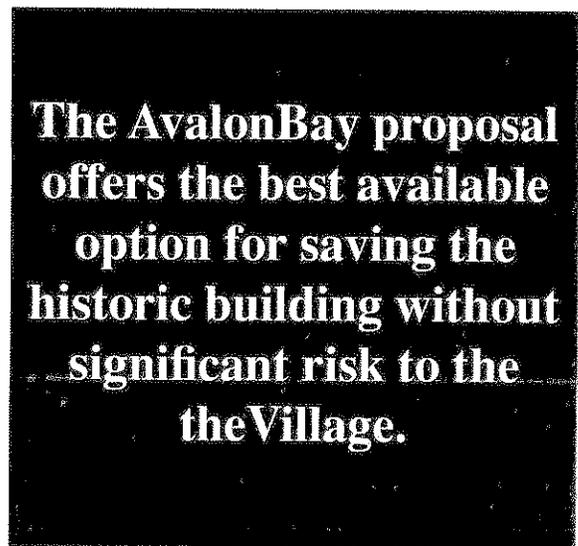
***8. Was the proposal submitted by the Committee to Save St. Paul's and its developer, the Canus Corporation, fully considered?***

Absolutely. Over several months, the Canus/CSSP group was allowed to modify their proposal and given an opportunity to explain why it was superior to any others. Last April, Canus/CSSP was named a finalist in the process. The detailed analysis of their proposal, however, produced serious reservations about the overall ability of the group and its developer to undertake and complete the St. Paul's project successfully without imposing an unacceptable risk on the Village. Following the decision to focus on AvalonBay, Canus and the CSSP formally withdrew their proposal from further consideration.

***9. Once the list was narrowed to two finalists, wouldn't it have been acceptable to show the public their comparative strengths and weaknesses?***

Although that's unusual in a traditional RFP process, the Trustees briefly considered a public comparison of the two finalist proposals. A scheduled presentation was cancelled, however, after the Canus Corporation asked that the reasons for its rejection not be subjected

to public dissection. The Trustees agreed to honor that request to the extent possible. Once Canus/CSSP subsequently withdrew their proposal from further consideration and signaled their intent to accept the conditional designation of AvalonBay, any reason for a public comparison of the two finalists was eliminated.



**The AvalonBay proposal offers the best available option for saving the historic building without significant risk to the Village.**

***10. Wouldn't it be preferable to have at least one other developer remaining in the process while trying to negotiate a development agreement?***

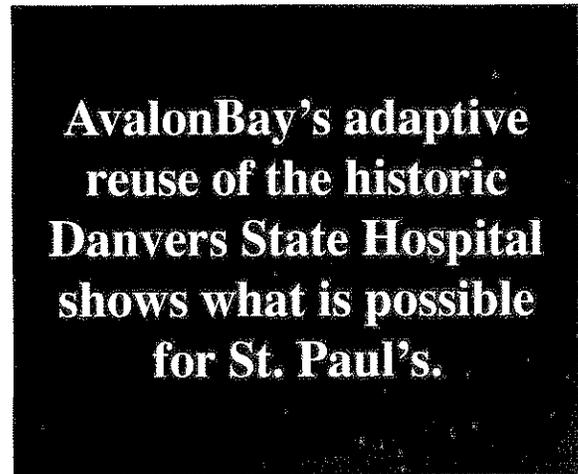
That was the intention when the RFP process began. However, that became nearly impossible when only two highly qualified developers submitted proposals. The Village is very fortunate that AvalonBay, a very

capable and experienced developer, is committed to going forward with this process. As the sole remaining firm, the company's representatives tell us they have even more of an incentive to get a deal in place. AvalonBay also understands that, unless there is a clear public consensus in favor of the firm's development plans, there is not much chance that there will be a redevelopment.

***11. Does the AvalonBay proposal comply with development guidelines stated in the RFP?***

None of the proposals fully complied with the RFP. The AvalonBay proposal was superior to the others in offering a workable approach for saving and restoring the historic Main Building with minimal or no direct taxpayer expense. The Village would also continue to own the property. And the firm has proposed setting aside space for community and public use. The AvalonBay proposal includes some additional development, however, beyond what was outlined in the RFP. The Mayor's Committee concurs with the experts who tell us that additional development is essential for project success. But the experts also say it can be achieved in a manner that will support the existing building architecture and enhance the

overall project. The Village is now working with the developer to settle on an appropriate level for such additional development.



***12. Does AvalonBay have historic preservation experience?***

Most definitely. Recently, the company completed an \$85 million adaptive reuse of an abandoned state hospital in Danvers, Massachusetts. The Gothic Revival structure completed in 1878, is architecturally similar to St. Paul's. AvalonBay successfully converted part of the old building into an attractive, modern residential structure, including additional new development that complements the historic building. Before and after pictures of AvalonBay's work show what is possible for St. Paul's. (See [www.Avalondanvers.com](http://www.Avalondanvers.com).)

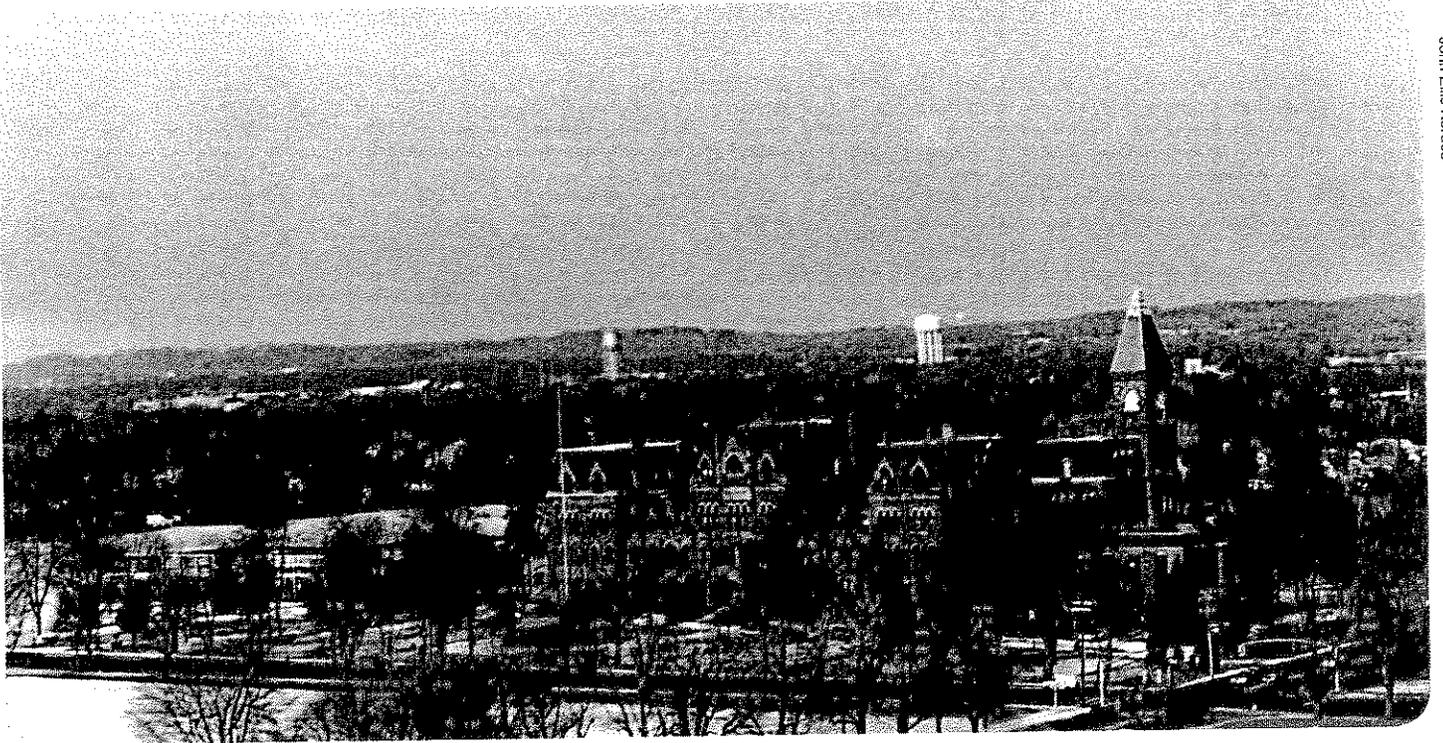


The former Danvers State Hospital in Massachusetts, was recently converted by AvalonBay into an upscale apartment building. The restoration and reuse of the historic Gothic Revival building is similar to what AvalonBay is proposing for St. Paul's.

***13. Is the Village now fully committed to AvalonBay and to its redevelopment proposal?***

No. The conditional designation of AvalonBay recognized that AvalonBay and its plan offer the best available approach for the Village to save the Main Building. Despite a general acceptance of the firm's conceptual plan, several elements of the proposal remain to be resolved before we agree to move forward with a project. The Village is now

negotiating solely and exclusively with AvalonBay to try to reach a detailed redevelopment plan that the public will find acceptable. Until a lease or other form of development agreement is executed, however, either party could walk away from the discussions at any time. Before redevelopment can occur, the proposal must also be subjected to public scrutiny and comment. Other significant tasks, including obtaining the Home Rule legislation, also remain to be achieved.



***14. When will residents see details of the AvalonBay proposal so they can judge for themselves?***

Although AvalonBay's initial proposal is on file at the Garden City Library (along with all of the other proposals submitted), it is difficult to get an accurate picture of the current development plan solely from reviewing the library material. The proposal has evolved in several ways in response to the review process. In addition, key elements of the plan, as well as more detailed architectural drawings and renderings, are still being finalized. The Village

and the developer are working cooperatively to begin getting updated information out to the public as quickly as possible. Over the next few months the Trustees expect the residents will have several opportunities to learn about the project proposal

**Residents will have an opportunity to express their opinion before a decision is made.**

and to express their opinion before a decision is made. AvalonBay and members of the Mayor's Committee have already met with representatives of some community groups. Meetings are also being scheduled with each of the Property Owners' Associations, and one or more general public meetings will be held. The general public presentations are being postponed, however, until residents are no longer busy with seasonal holiday activities. Once the plans have been presented and residents have expressed their opinions, a measure of public sentiment will be taken before the issue is referred to the Board of Trustees.

***15. How much of the property now used for playing fields will be used in the redevelopment?***

None. Contrary to persistent misinformation, the playing fields have never been considered for the redevelopment. All of them will continue to be used for recreational purposes. The project will be confined to about seven acres that are now occupied by the Main Building and Ellis Hall.

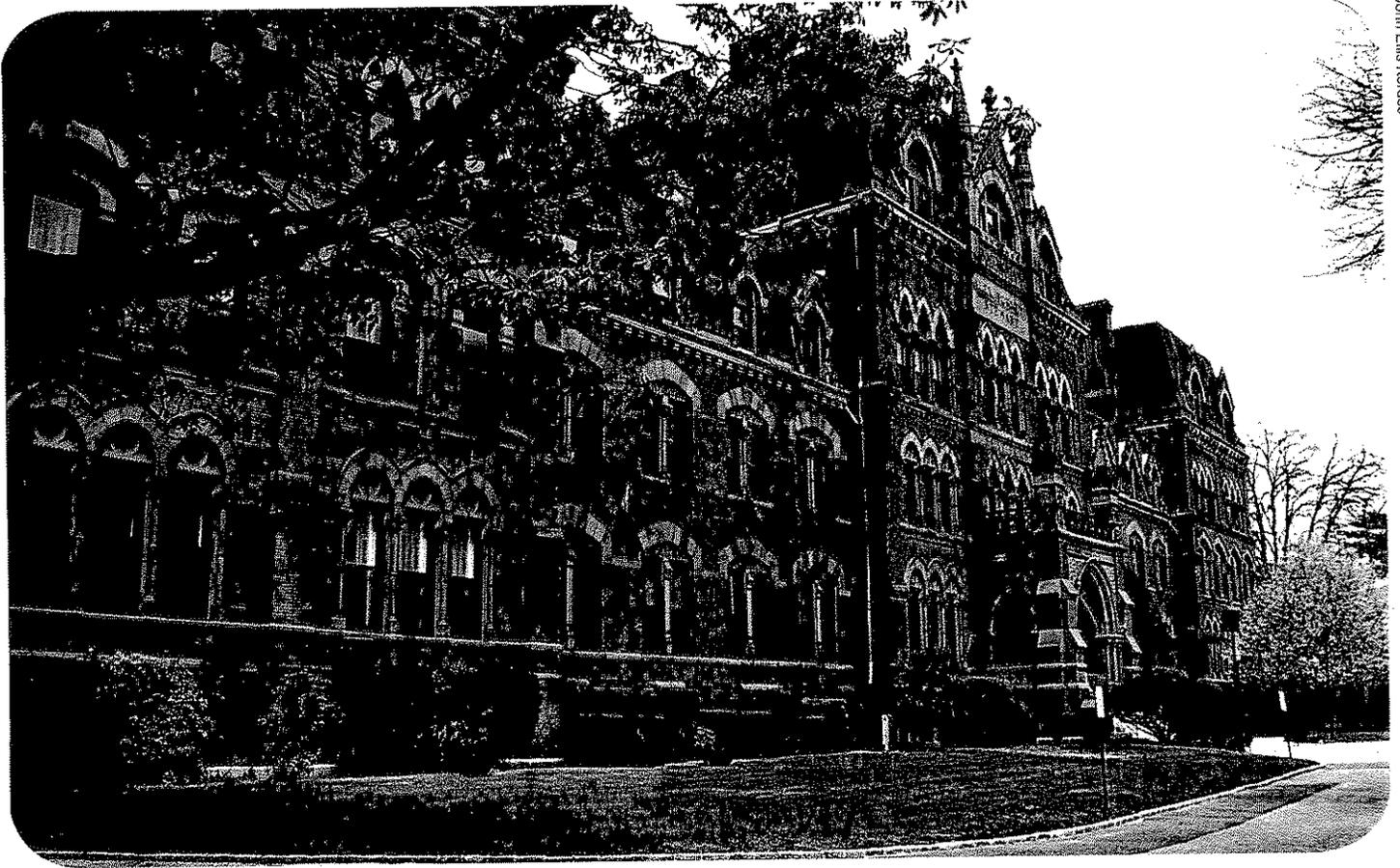
***16. What will happen if the Village is unable to obtain the Home Rule legislation?***

Since the court ruled that St. Paul's was purchased

as a "public trust," and the land is designated as "parkland," Home Rule legislation is essential to enable any private use of the property. The Village will need the committed support of our state representatives to assist in clearing the way. State Senator Kemp Hannon has told us he will introduce the necessary legislation if there is a consensus in favor of redevelopment. Without Senator Hannon's leadership in obtaining the Home Rule legislation, and the support of Assemblyman Thomas McKeivitt, there are few options left for the Main Building other than demolition.

***17. What will happen if the Village and AvalonBay are unable to negotiate a satisfactory development agreement?***

Although the Village hasn't committed to going forward with AvalonBay on a specific redevelopment plan, there should be no illusions that a number of other qualified developers are waiting in the wings ready to redevelop St. Paul's if the Village can't reach agreement with AvalonBay; nor should anyone still hold out hope that the building will be saved at taxpayer expense. AvalonBay offers perhaps the last best hope for saving the Main Building and restoring it to productive use. Nevertheless, once negotiations



have been completed, all of the presentations have been made, and public comment received, the residents and the Trustees still might decide not to accept AvalonBay's redevelopment proposal. One way or the other, we think it is time to make a decision.

***18. Who will make the final decision, and when will it be made?***

After the opportunity for public comment, the issue will be referred to the Board of Trustees. As the

**The playing fields  
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elected representatives of the Village, the Trustees

have final responsibility for deciding on the future of the building. That responsibility can't legally be delegated, or referred to the public to decide by referendum. If the Board agrees to the restoration, decides to enter into an agreement with AvalonBay, obtains the Home Rule legislation, and is able to clear all of the other impediments, it will be possible to move forward with the project.

**One way or the other, it is time to make a decision.**

