

**Report of the Trustees of the New York Quarterly Meeting of the
Religious Society of Friends**

Called Meeting with a Concern for Business, Ninth Month 27th, 2015

Trustees have heard the desire of Friends for some understanding of our work as we try to arrive at a proposal for the separate incorporation of Friends Seminary on which the Quarter can come to unity.

As Friends know, Trustees minuted last March that we call for separate incorporation of Friends Seminary in order for their proposed redevelopment project to go forward. In our judgment the project is appropriately the work of a separate institution to take responsibility for the development, financing, and construction of work on this scale. This decision culminated long held concerns about the need for the two bodies to incorporate separately in order to fulfill their different charges responsibly. Friends seeking more articulation of this decision can consult our Epistle of April 9 on the NYQM web site.

Trustees and Friends Seminary have been at work since March on developing a proposal for separate incorporation that will allow both institutions to thrive for centuries to come. It is a complex labor with many dimensions: providing both institutions with a fair and healthy distribution of assets, managing the shared use of space by the School, Fifteenth Street Meeting, the Quarter, and the Quaker institutions we wish to support, accounting for legal liability and insurance, allocating employee benefits and liabilities and other commitments, determining how to distribute air rights needed by the Seminary for its redevelopment project, insuring that our historic buildings are protected and cared for into the future, establishing responsibility for their maintenance and repair, providing flexibility for future growth and change at both the Quarter and the Seminary, and predicting issues that have not yet come before us.

In the months intervening, Trustees have secured and briefed counsel (our longstanding attorney and Friend Brian Doherty, and Andrew Lance of the firm Gibson, Dunn & Crutcher, who has extensive experience in real estate and not-for-profit law, as well as specific experience in separately incorporating formerly conjoined not-for-profit and religious institutions) and performed extensive due diligence on creating an agreement with such lasting consequences. We have researched histories of separate incorporation in New York City and different instruments for meeting our two institutions' legal and practical needs; we have projected the future capital and maintenance needs of our buildings; we have studied the financial histories of the buildings and their current and past uses and possible future uses; we have studied the law and policy of development rights and zoning, and the requirements to maintain exemption from real estate taxes, among other matters.

As Friends Seminary has reported, in April they provided Trustees with a proposal. Trustees considered it very carefully and provided a detailed response in July. Friends Seminary responded to the July proposal on September 4. Between these responses there were meetings and conversations among Friends and among our attorneys. We are working with the ideas presented in these proposals. Trustees are bearing in mind, on the one hand, the need to recognize Friends Seminary's contribution to the acquisition and improvement of the spaces they use exclusively, and their need for autonomy in governing those spaces in the future, and, on the other, the Quarter's responsibility of stewardship for its original 1860 purchase and the Quarter's need to safeguard the practice of Friends worship and witness there into the future. We feel that the work we are doing has made substantial progress in addressing these needs but we remain open to further leadings.

(We remind Friends that, while Trustees are considering a proposal for property division, the Ad Hoc Committee on the Relationship between the Quarterly Meeting, Fifteenth Street Meeting and Friends Seminary is drafting Essential Principles, Practices, and Procedures to be included in the bylaws of a future Friends Seminary to ensure its continuity as a Quaker school. Approval of this document is also essential to finalizing separate incorporation.)

As the Trustees and the School Committee have not come to unity on a proposal, we do not feel it is appropriate to go into more detail about the specifics of our July proposal or the Friends Seminary September response and the progress of our discussions. Friends' business practice refers complex decisions to committees for discernment. Bringing these matters before the whole body before unity has been reached in the committee jeopardizes that process: it risks memorializing provisional ideas that have not attained the support of the gathered body; it impairs the creative exploration of ideas on which unity may not be reached; it identifies individual Friends or groups of Friends with positions that, when unity is achieved, would be considered the united will of the committee; it raises expectations that outcomes are possible upon which unity may not be achieved; it discourages Friends from voicing potentially controversial views; and it exposes delicate decision-making and compromise to the much more difficult environment of the large group where there may not have been consideration of all diligence and professional advice and other factors. Our time-honored process has allowed Friends to make much more difficult decisions than this corporately, and we should not sacrifice it now.

Trustees do believe we have with Friends Seminary made substantial progress on a proposal and that more progress is on our near horizon. We remain committed to making every possible effort to accommodate Friends Seminary's need to move forward with the construction project—with the understanding that we must place a priority on the long-term stability of our two institutions. We have every hope that, by delivering ourselves humbly to the guidance of the spirit, and also by dedicating ourselves to the service to which we have been called, we can accomplish this work and arrive at a vision soon that will lead us into a more stable and harmonious future together.

We also report to the Quarter that an Article 78 proceeding was filed against the Landmarks Preservation Commission for its decision to grant approval for the redevelopment project. The filing was made by neighbors who object to the project's scale. The Trustees and the School Committee have secured joint counsel to represent us as named parties in the proceeding to defend the approval, as the Quarter has legal responsibility for the application as owners although it was made by the Seminary.