

FACT SHEET

Friends Seminary 1964 Building/Hunter Hall Project

April 2015

What is the Project Scope?

As part of a vision to enrich the educational value of the four buildings occupied and maintained by the School, the 1964 Building/Hunter Hall Project will add two additional floors at 222 East 16th Street. The construction will create 10,725 square feet of needed program space over 14 months at a cost of \$27.8 million. Work will begin in June 2015. Pursuant to the School's vision, yet independent of the 1964 Building/Hunter Hall Project, is the planned future redevelopment of the three Townhouses at 216, 214 and 212 East 16th Street, which would likely begin the following year. \$2.2 million has already been invested in the early stages of planning for this Project.

How is NYQM Protected?

Friends Seminary is committed to work with NYQM to provide protection in any and all areas related to the Redevelopment Project.

- **FINANCING:** We are happy to report that Friends Seminary has sufficient assets to go forward with the 1964 Building/Hunter Hall Project. The Project will cost \$27.8 million and will be supported utilizing School funds accumulated just for this purpose, funds raised in the campaign, and cyclical cash from the operating budget, as listed below.

School Funds	\$14.5M
Fund Raising	\$8.8M
FS Cyclical Cash	\$4.5M
Borrowing	-
Total Available Funding	\$27.8M

- **INSURANCE:** The insurance broker shared by Friends Seminary and NYQM has stated that the coverage issues faced in connection with the proposed Redevelopment Project are routine and are easily addressed through existing insurance coverage and additional policies that Friends Seminary and its contractors will agree to obtain to cover itself and the NYQM.
- **INDEMNIFICATION:** Friends Seminary and its general contractor will agree to indemnify, defend, and hold harmless the NYQM from any and all claims and damages which may be asserted against NYQM or incurred by NYQM related to the Redevelopment Project. In sum, this means that if the NYQM is ever sued, claimed to be liable for any damages, or incurs any damages in connection with the Redevelopment Project, Friends Seminary will, among other things, defend and hire counsel for NYQM, pay its related costs and expenses, and pay for any liability or damages that may be incurred by NYQM related, in any way, to the Redevelopment Project. Officers of the School Committee will execute all contracts related to construction.
- **AIR RIGHTS:** The Project will use no more than 20,000 square feet of existing development (air) rights, leaving approximately 27,587 square feet in the possession of NYQM. We have a legal opinion from Fried Frank's leading attorney on this matter saying that currently the Quarter's air rights (development rights) are worth nothing, primarily because of the historic designation and location of the property. The School Committee, however, has proposed to pay for these rights under certain circumstances if in the future the Quarter is able to monetize and sell remaining air rights. This offer would seem to serve and protect both entities. **A decision on this matter is required** by April 24, 2015 for the Project to continue.
- **WORSHIP:** The Project will not affect the Meetinghouse, Central Building, or Old School Building. A light study was conducted to ensure no loss of light from added building height. The School also commits to barring construction on Sunday.
- **TRUST:** Friends Seminary has offered to create a Trust in the Quarter's control containing enough capital such that the cost to the Quarter of annually maintaining the Central Building and the Meetinghouse will be covered, resulting in a net of over \$100,000 to the Quarter that could be used for its other ministries. We feel this gesture serves all of us well by protecting buildings that we all love and use and creating for the Quarter additional financial relief.

What does Friends Seminary Ask of NYQM?

The **zoning lot merger** sought by Friends Seminary would combine the last two buildings purchased by the School, Townhouses 212 and 214 E 16th Street, with the single existing lot currently containing all other buildings. The zoning lot merger will provide the ability to use the needed air rights for this Project. In order to effect the zoning lot merger in time for the anticipated commencement this summer, Friends Seminary requests that NYQM execute the necessary Buildings Department forms by April 24, 2015.

When a property owner wishes to enlarge an existing building, the Buildings Department looks at the anticipated square footage of the floor space of that building post-construction, plus the square footage of any other buildings that may have been built on the property, to confirm that the combined square footage of all of the buildings on the property will not exceed the allowable floor space permitted under the NYC Zoning Resolution (the "Zoning Floor Area"). Where one or more property owners own adjacent properties, and one property does not have enough Zoning Floor Area to complete the anticipated construction or renovation, and the neighboring property has unused Zoning Floor Area, the owners may combine or merge the properties for zoning purposes, creating a larger single "zoning lot" for purposes of the construction. This is commonly referred to as a "zoning lot merger."