



Unlocking the Hidden Potential of Your Real Estate: Opportunities and Pitfalls

Today's Program – September 19, 2016
Speaker Biographies



Frances Halsband FAIA is a founding partner of Kliment Halsband Architects, a leading architectural practice based in New York City. She has been the lead designer for numerous award-winning projects for educational, cultural, civic, and government clients. She brings her unique perspective as a designer, member of the academic community, and advisor for educational and government review boards to every project. She has served as Dean of the School of Architecture at the Pratt Institute in New York, and as architectural advisor to Brown University, Harvard University, and Smith College. She was as a member of the Architectural Review Board of the Federal Reserve Bank and the Advisory Board of the U.S. Department of State Foreign Buildings

Operations, and is a former Commissioner of the New York City Landmarks Preservation Commission. Frances was the first woman to be elected president of the New York Chapter of the AIA, served as president of the Architectural League of New York, and is a frequent participant on many AIA committees, panels, and design awards juries. Frances received a Bachelor of Arts from Swarthmore College and a Master of Architecture from Columbia University.



Susan Wallace has more than thirty years of experience in not-for-profit management and owner representation for educational, performing arts and community facilities. She specializes in the planning, design and implementation of projects that require the management of multiple stakeholders, coordination of different types of funding and complex municipal approvals. Notable clients have included the Brooklyn Academy of Music (BAM), Madison Square Boys & Girls Club, French-American School of New York, Second Stage Theatre and Spence School.

Susan has been an owner's representative for ten years. Prior to joining Zubatkin, she served as a business manager with an independent school in New York City. Her first-hand knowledge and understanding of the owner's perspective informs her approach in navigating project challenges and developing creative solutions for her clients. She holds expertise in developing project implementation strategies, governance structures, programming oversight, funding and financing, and building operations, serving as a resource to many of Zubatkin's projects through the In-House Technical Group.



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Suzanne St. Pierre, a partner in Venable's real estate group, represents U.S. and non-U.S. institutional investors, developers, educational institutions, non-profit entities and other parties in all aspects of transactional real estate, including complex acquisitions and dispositions; formation of partnerships, limited liability companies, real estate investment trusts (REITs), and other co-investment vehicles; development of office, residential, cultural and mixed-use projects, including government-funded projects; construction projects, including negotiation of construction and design agreements, and dispute resolution; lending transactions, including conventional and securitized financing and sale-leaseback transactions; hotel and other property management contracts; leasing transactions; and condominium transactions.



Susan Golden is a partner in Venable's Real Estate and Nonprofit Practice Groups. Her practice focuses on development and infrastructure projects, including land use and zoning, real estate transactions, public and private funding, and governance matters. Ms. Golden has extensive experience with the intricacies of federal, New York State, and New York City land use and environmental quality reviews, as well as government procurement and funding contract administration. She counsels on compliance with zoning, landmarks, and historic preservation requirements; public review and government approval of development proposals; negotiation of development, design and construction contracts; property acquisitions and conveyances, including public and commercial leases and the transfer of development rights; government and charitable funding and donor agreements; negotiation of mixed-use condominium structures; and the formation and counseling of small or special purpose corporations, including tax-exempt, not-for-profit corporations and New York State public authorities.

Law & Education Forum

a discussion series focused on legal issues important to universities, secondary schools, independent schools and other degree-granting institutions



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Road Map

- Transferable Development Rights
- Co-Development of Real Property
- Master Planning
- Organizational Readiness



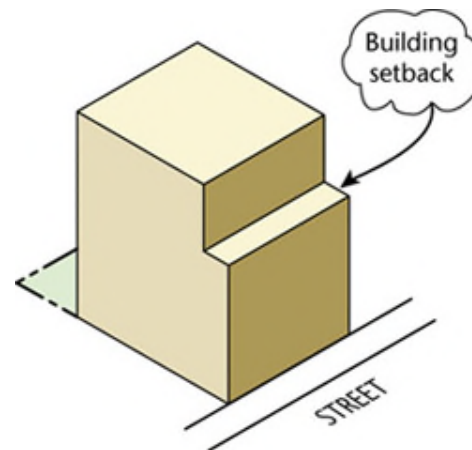
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Transferable Development Rights

New York City Zoning

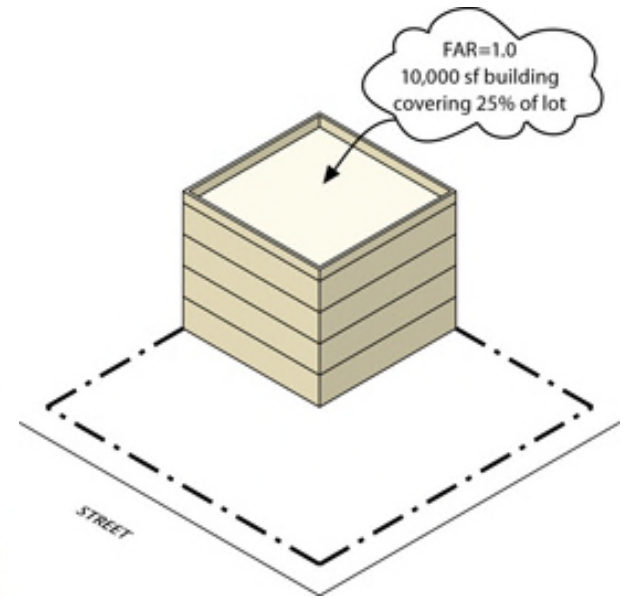
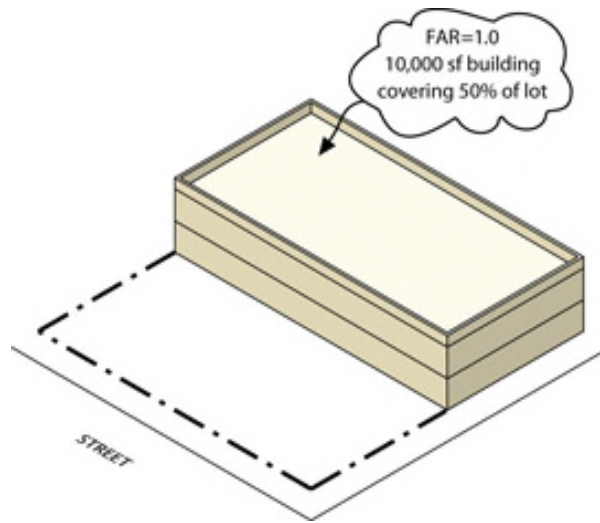
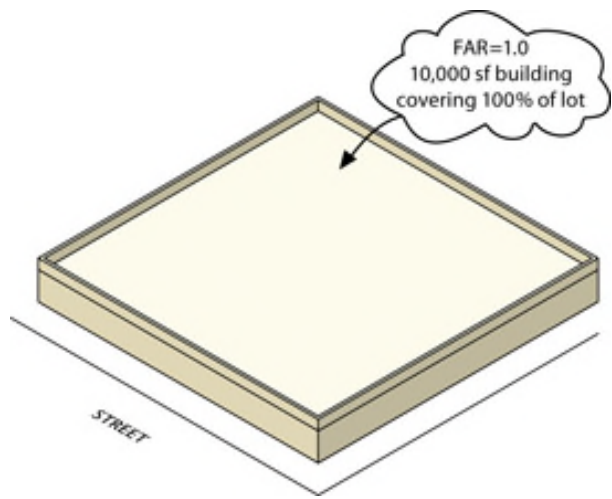
- Zoning regulates use and building size or bulk.
- Each plot of land has a zoning designation that identifies the applicable limitations.
- Use: residential, community facility, commercial, retail and service, manufacturing
- Bulk: height and setbacks, coverage, open space and yards, floor area ratio





Development Rights

- Floor area: built square footage that counts for zoning
- Floor area ratio (FAR): total floor area on a zoning lot divided by lot area
- Zoning: established maximum FAR permitted on a zoning lot
- Development rights: unbuilt floor area permitted by maximum FAR





Zoning Lot

- Zoning lot = tract of land:
 - 1, 2 or more tax lots of record
 - contiguous for a minimum of 10 linear feet
 - located in a single block
- Not synonymous with tax lot
- Not required to be in same ownership



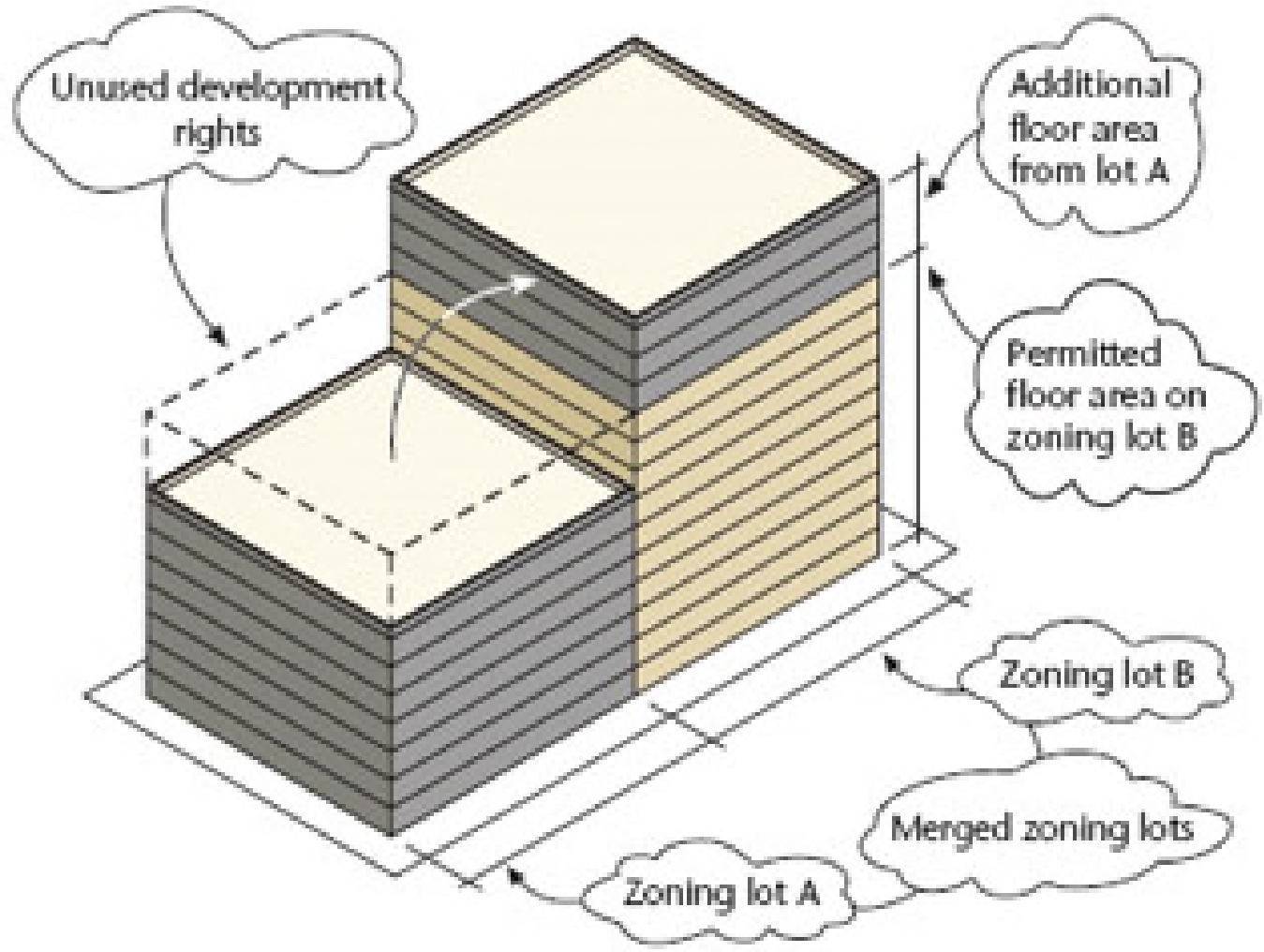
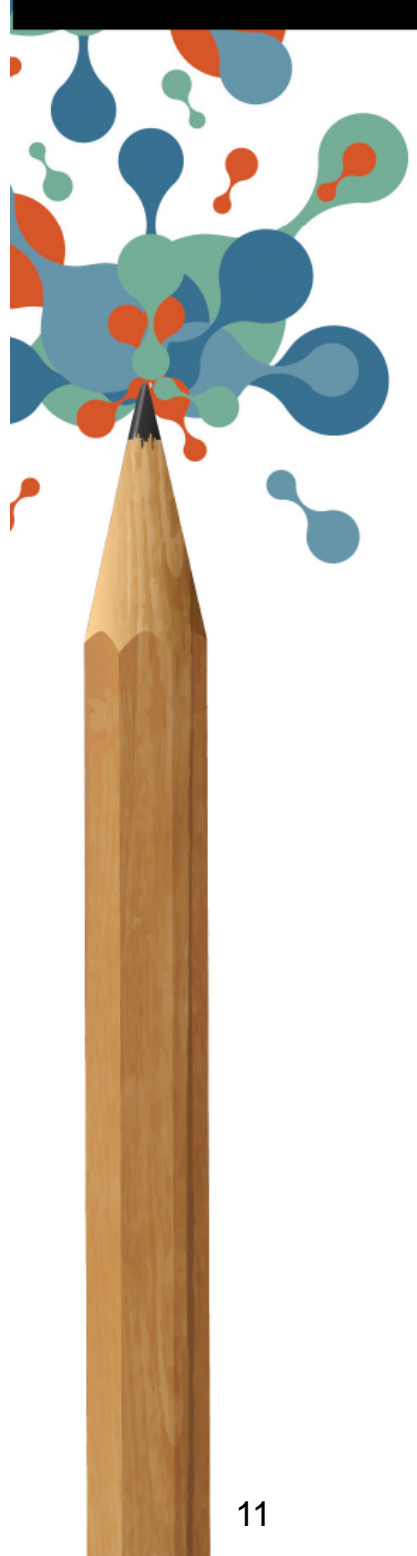
Zoning Lot Merger

- Zoning lot merger: 2 or more lots declared to be a single zoning lot
 - Declaration of zoning lot restrictions: recorded document signed by all owners
 - Waiver by parties in interest (e.g., lender) – certified by title company
 - Permanent restriction: “runs with the land”
 - Dept. of Buildings Exhibits I, II, III, IV



Transferable Development Rights (TDRs)

- Unused floor area may be used on any portion of the zoning lot
- This available square footage = TDRs
- As part of zoning lot merger, parties agree on “transfer” terms
- Through-lot merger: may transfer across an intervening lot if joined to zoning lot





Determining Availability of TDRs

- Initial “rough” calculation based on lot area and best known built square footage
- Confirm with floor area survey by architect and surveyor
- Due diligence on limitations that could affect the use of TDRs:
 - Landmark / historic district
 - Title restrictions / easements
 - Prior zoning approvals / variances
 - Zoning regulations
 - Multiple Dwelling Law

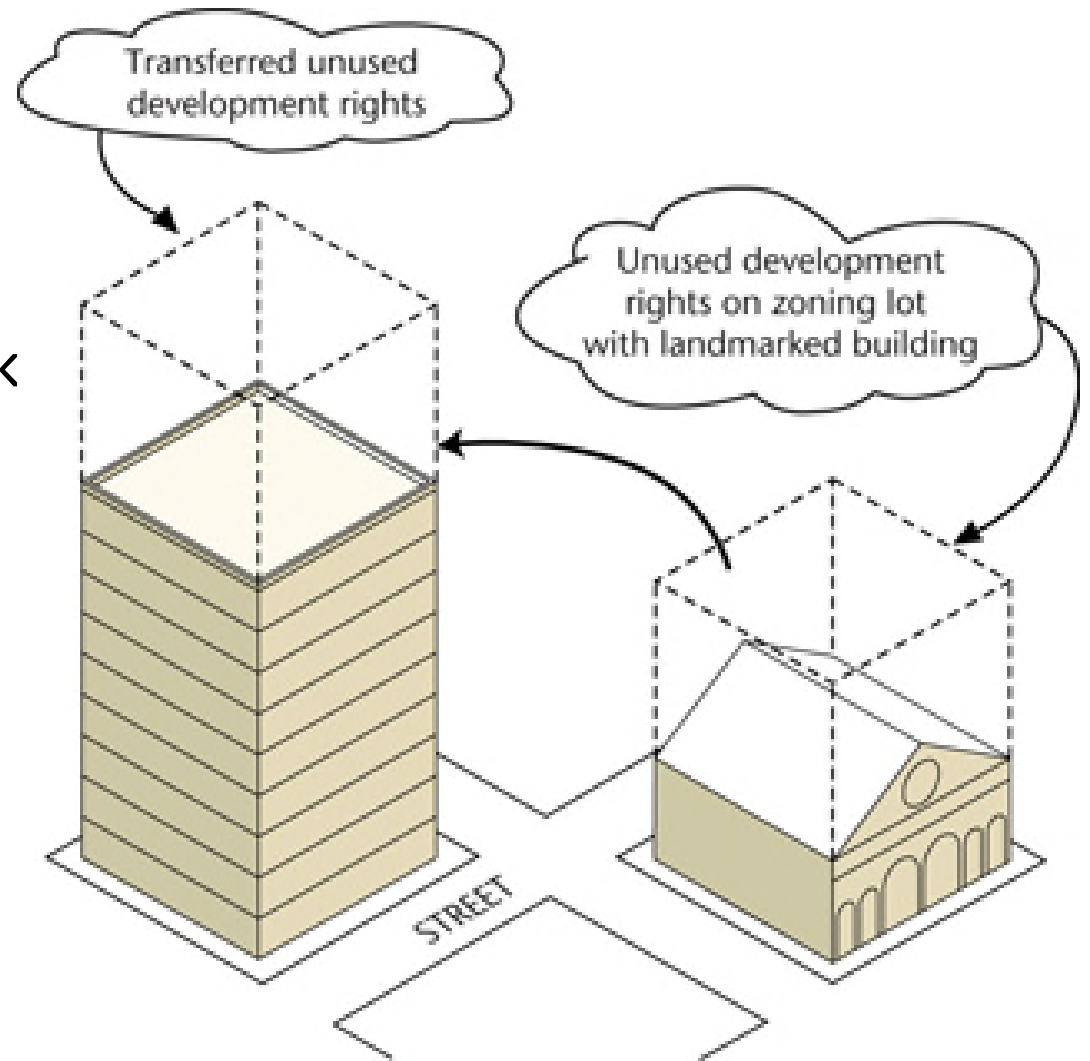


Zoning Lot Development Agreement

- ZLDA = agreement among owners of properties in a merged zoning lot
 - Governs allocation and use of development rights on merged zoning lot
 - Rights in event of casualty, violations, change in zoning
 - Cooperation
 - Indemnities
- Easement for light and air (include in ZLDA)
 - subordination by parties in interest

Special Permit Transfers

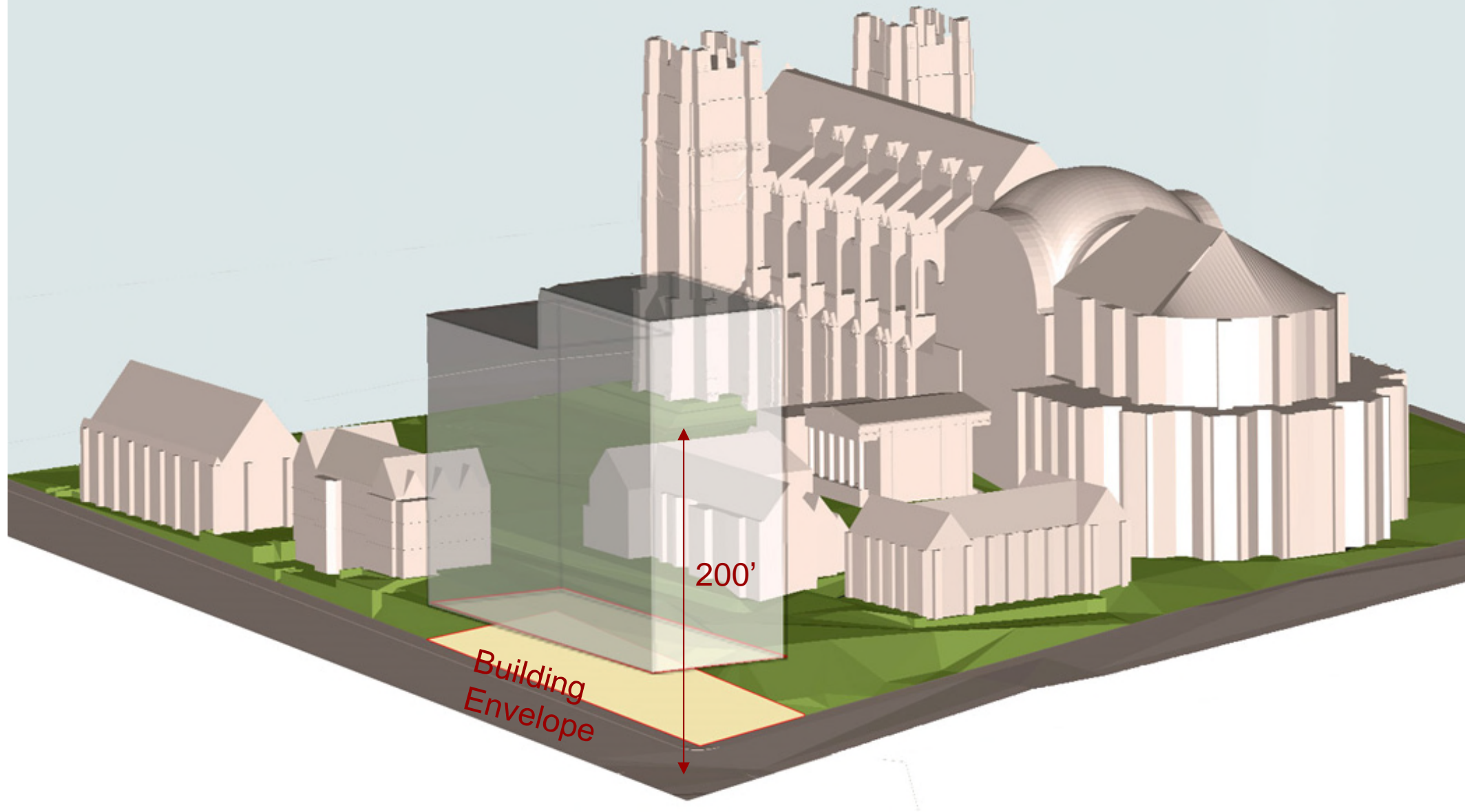
- Designated Landmark
- Large Scale Plans
- Special Districts
- Inclusionary Housing





Avalon Morningside Park at St. John the Divine

Kliment Halsband Architects



Allowed to fill 65% of this volume





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Co-Development of Real Property



What is Co-Development?

- Definition: Educational institution “contributes” property for multi-user project or third-party project in furtherance of mission
- Examples:
 - An educational institution owns property with unused development rights and seeks to build new building (or addition to existing building) to allow use of part of building by educational institution and sale/lease of remainder of building to third-party
 - An educational institution own property that it seeks to redevelop for its use and a third-party use
 - An educational institution wishes to make underutilized property available for use by a third-party, in furtherance of institution’s mission
- Threshold considerations for structuring – risk, control, cost, time



Possible Co-Development Structures

- If educational institution acts as developer:
 - Purchase agreement with formation of condominium or vertical subdivision
 - Build-to-suit lease
- If third-party acts as developer in structure involving conveyance:
 - Developer wants ownership interest in property before building (or needs it for financing)
 - Institution wants ability to take back property or other security if development not completed
 - Possible solutions
 - » Construction period lease or license (terminable upon default) followed by conveyance of condo unit
 - » Pre-construction conveyance to developer, with reconveyance of condo unit to institution, with adequate security for completion
 - » Vertical subdivision and conveyance of tax lot to developer, followed by creation of condominium



Possible Co-Development Structures

- If third-party acts as developer in structure involving lease:
 - Right to terminate lease for failure to complete by agreed outside date
- In any third-party developer scenario involving financing/funding:
 - Rights of developer's lender
 - » Negotiation of notices and extended cure periods
 - » Limits on lender obligations in event of default
 - » Extended period of lender control if default occurs
 - » Future use of property by lender or its designee



Co-Development Issues

- Simultaneous construction by institution and developer
 - Risk of gaps between scopes of work
 - Risks of failure to coordinate jobs – delay claims, increased costs, site control and liability for losses
 - Use of a single contractor (and design team) by both parties
 - Detailed scheduling, logistics and rules of priority to mitigate risks



Co-Development Issues

- When are binding agreements signed?
 - After design is advanced/completed
 - » Mitigate risk by deferring agreement until design is advanced and preliminary cost/schedule known
 - » Who pays for design and pre-construction services in this case?
 - » Consequences of not proceeding – break up fee?
 - Before design starts or during schematic design
 - » Greater risk because feasibility, cost, schedule not known
 - » Rights to re-design if budget exceeded
 - » Right to terminate (more difficult, possibly greater transaction costs, after binding agreements; lender issues)



Co-Development Process

- Major terms of co-development agreement
 - Design approval process
 - Process for limits on design changes and change orders
 - Approval of construction contract
 - Tracking and appropriately attributing costs of each party's premises
 - Dispute resolution (interim arbitration)
 - Consequences of delay
 - Liability for defective construction
- Issues
 - Mitigating potential delays due to time required for coordination among parties
 - Avoiding unintended project-wide impacts due to one party's requirements (LEED, funding / financing requirements)
 - Preserving tax benefits (such as real property tax exemption)
 - Ensuring financeable interests



Co-Development Process

- Mitigating design / construction risks
 - Budget controls and process for value engineering if cost estimates exceed budget
 - Preserving tax benefits (such as real property tax exemption)
Ensuring financeable interests



Contract Terms

- Is rent/purchase price a function of development costs?
 - Defining formula, agreed costs/categories of costs
- Security for performance
 - Guaranty of completion of project by party responsible for construction
 - Guaranty of payment by other party
 - Very important for “customized” facilities
- Up-front agreement on terms of condominium documents
 - Cost allocations (budgets and percentage interests)
 - Voting
 - Use
 - Building rules – security, noise, odors, etc.
 - Conveyance of units and rights of first offer/refusal
 - Future alterations



Contract Terms

- Similar issues for leases
 - Any rent paid in advance?
 - Payment of operating and capital expenses
 - Ability to assign / sublease; effect on real property tax exemption
 - Use restrictions; effect on real property tax exemption
 - Building rules
 - Lease security
 - Future alterations
 - Tenant self-help remedy



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Master Planning: possible scopes

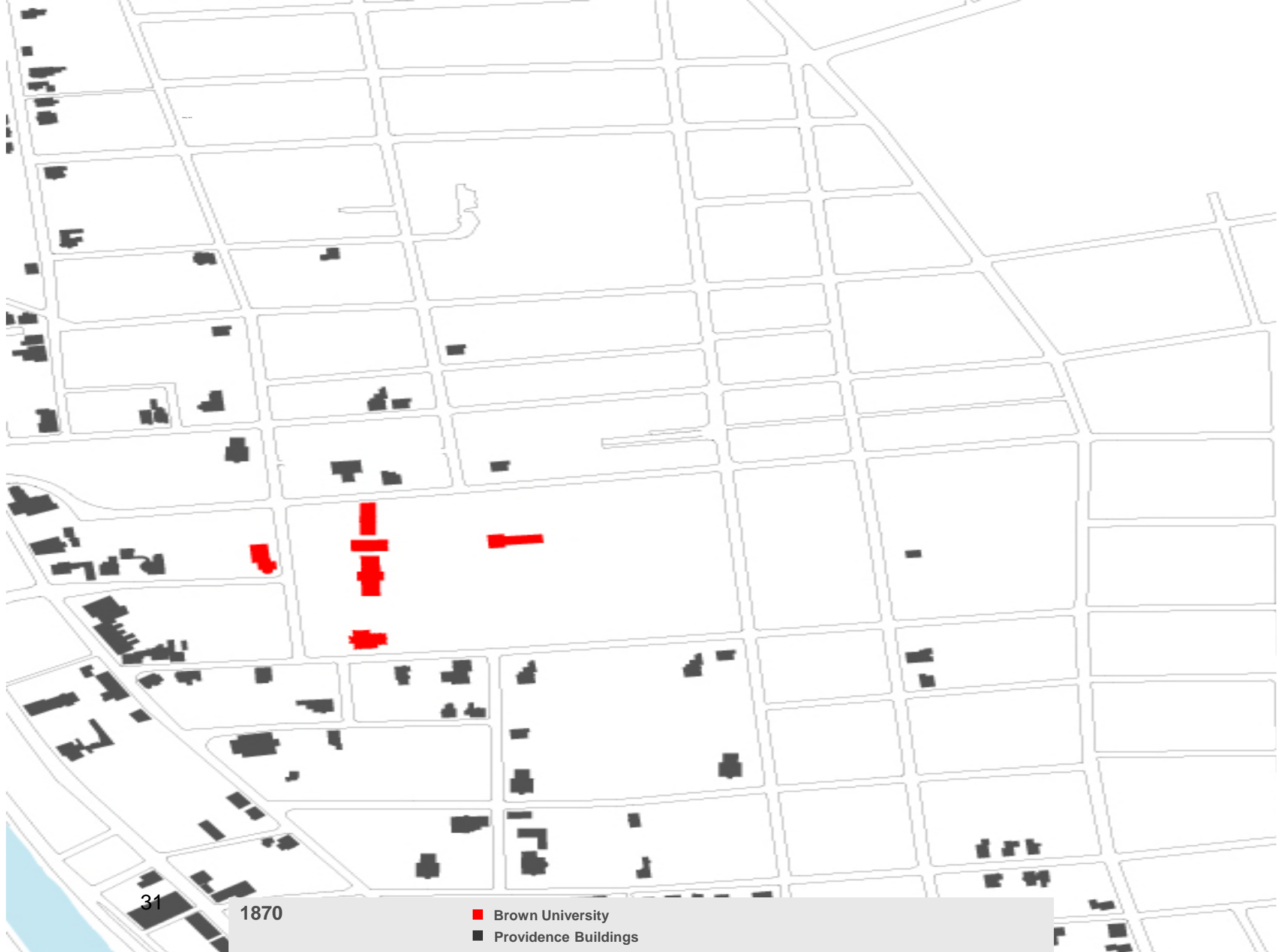




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- Brown University
- Providence Buildings

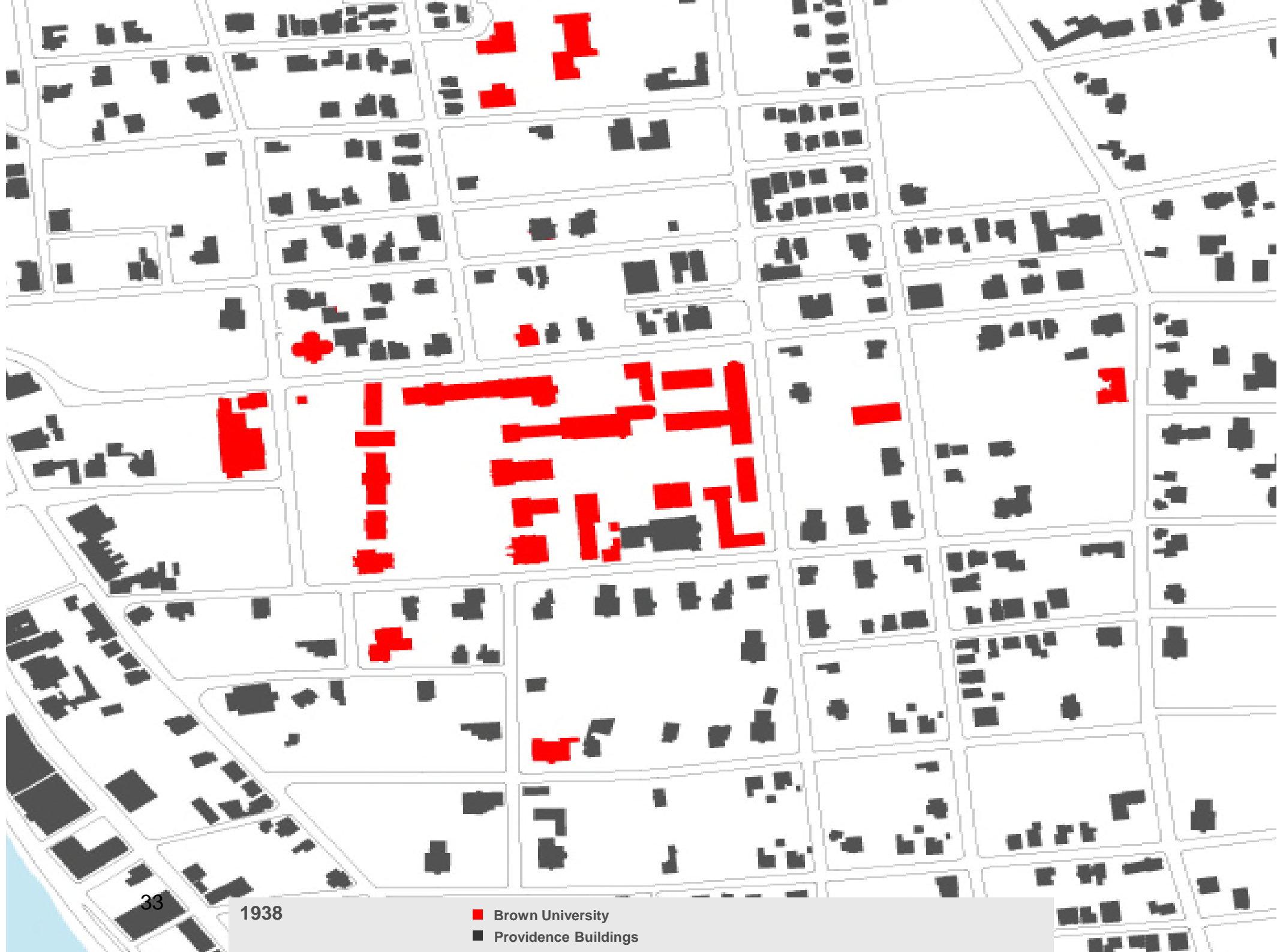


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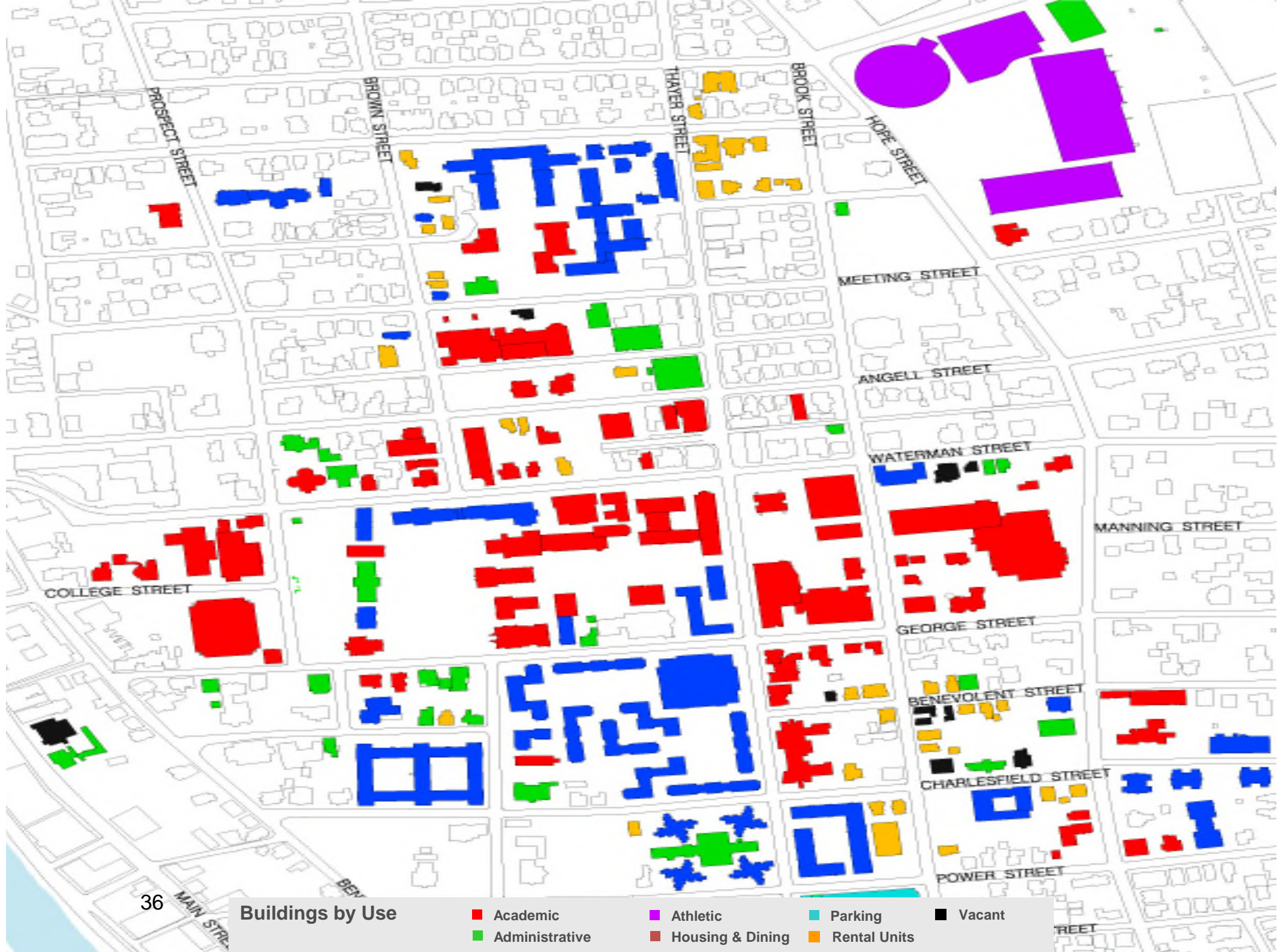
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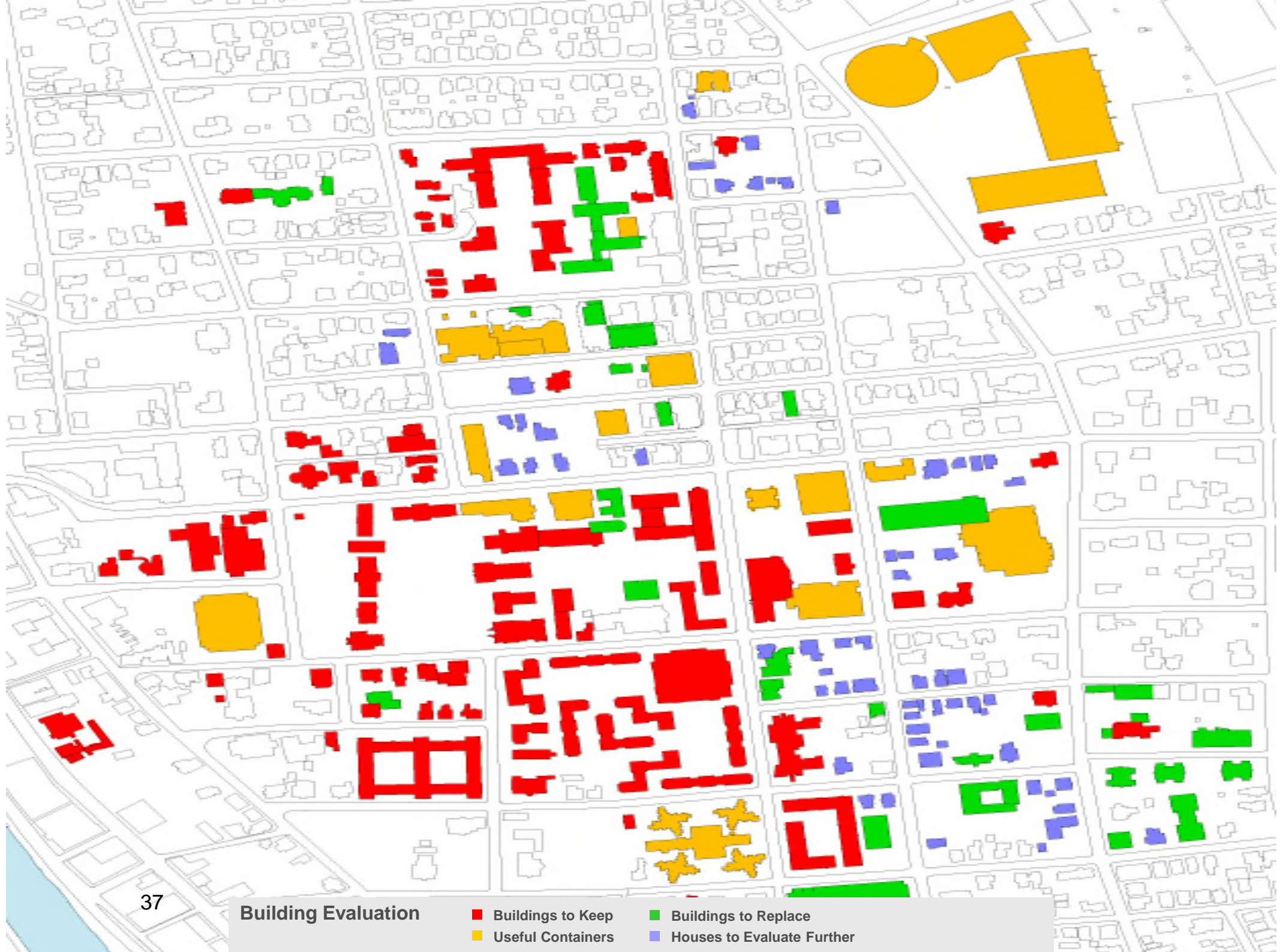








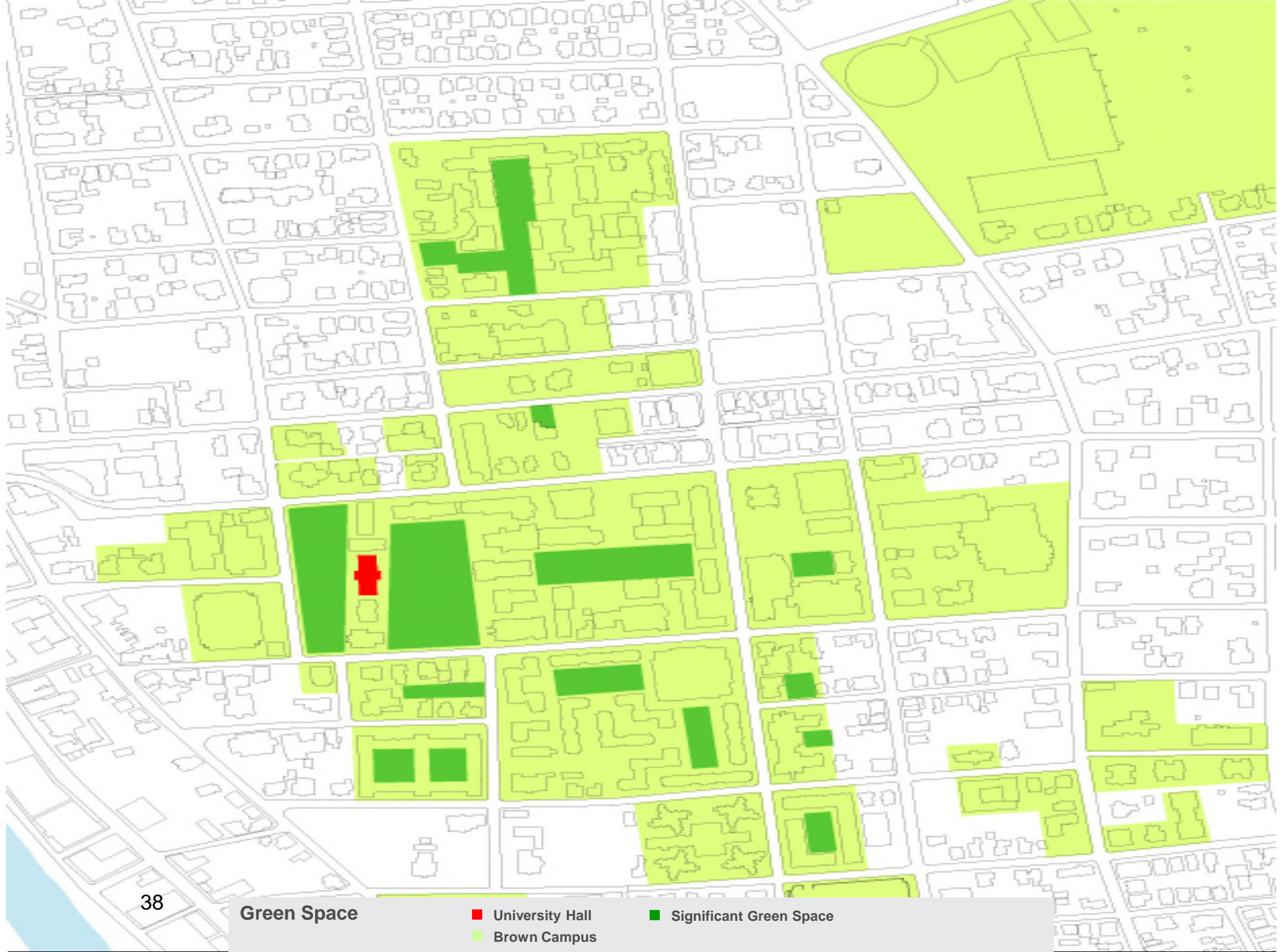




Building Evaluation

- Buildings to Keep
- Useful Containers

- Buildings to Replace
- Houses to Evaluate Further



Green Space

■ University Hall
■ Brown Campus

■ Significant Green Space



The Walk



Jewelry District

Planning Principles

1. Develop circulation infrastructure to foster community, unify and enhance the campus and its surroundings
2. Consolidate the core
3. Move beyond College Hill



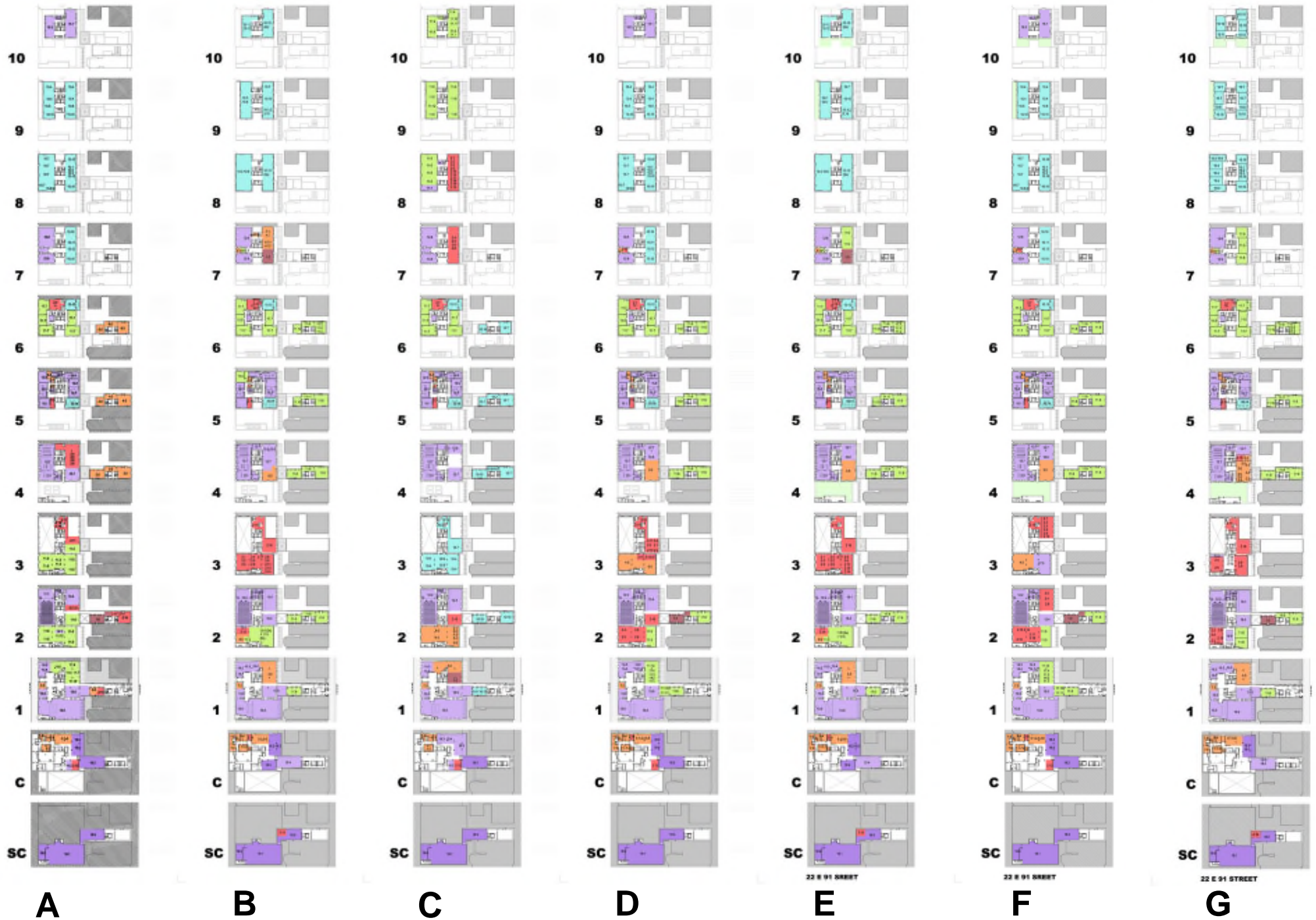


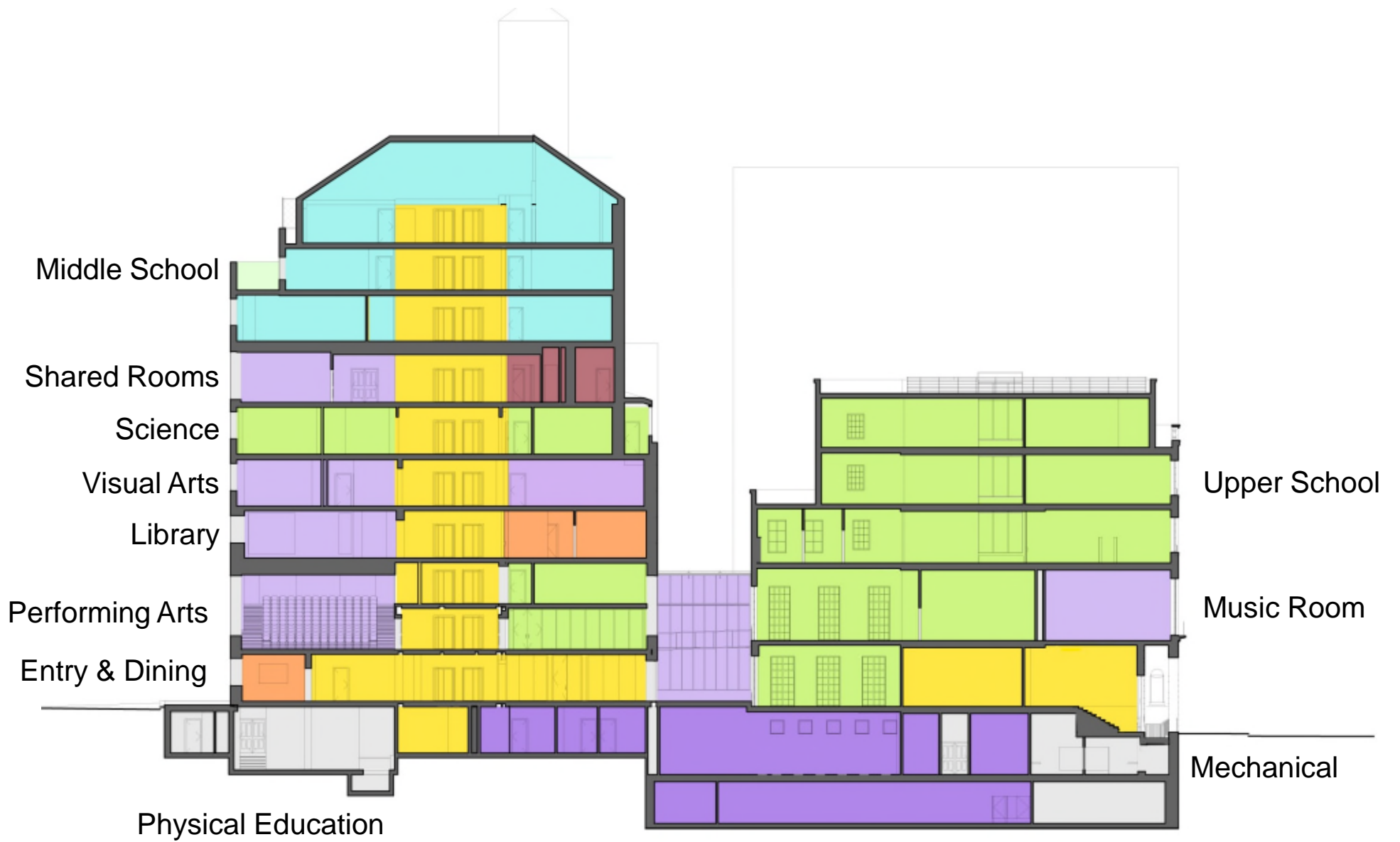




The Spence School Master Plan

Kliment Halsband Architects













Friends Seminary

Kliment Halsband Architects

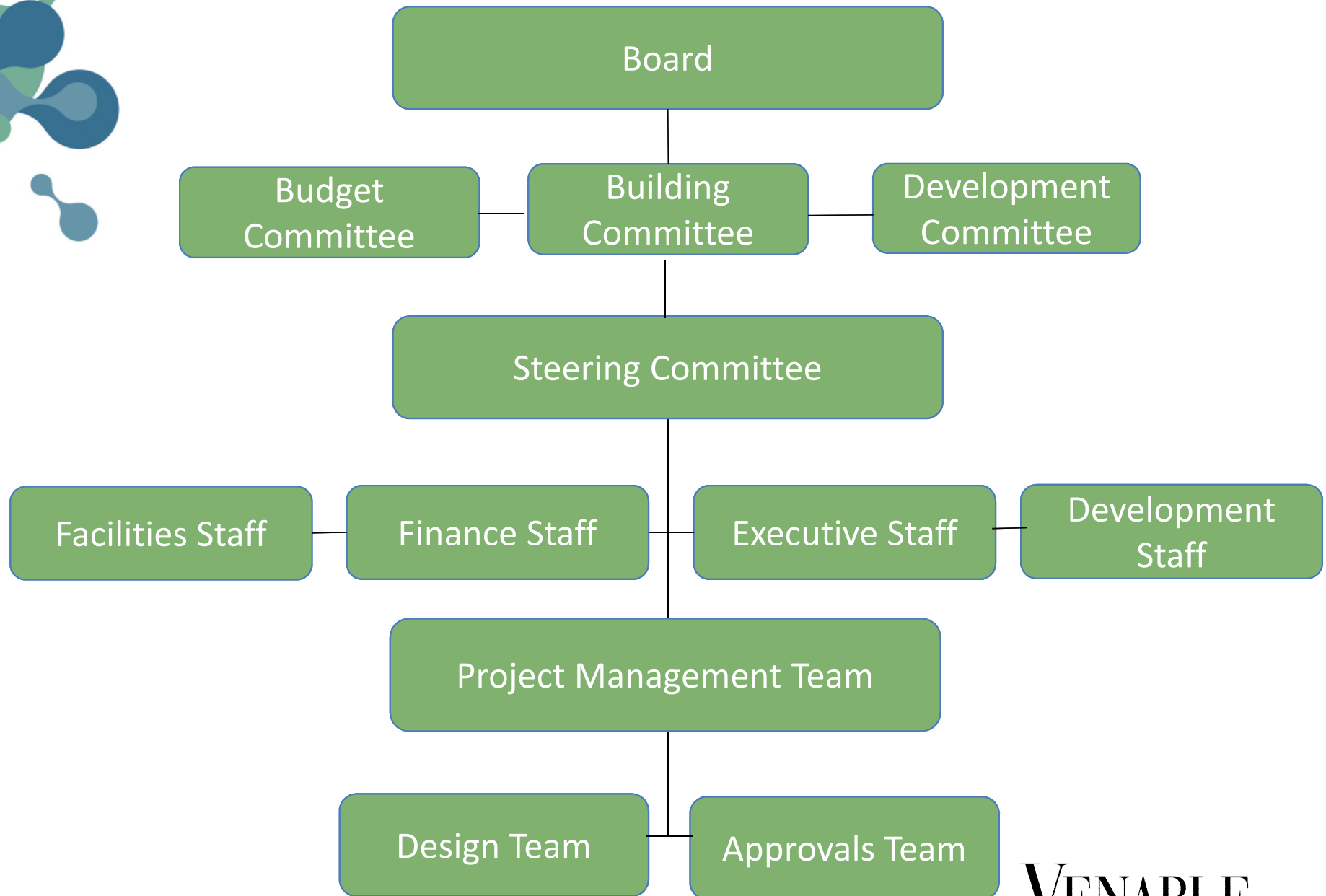


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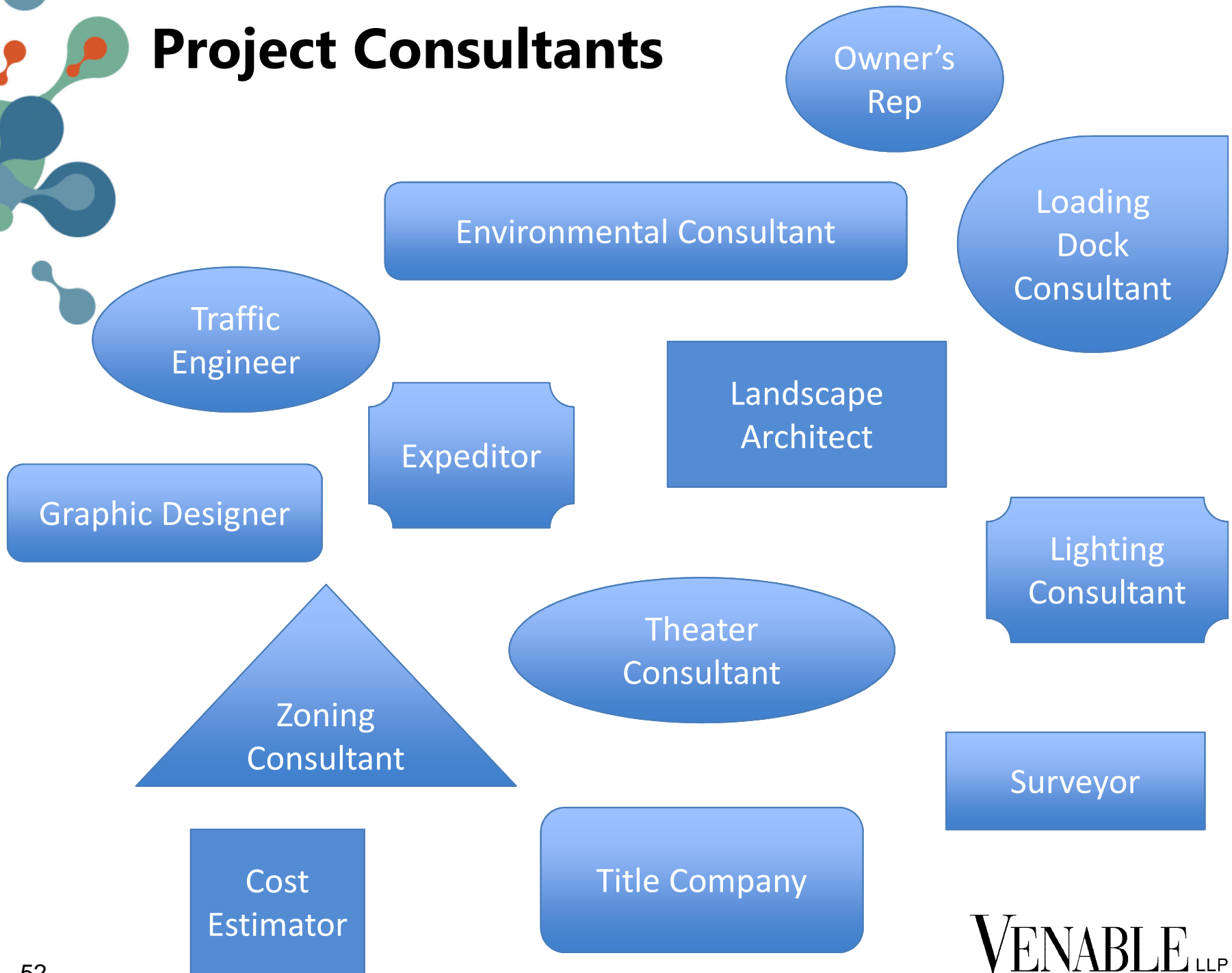
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Organizational Readiness

Project Decision Making



Project Consultants





Request for Proposal (RFP) Process

- What are we trying to do when we write an RFP?
 - Define institutional objectives
 - Communicate goals of the project
 - Get architects / developers excited about submitting
 - Get all internal stakeholders on the same page



Request for Proposal (RFP) Process

- What is good process for writing an RFP?
 - Organize roundtable discussions
 - Resolve key issues in advance of selection
 - Develop design guidelines
 - Bridge the gap between project planning and project management

A decorative graphic on the left side of the slide. It features a vertical wooden pencil pointing upwards. Above the pencil's tip, there are several colorful, abstract shapes in shades of blue, green, and orange, resembling ink splatters or stylized molecules. The pencil is positioned vertically, with its tip pointing towards the center of the slide.

Request for Proposal (RFP) Process

- What are the elements of an RFP?
 - Description of proposed project and goals
 - Background information regarding institution and property
 - Project planning performed to date
 - Summary of needs or program
 - Special conditions of property transaction
 - Summary results of studies, as applicable (zoning, environmental)



Request for Proposal (RFP) Process

- What are the elements of an RFP? *cont'd*
 - Project parameters
 - Budget and schedule, if known
 - Proposed (or required) transaction structure
 - Required information from developer (in outline form to facilitate comparisons)
 - Project specific information – approach, comments on structure, roles, issues, cost / price, schedule
 - Comments to proposed agreement/term sheet (use leverage!)
 - Proposer's experience, capacity, staffing, and other due diligence information (litigation, etc.)
 - Consider two-part process (RFQ and RFP)

A vertical wooden pencil is positioned on the left side of the slide. Above the pencil's tip, there is a cluster of colorful, abstract shapes in shades of blue, green, and orange, resembling ink splatters or stylized molecules. The pencil is oriented vertically, pointing upwards.

Request for Proposal (RFP) Process

- What are the elements of an RFP? *cont'd*
 - Process information
 - Selection / project timetable
 - Questions / site visits
 - Submissions
 - Terms and conditions

Questions?



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Not-for-Profits Ask ‘Can We Build It?’ News; When Developing Ambitious Projects, Institutions Face a Host of Issues

By [Susan E. Golden](#)

Originally published in the *New York Law Journal* on June 21, 2004

With prestigious architects, striking designs and mammoth fundraising campaigns, not-for-profit building projects have changed the New York City landscape. At this moment a long list of not-for-profit institutions are in the planning or construction stages of ambitious projects. To name just a few: Columbia University is acquiring property for an expanded campus near the Hudson River in West Harlem; the Museum of Modern Art is completing an \$858 million renovation and expansion; Jazz at Lincoln Center will soon open its \$128 million new performing arts facility; NYU Downtown Hospital is completing a deal for a mixed-use public-private development project involving \$370 million in tax-exempt financing; and a new \$630 million cultural district is being built in the area around the Brooklyn Academy of Music.¹

New institutions grow and thrive; existing institutions expand or rebuild. However, most not-for-profits have little or no expertise in real estate development. Their focus and expertise are in their core missions. Even owning and operating a major facility may not prepare a not-for-profit for the challenges of a development project. Development projects face a host of land use, real estate, tax, corporate, environmental, insurance, design and construction issues. If these issues are not properly addressed from the earliest stages of project planning, the consequences for the project can be severe. Even when institutions have carefully navigated applicable legal issues and regulatory procedures, court challenges can delay or derail a project.

This article identifies important considerations for not-for-profits during the early planning phases of a project, including: the need to examine the organization’s legal documents regarding its authority and any approvals required to undertake the project; critical elements of project governance; controlling the project budget; issues associated with fundraising and financing; and alternative

structures for collaborations with other not-for-profits, for-profit businesses and government.

There are a great many more issues that regularly arise in any significant development project, for-profit and not-for-profit, that are not addressed here. Further, given the great variety in the nature of not-for-profit institutions, a not-for-profit may face issues particular to its activities that are not addressed in this more general list. For these reasons, one of the essential elements of project governance discussed below is the need for expert guidance in project planning.

Establishing Authority

A primary issue is the need for the not-for-profit to establish its corporate authority, and any restrictions on its authority, to undertake the project and related activities. The not-for-profit must examine the scope of its formation and tax exemption documents and determine whether any court approvals, government or other consents are necessary.

It should also examine its contracts and other legal documents to determine whether any contractual approvals or notifications will be required. This includes its title documents – deeds, leases, licenses and other documents affecting title – which establish its rights and accompanying restrictions on those rights to the property being developed. A case in point: petitioners (unsuccessfully) challenged the authority of the Metropolitan Museum of Art – under a lease with New York City that dated back to state legislation in 1876 authorizing the use of land in Central Park for the museum – to expand beyond the boundaries of its original building footprint without the permission of the then City Board of Estimate.²

The New York Not-for-Profit Corporation Law expressly permits the ownership and operation of real property in furtherance of a not-for-profit’s corporate purposes, but sets

higher board voting requirements and other conditions with respect to the purchase, sale, mortgage or lease of real property.³

Not-for-profits sometimes find themselves contemplating uses of their real property that can jeopardize their tax-exempt status. For example, a not-for-profit may intend to rent space in its new facility to help pay for development and operating expenses. However, rentals not in furtherance of the not-for-profit owner’s core mission (even to other not-for-profits) could be considered unrelated to the not-for-profit’s exempt purposes, resulting in tax liability and, if these rentals become a substantial part of the not-for-profit’s activities, risk to its exempt status.⁴

Project Governance

Project governance is another important early planning consideration for not-for-profits. A development project will draw resources away from the core mission of the not-for-profit. Early planning and organizational accommodations can help to minimize disruption, while keeping the project on schedule and on budget. Four critical elements of project governance are (i) significant board involvement, (ii) the project team, (iii) a clear chain of authority for project decision-making, and (iv) regular communication between the project staff and the organization’s program or curatorial staff.

A significant development project will engage almost every committee of the board of trustees, from the finance and audit committees to the fundraising and nominating committees. Typically, the board will create a special committee to oversee the project, calling on board members with development experience. This effort requires a significant time commitment for the duration of the project by board members who usually serve on a volunteer basis and may have their own businesses to tend. However, the need for board oversight and control, as well as the board’s commitment to raise funds, cannot be understated.

To guide early project planning and manage day-to-day project activities, the not-for-profit should create a project team, drawing from expertise inside and outside the organization. Experienced legal counsel is required with respect to the myriad regulatory and contractual issues facing the project. Project management staff, including an in-house project manager or other executive responsible for the project and a professional owner’s representative experienced in the development of similar projects, is needed to assist in evaluating design, construction, scheduling and budgetary aspects of the project and in

monitoring the progress of the project and the performance of the design and construction teams hired for the project.

Unless provided by the owner’s representative, the not-for-profit should also engage financial management staff to account for project finances, coordinate the project budget with the not-for-profit’s program management staff and prepare financial reports on the project for the board, the project lender and others. The not-for-profit should also consider engaging a cost consultant to analyze the early project program and design and prepare a cost estimate to determine whether the project can be built within the project budget. Finally, a facility manager should be hired to plan for the operation of the new facility, including preparation of an operating budget.

A clear chain of authority for project decision-making is essential to avoid costly delays in the project schedule. The owner’s representative is not usually an agent for the not-for-profit, but will instead report to the in-house project manager or other executive. The not-for-profit must designate an individual to serve in this capacity, with authority to sign documents and approve design drawings and construction change orders. This decision maker is responsible for consulting with the program staff and reporting to the board.

Under the authority of this decision maker, the project team must regularly communicate with the organization’s existing program or curatorial staff. Substantial participation by the program or curatorial staff is required to ensure that the design and expected operation of the new facility works for the organization and that the organization’s overall financial planning includes the project’s budgeted construction and operating expenses. If important staff considerations are not identified and accommodated during the early design phases, expensive scope changes may later result.

The Project Budget

The scope of a not-for-profit’s project is constrained by its capacity to raise funds. Careful budgeting is essential, both in the planning and design of the facility and in the realistic estimating of project costs. If the organization cannot raise sufficient funds or if project costs are higher than anticipated, elements of the project scope may need to be eliminated. Early and knowledgeable control over the project budget reduces costs in the long run, justifying the up-front expense of the project team.

The project team can identify budgetary issues in the early phases of project development, when scope reductions

and other cost-cutting measures are easier. Moreover, careful planning in the early phases of design can help avoid unexpected expenses and scope changes after the design is approved. The project team should participate in negotiations with the design and construction teams to ensure the not-for-profit obtains the best value for the agreed fees and limits its liability for extra expenses. Contracts with the design and construction teams can be used to shift some of the risk to the architect and construction contractor, who are in a better position to foresee and limit extra expenses. Value engineering can also help reduce project costs, and contingency funds can provide a cushion for the unexpected. Finally, throughout the project, the not-for-profit must control its own inclinations to “improve” the design or make other “minor” scope changes that can add up to a budget deficit.

Fundraising and Financing

Of course, the not-for-profit must realistically determine its capacity to raise funds and to incur debt to pay for project costs and must address issues related to these matters. Its financial planning must consider the project’s cash flow requirements. Many donors make payments over time or only after certain conditions or project milestones are met. If the pledge payments will not be made in time to pay contractors, or if there is otherwise a gap between fundraising and cash flow requirements, the not-for-profit may need to finance some of the project costs. Future pledge payments can serve as collateral for such financing if the pledge agreement indicates consideration for the pledge or reliance on the pledge.⁵

The not-for-profit should request that donors use a form of pledge letter that accommodates the expected use of the funds, affirms the not-for-profit’s reliance on the pledge in making commitments to third parties in connection with the project and allows for the pledge to serve as collateral for a financing. Naming issues and other conditions should be clarified with donors at the time of the gift and clearly expressed in the pledge letter.

If the not-for-profit intends to seek tax-exempt financing, it should adopt a declaration of intent (i.e., a board resolution indicating its intent to seek longer-term financing for the project costs). This permits the not-for-profit to obtain reimbursement from the proceeds of tax-exempt bonds for project costs expended prior to the issuance of the bonds.⁶ If existing pledges are insufficient collateral for a financing, a pledge of unrestricted endowment funds or

a mortgage on the facility being developed may provide additional borrowing capacity.

Collaborations

Because of the costs involved, it is not unusual for not-for-profits to collaborate with other not-for-profits and, in some cases, with for-profits in the development and operation of a facility. Collaborations create interdependencies among the participants that require careful attention to matters of control (voting), cost and revenue sharing, and dispute resolution. Models for such collaborations include landlord-tenant relationships, “Type C” not-for-profit corporations, local development corporations, contractual relationships with private developers, joint venture relationships and collaboration with government.

In a collaboration that results in a landlord-tenant relationship, one not-for-profit owns the facility, controls the development process, controls operation of the facility (or the shared elements of the facility) and is responsible to third parties for development and operating costs. This “landlord” may even make certain administrative arrangements for the benefit of all the involved institutions (such as group insurance). The other involved entities use the facility pursuant to lease or license agreements and are responsible to the “landlord” for a share of facility costs.

Depending on the nature of the project, the “tenants” (sometimes referred to as “constituents”) may occupy particular space in the facility or may share use of the facility, requiring a scheduling procedure. The “tenants” may participate in facility decision-making through representation on the board of directors of the “landlord” or through an advisory committee that oversees facility use and operating policies. Each of the involved institutions remains financially and programmatically independent, although programmatic collaborations sometimes accompany the shared use of the facility. Disputes may be subject to arbitration, since the arrangement is not a typical landlord-tenant relationship. Lincoln Center for the Performing Arts and the Snug Harbor Cultural Center in Staten Island operate under variations of this landlord-tenant structure.

A “Type C” not-for-profit corporation may be used to assist a group of not-for-profits in undertaking a development project. A “Type C” not-for-profit is permitted under New York law to conduct a lawful business purpose, i.e., a purpose normally carried out by business corporations for profit.⁷ Like other not-for-profits, a “Type C” not-for-profit must be formed with an objective other than the making of money, such as to provide development and

construction management services to assist other not-for-profit corporations.

Under this model, the collaborating institutions create a “Type C” corporation to manage design and construction of their project. Representatives of the participating institutions make up the board of directors of the “Type C” not-for-profit, which is then engaged contractually by the participating institutions to undertake the specified responsibilities. Under this model, the nature of each institution’s control will influence the progress of the project. Unanimous voting requirements are most protective of the individual institutions, but create the opportunity for a single institution to block the progress of the project. For this reason, alternative voting structures, such as a majority or supermajority voting requirement or a voting requirement based on a percentage interest in the project, should also be considered.

Another model for collaborative development projects involves use of a local development corporation (LDC), a quasi-public corporation with special powers under the Not-for-Profit Corporation Law.⁸ An LDC can plan and coordinate development of several projects in a designated area, helping to facilitate acquisition of land, land use approvals, construction matters, government funding and tax-exempt financing. Because of its quasi-public nature, an LDC may be subject to state “sunshine” laws.⁹ The LDC does not maintain control over the individual projects or provide much in the way of operating and administrative services over the long term. The BAM LDC is using this model to foster development of a combined for-profit and not-for-profit cultural district in Brooklyn surrounding the Brooklyn Academy of Music.¹⁰

Not-for-profits may also collaborate with private developers in undertaking development projects. Under this model, the not-for-profit engages a private developer to manage design and construction of its project, usually in connection with the developer’s private project. The not-for-profit may provide land or development rights to the private developer and the developer builds both the private and the not-for-profit portions of the project. Depending on the value of the land or development rights, the not-for-profit may also realize a cash return.

NYU Downtown Hospital’s recently announced project follows this model, providing for development of a mixed-use building that will include an ambulatory care unit for the hospital.¹¹ The value of the exchange and the scope of the developer’s responsibilities must be carefully negotiated under this model to ensure that the not-for-profit receives the facility it expects. Particular attention should be paid

to the size and lay-out of the facility to be provided and to the elements of fit-out (e.g., interior installations, furnishings, equipment, finishes, fixtures and fittings) included in the package to be delivered by the developer, as well as the promised quality of materials and finishes. The not-for-profit may want a role in the design and selection of uses of the overall project, in addition to approval rights over the design of its own facility, and may negotiate for a guaranteed completion date.

Ultimate ownership of the private and not-for-profit portions of the project must also be determined. By subdividing the property or creating a formal condominium structure, the private and not-for-profit components may be separately owned. Cross-easements for the use of any shared facilities, as well as the sharing of the costs of those facilities (which must be factored in to the not-for-profit’s operating budget), must also be negotiated.

Not-for-profits also sometimes collaborate with for-profits in the form of a joint venture or partnership, creating a business undertaking in which the profits, losses and control are shared by the partners. The for-profit entity may provide an up-front investment and development expertise that makes the project affordable for the not-for-profit. The relationship must be carefully structured to avoid the loss of the not-for-profit’s tax-exempt status.¹²

Not-for-profits also commonly collaborate with government in undertaking projects, with the government providing property, funding, or other assistance. The development of Lincoln Center, for example, was accomplished through a federal, state and city collaboration with not-for-profit institutions via an urban renewal plan.¹³ The Metropolitan Museum of Art and American Museum of Natural History were created by an act of the State Legislature and built on city parkland.¹⁴ Government involvement in a development project creates issues ranging from the state constitutional prohibition against using public funds in support of a private (even not-for-profit) purpose,¹⁵ to public review procedures triggered by government action or funding,¹⁶ to registration requirements applicable to lobbying activities by the not-for-profit.¹⁷

In the end, the project that gets built will often be very different from the project originally envisioned. The American Museum of Natural History, for example, began with the idea of refurbishing its original planetarium building and ended up building a striking new \$210 million facility – the Rose Center for Earth and Space.¹⁸ While flexibility is needed during the development process, diligent early project planning and controls create the structure that leads to successful completion.

Endnotes

1. Charles V. Bagli, “Columbia Buys Sites and Assures Neighbors,” *The New York Times*, April 21, 2004, at B8; Carol Vogel, “The Modern’s Old Home is Almost Habitable,” *The New York Times*, April 7, 2004, at E1; Jon Pareles, “For the Coolest Vibes: Accentuate Acoustics, Eliminate City Noise,” *The New York Times*, May 12, 2004, at E1; David W. Dunlap, “Big Project Moves Forward on One-Acre Site,” *The New York Times*, May 19, 2004, at B4; James Traub, “The (Not Easy) Building of (Not Exactly) Lincoln Center for (Not) Manhattan,” *The New York Times Magazine*, April 25, 2004, at p.38.
2. *Tuck v. Heckscher*, 29 N.Y.2d 288 (1971).
3. N.Y. Not-for-Profit Corp. Law 202, 509-510.
4. Internal Revenue Code of 1986, as amended, 512-514; *see Orange County Agric. Soc’y, Inc. v. Comm’r. of Internal Revenue*, 893 F.2d 529 (2d Cir. 1990).
5. *See In re 375 Park Avenue Assocs., Inc.*, 182 B.R. 690 (Bankr. S.D.N.Y. 1995); *Allegheny College v. Nat’l Chautauqua County Bank*, 246 N.Y. 369 (1927); *Versailles Found., Inc. v. Bank of New York*, 610 N.Y.S.2d 2 (App. Div. 1994).
6. Treas. Reg. 1.150-1 et seq.
7. N.Y. Not-for-Profit Corp. Law 201.
8. N.Y. Not for Profit Corp. Law 1411.
9. For example, the New York State Freedom of Information Law and Open Meetings Law.
10. James Traub, “The (Not Easy) Building of (Not Exactly) Lincoln Center for (Not) Manhattan,” *The New York Times Magazine*, April 25, 2004, at p.38.
11. David W. Dunlap, “Big Project Moves Forward on One-Acre Site,” *The New York Times*, May 19, 2004, at B4.
12. *See Janet James Mahon, “Joint Ventures Between Non-Profit and For-Profit Organizations: St. David’s Case-Worthy Destination, But Road Under Construction,”* 56 Tax Law. 845 (2003); *see also* Rev. Rul. 2004-51.
13. *See City of New York Dep’t of Housing Preserv. & Dev., Lincoln Square Urban Renewal Project, Urban Renewal Plan, Nov. 26, 1957, as amended.*
14. 1869 N.Y. Laws Ch. 119 1 et seq.; 1870 N.Y. Laws Ch. 197 1 et seq.; 1871 N.Y. Laws Ch. 209 1 et seq.; 1873 N.Y. Laws Ch. 756 7; 1876 N.Y. Laws Ch. 139 1 et seq.
15. N.Y. Const., art. VIII, 1; N.Y. Loc. Fin. Law, Art. 2, 101.00; *Imburgia v. City of New Rochelle*, 223 A.D.2d 44 (1996); *Schulz v. Warren Cty. Bd. of Supervisors*, 179 A.D.2d 118 (1992).
16. For example, procurement procedures, environmental, land use and historic preservation review, etc.
17. *See, e.g.,* New York City Admin. Code 3-211 et seq.
18. Glenn Collins, “A Gambler at Heart Rakes In a Planetarium,” *The New York Times*, Feb. 3, 2000, at B2.



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Mission, Real Estate, & Revenue

A story of development at the
Cathedral of St. John the Divine

By Frances Halsband, FAIA



This is a success story about a very large urban cathedral that faced enormous maintenance and operations costs but was short of funds. The process it followed transformed underutilized real estate into an income-producing asset that helps the cathedral to realize its mission. It managed a decade-long process to identify development sites on its property, maximize the income stream from development, and assure that new buildings would be congruent with its mission, in harmony with the existing historic structures, and would bring new life to the surrounding community. It is a story on a grand urban scale, but the message is relevant to any religious institution constrained from realizing its mission by the overwhelming cost of upkeep of its beloved historic facilities.

The Cathedral of St. John the Divine is the seat of the Episcopal Diocese of New York. Begun in 1892 and still only partially complete, it occupies Cathedral Close, an 11.5-acre site on northern Manhattan's west side. In addition to the cathedral, the Close includes five other buildings that accommodate diocesan activities, along with the Cathedral School.

THE PROCESS

This story begins in 1999, when the Very Reverend Harry Pritchett, then Dean of the Cathedral, and cathedral trustees recognized that the century-long effort to complete the cathedral was not in tune with current financial realities. In a "re-visioning" they shifted their focus from new construction to maintenance and repair, and began a search

THE WRITER IS A PRINCIPAL OF KLIMENT HALSBAND ARCHITECTS IN NEW YORK, NEW YORK, WHICH HAS DESIGNED A MULTITUDE OF AWARD-WINNING PROJECTS FOR RELIGIOUS CLIENTS.

for sources of income compatible with their mission and objectives. From the very beginning, they agreed that all development should be congruent with the cathedral's mission and vision, compatible with the building's historic architectural qualities, and capable of generating revenue to help sustain the Close for future generations. They also created four rules that governed their approach:

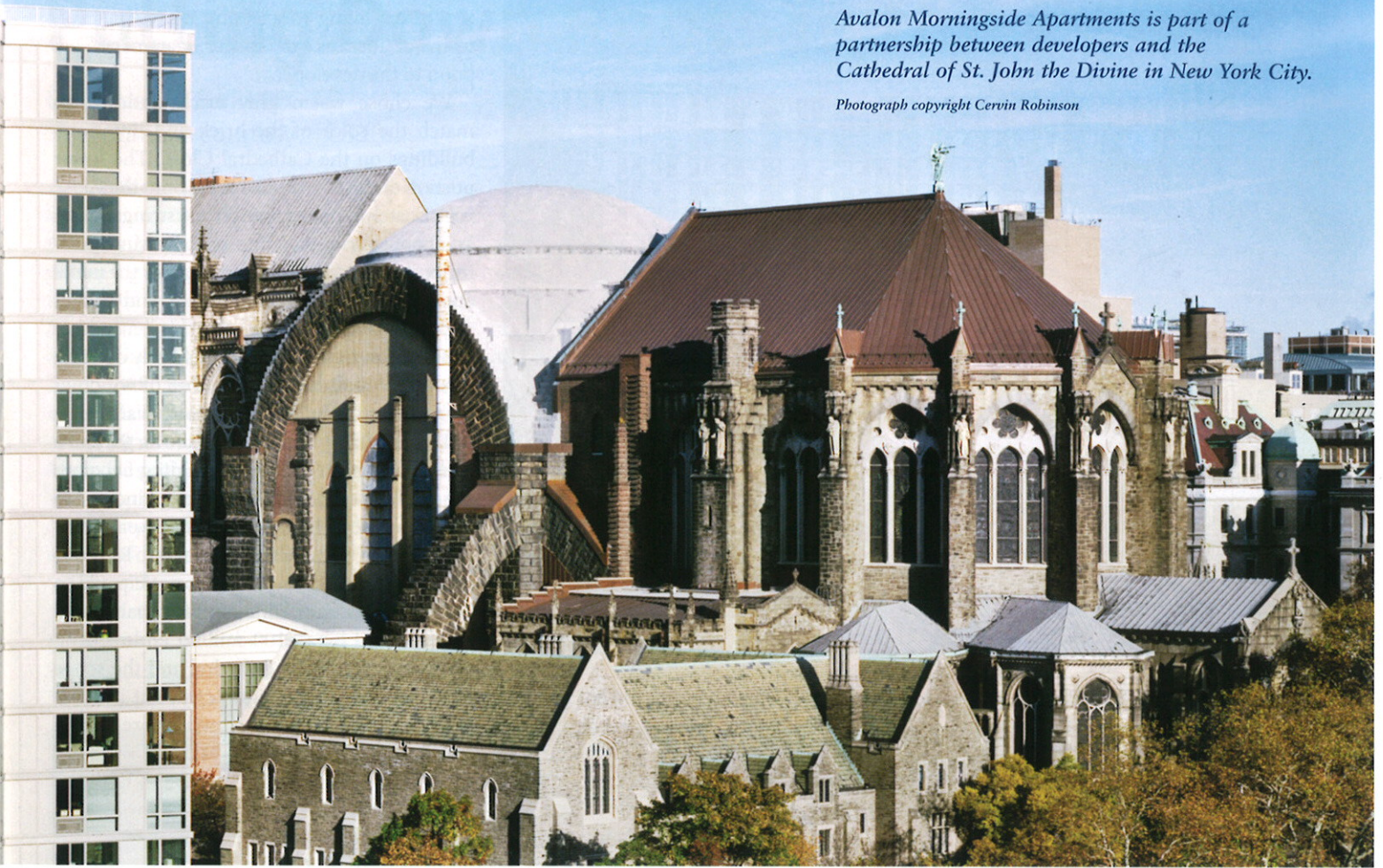
- Do not sell land, but do consider long-term leases;
- Promulgate broad architectural guidelines for development, and retain design oversight on development projects;
- Consider uses that are consistent with the cathedral's mission and can generate revenue;
- Retain a team of qualified advisors to assist with implementation.

According to the current cathedral dean, Reverend James A. Kowalski, "We engaged in a holistic master-planning process, knowing that any plan had to achieve mission congruence, be physically appropriate, and bring revenue. We understood that our tax-exempt status meant that we should be giving back. We needed to do something that was a real community benefit. We defined three financial needs: rebuild the endowment, maintain the cathedral, and provide operating revenue. We knew we could not do it ourselves, and that it was essential to bring in experts. In sum, 'Don't put the plane in the air unless the plane is flightworthy and you know where you are going.'"

The Cathedral Fabric Committee was responsible for leading the effort. In-house staff included the vice president for strategic planning and special projects and an urban planner/preservationist. A team of outside advisors was assembled, including planners, land-use attorneys, real estate/financial advisors, and an advising architect.

Avalon Morningside Apartments is part of a partnership between developers and the Cathedral of St. John the Divine in New York City.

Photograph copyright Cervin Robinson



The first step was commissioning a master plan that identified significant spaces and places in the Close, outlined a plan for the future of the site, and identified under-utilized areas. Two areas stood out. One was the southeast corner of the Close, at the intersection of Cathedral Parkway and Morningside Avenue, a rocky cliff with parking at the top, and an untended jungle of weed trees surrounded with chain link fence at street level. This corner was a blight on the neighborhood, a dark and dangerous place at an important urban crossing. The second site, at the northern edge of the Close, was another, larger parking lot.

Landmarking of the cathedral site had been under contentious discussion for years. In conversation with the New York City Landmarks Preservation Commission, the cathedral developed a “Restrictive Declaration” that identified areas of the site that should be protected with landmark designation, and areas that could be developed without impinging on the historic grouping of cathedral buildings. The Declaration defined the massing envelope within which new residential buildings could be created. The envelope was designed to maintain unrestricted views of the cathedral from key locations in the surrounding community. The definition of the massing envelope was crucially important, as it removed the risk for potential developers of open-ended and unpredictable negotiation with city officials about what kind of building would be allowed.

With potential development sites defined and approved, the next step was to frame a Request for Proposals from developers that described appropriate uses, aesthetic and financial requirements. The highest revenues were likely to be realized with rental housing on the site. While several not-for-profit social services groups were interested in collaboration, the cathedral quickly realized that subsidizing others’ missions

would diminish their capacity to realize its own goals. The RFP stipulated that the cathedral had approval over the developers’ choice of architects, and that all landscape and building designs would be subject to review to assure that building massing, façade design, and choice of materials would be compatible with the architecture of the cathedral.

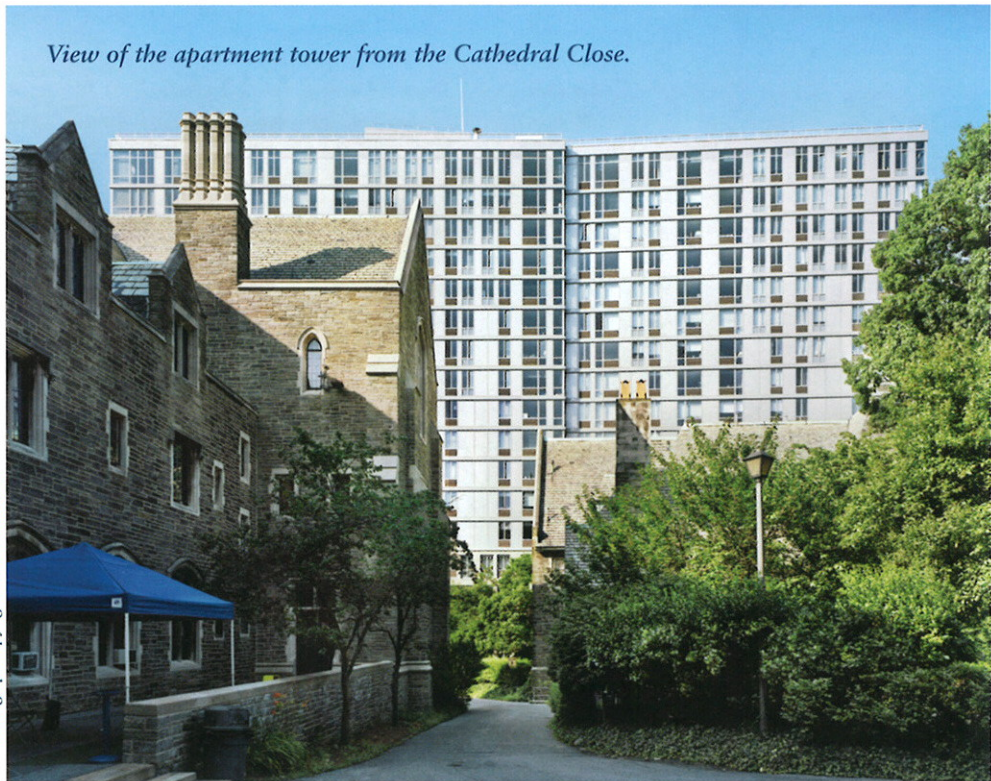
Also, the cathedral defined its financial goals, determining that it did not want a lump sum payment up front, but preferred a long-term revenue stream that would grow the endowment, help pay for ongoing building maintenance costs, and contribute to operating costs. The cathedral resolved to offer a 99-year ground lease to developers.

With all of these safeguards in place, the cathedral reached out to a real estate advisor to invite developer proposals for the southeast parcel, and manage the developer selection process. The selection of AvalonBay Communities as site developers initiated a remarkable collaboration between the developer, the cathedral board and staff, and the advisory team. As selected architects for the private, for-profit developer, answerable to a not-for-profit religious institution, we were responsive to and responsible for common goals of financial sustainability, environmental responsibility, aesthetic coherence, and civic enhancement. Committee presentations were an extraordinary balancing act; the developer understood the cathedral’s desire to meet all of its development goals, and the cathedral came to understand the goals and constraints of the developers.

THE RESULT FOR MISSION, DEVELOPMENT, AND REVENUE

The 20-story residential building of 326,000-square-foot was completed in 2009. It includes 295 apartments, community rooms, a lobby opening onto a landscaped garden, and a 150-car parking garage. Eighty percent of the apartments are rented at market rates and the

View of the apartment tower from the Cathedral Close.



Photograph copyright Carvin Robinson

remainder are rented at affordable rates. The affordable rates are subsidized by the cathedral (which committed \$200,000 per year from its Mission Fund) and the developer (who benefited from tax-exempt bond financing and tax abatements).

The residential building entrance is at the lower end of the site, opening onto a landscaped plaza at the street corner. What had been a dangerous and overgrown corner is now a welcoming community space. The plaza is a quiet sitting space in the daytime and an active illuminated corner at night. The building entrance is completely separate from the

cathedral. Forty feet above, at the level of the Cathedral Close, new landscaping and roadways follow the cathedral’s master plan, and the rose garden was moved and reconstructed.

The building relates both to the Cathedral Close and to the adjoining Morningside Park community. We kept the building height below the ridgeline of the cathedral and created simplified massing that would be a background building to the cathedral. The apartment building forms a wall defining the south edge of the Close, fanning out at the east corner to open to views of the park and the city beyond. Each facet forms a corner window for

apartment living rooms, and more than half of the residences are “corner apartments”—a boon to the developer.

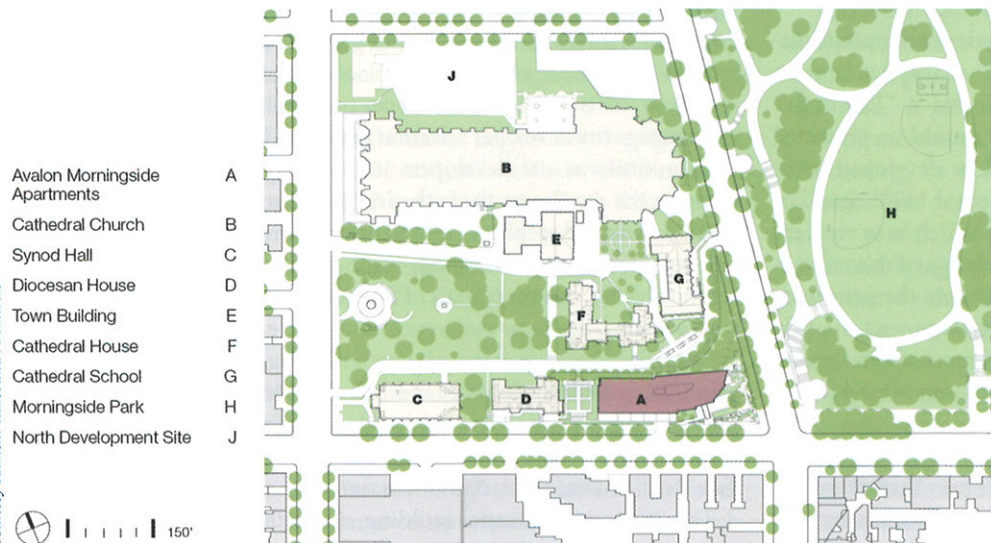
We chose warm gray brick cladding to match the color of the brick and limestone buildings on the Cathedral Close. The lower portion of the north wall facing onto the Close is intricately detailed, with stone stringcourses and copper trim scaled to relate to surrounding buildings. Above the fourth floor the metal and glass skin is lighter in color and weight and reflects the sky above. The broken grid of windows on the north side adds lively detail to this planar wall, and the number of windows increases as the building moves skyward.

The developer is renting the site for 99 years. At the end of the lease, the building becomes the property of the cathedral. Rental income to the cathedral will be revisited at 10-year intervals to keep pace with the market. Revenue from both development sites is anticipated to be the equivalent of the amount that would be generated by a \$100-million endowment. Given the size of the cathedral and the scope of its mission, this is significant, but it is not a “silver bullet.” The cathedral is more secure, but is still in a fundraising mode.

As the first new residential building in the neighborhood in decades, the project has attracted a population of faculty and graduate students from nearby Columbia University campuses, newcomers, and long-time community residents. The former dark corner is now a welcoming beacon in the community, and the cathedral has benefited from extending its mission, enhancing the neighborhood, and securing a revenue stream.

And what did the cathedral learn from this experience? Perhaps the chair of the Cathedral Fabric Committee, the Reverend Dr. Thomas Pike, summed it up best when he said: “My advice to any religious group is that they think the whole thing through theologically, so that they understand the relationship between mission, planning, financial, and aesthetic needs. The governance of the cathedral took the time to determine the basic mission, history, and future plans, and determine the financial needs so it knew what it wanted from a financial partner. We were very fortunate in finding partners who understood our needs and were able to deliver a project that met and exceeded our goals.”

Courtesy Kliment Halsband Architects



Site plan showing cathedral facilities and the new apartment development in the southeast corner of the site.

PROJECT CREDITS

Design Architect: Kliment Halsband Architects
 Landscape Architect: Rader + Crews
 Site Developers: AvalonBay Communities

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Venable Law & Education Forum
Unlocking the Hidden Potential of Your Real Estate: Opportunities and Pitfalls
7 June 2016

Key Elements of a Master Plan

Organizing the Process

Build on Institutional Strategic Plan
Create small, functional group of decision makers
Develop realistic schedule

Research

Involve everyone you can find. Seek every point of view: Campus, alumni, community, funders
Develop goals and program of needs
What is important in the history of the campus and the institution?
Context: Are there other nearby developments that could impact your decision making?
Look at landscape and grounds, traffic and movement patterns. Is circulation effective?
Investigate existing building conditions. Can buildings be repurposed?
What are current zoning, and building code constraints?
Is the site landmarked?

Design

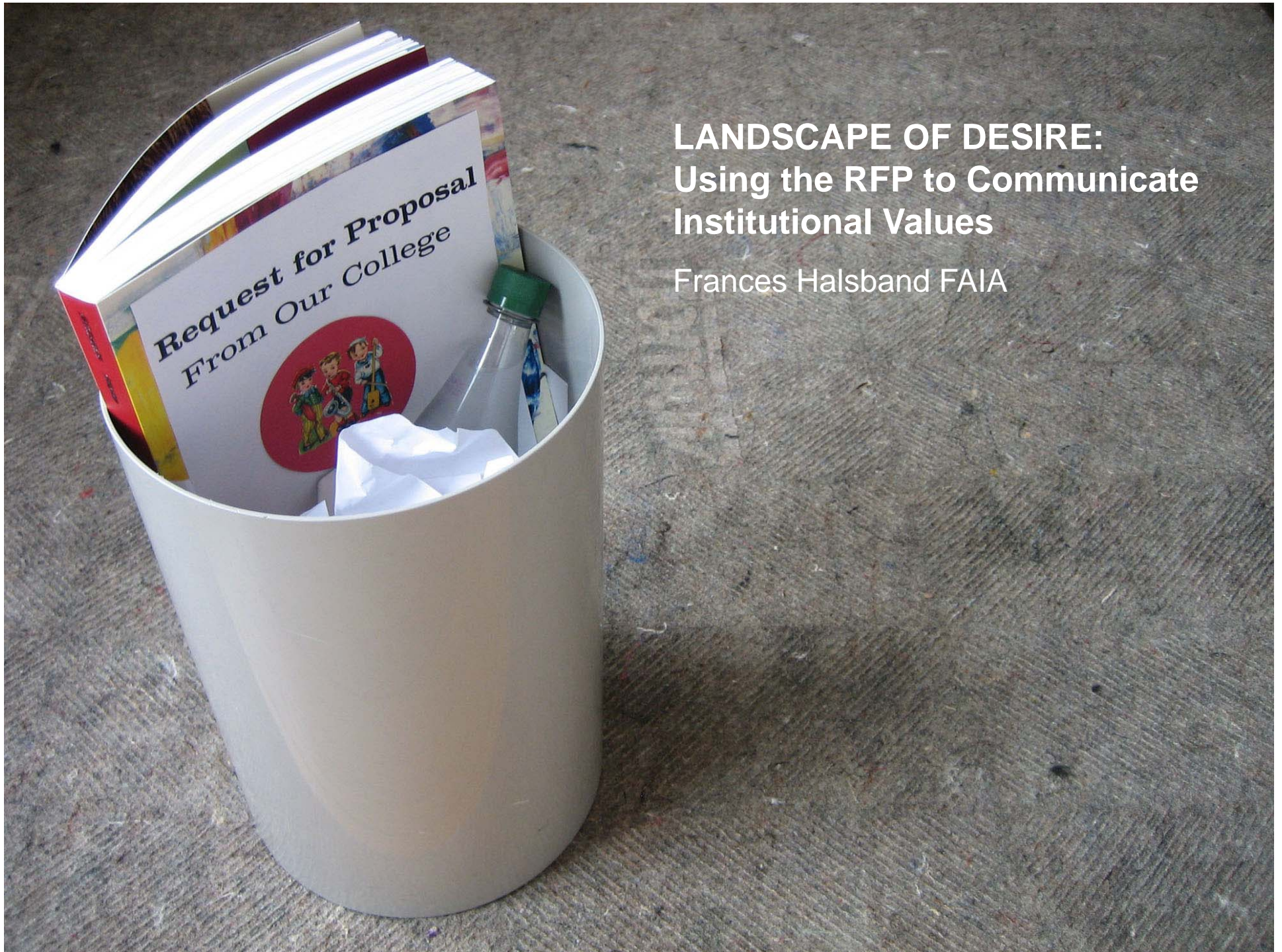
The art of master planning is seeing opportunities to match institutional desires with existing conditions to create a new cohesive and inspiring place that welcomes the future.
Develop alternative plans for review and analysis in workshop format
Evaluate each alternative in relation to institutional goals, cost, phasing, feasibility
Select an agreed-upon plan
Create a clear graphic presentation to sell the ideas

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**LANDSCAPE OF DESIRE:
Using the RFP to Communicate
Institutional Values**

Frances Halsband FAIA

GENERAL DESIGN GUIDELINES AND INSTRUCTIONS TO ARCHITECTS

University's intention is to provide broad design guidelines and instructions to architects who are commissioned to do work on the campus. The Design Guidelines and Instructions noted in this section are intended to be general guidelines, which apply to the entire campus and all projects.

The purpose is not to limit but to expand the possibilities for design by making explicit the intentions and values implicit in the built environment as giving form to vision of itself as an institution committed to education, scholarship, and service.

A. Support the Mission of University

is a community of scholars. The design of the campus should encourage reflection and convey the seriousness of purpose of the institution, encourage interaction and sustain patterns that bring faculty, staff and students together.

The campus should include a range of public and private space, and provide effective transitions from one to the other.

The campus should reflect the diversity and richness of the community.

B. Be Aware of the Existing Campus, Historic Elements and Patterns

New buildings should be designed with an awareness of the history of the institution and of the place, recognizing their distinctive scale and character and respecting existing traditions, typical patterns of construction, existing scale and proportion of campus buildings, and patterns of activity.

New buildings should accommodate changing use and encourage flexibility.

Respect for the past is completely consistent with a willingness to experiment and to think in new ways about planning and design in an ever-changing campus. Consider at least one or two ideas for each project to encourage innovation in building technology and design.

Think of the campus as a set of interconnecting open spaces. Preserve and, where possible, expand the quantity and quality of these open spaces.

C. Engage the Community

Design buildings which engage the campus and also engage the street, neighbors, and community.

Respect residential edges and scale

Seek opportunities to share open space, and invite public use of areas within buildings to the extent possible and appropriate.

Contribute to the pedestrian network for both the campus and the community.

Create cohesive campus spaces and cohesive streetscapes.

Design places which engage the community beyond and do not turn their backs on surrounding neighborhoods.

The project design team should actively engage community members in the design process to understand concerns of the external community.

Lots of good
information

Library Selection Committee
REQUEST FOR QUALIFICATIONS

invites firms to submit their qualifications for providing architectural services for the new Library. The project will consist of renovations of approximately 40,000 net square feet in the historic banking hall and second floor of The building is on of the RISD campus, along the newly developed riverfront park. The space has been given to by Corporation.

Built in 1917 for the bank, the building was designed by York and Sawyer of New York; it was placed on the National Register of Historic Places in 1976, and the ornate first floor banking hall is a National Register interior. This banking hall is 182' x 98' with a coffered ceiling rising to 49 feet. Twenty-four Corinthian columns line the perimeter of the room. A mezzanine overlooks the campus and the river.

Currently, the Library's quarters are in College Building, with an entrance at While very beautiful, the library long ago outgrew its space, and a quarter of the collection is now in offsite storage. The library is a visual arts library with a collection of 115,000 volumes and visual collections (slides, clippings, and other formats) of 680,000 items. The library also includes significant special collections and archives. In addition to serving a campus of 2100 full time students, the library is utilized by scholars and the public.

is the premier visual arts and design college in the United States, offering degree programs in 19 disciplines at the graduate and undergraduate levels. The new library should reflect the quality of as an institution, and significantly contribute to the life of the city of The renovation project will preserve local history and create, through its sense of place, a contemporary destination.

Listed below are some of the goals and priorities for the project, particularly with respect to design:

- goal is to renovate and transform the historic banking hall into a library appropriate to the premiere art and design school; the new library should exemplify the highest degree of design excellence and respect for the historic structure.
- The challenges of a fixed budget and existing conditions must be met without compromising the needs of the library program.

**

Some good
information

Issue Date: 5/29/2006

ARCHITECTURAL & ENGINEERING SOLICITATION BY600-006

*
Very little
information

██████████ COLLEGE CENTER FOR THE PERFORMING ARTS

Description: The ██████ University ██████ is seeking Architectural and Engineering Services to design, prepare contract documents and provide construction administration services for a new infill addition to, and renovation of, the existing Whitman and Gershwin theater buildings at ██████ College, creating a new Performing Arts Center. Firms who wish to be considered for this project should submit two (2) copies of firm brochure, client names and phone numbers from previous projects which demonstrate experience specific to this project type, latest SF254 and 255 forms OR SF 330 form, EEO Policy Statement, latest financial statement, list and description of completed projects which are pertinent and specific to this project, and proposed project team. Consultant must be licensed to practice in ██████ State. Selection of firms to be made in accordance with CUNY procedures.

Minority Sub-Contracting Goal: 15%
Women Owned Sub-Contracting Goal: 7%

Proposal Due: 6/20/2006 11:00am

Contract Term: tbd

Location: RFQs to be submitted to the address below. The project will be for ██████ College, ██████

Contact: ██████ Contracts Officer



OUR CLIENTS

Colleges and Universities
Graduate Schools
Independent Schools (K-12)
Research Institutions
Vocational Schools
Cultural Institutions
Medical Schools

CALIFORNIA
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MARYLAND
NEW YORK
VIRGINIA
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Educational institutions are employers, real estate developers, IP owners and creators, importers and exporters of goods and services, and so much more. Because of this variety of roles, educational institutions today face an unprecedented range of legal issues.

Venable has been actively involved in the cross-disciplinary practice of education and school law for over 50 years, representing educational institutions of all sizes, denominations, philosophies and locations. Our experience with educational institutions includes management and board counseling and governance, real estate and construction, tax advice, litigation, investigations, labor & employment, and regulatory compliance.

Why Venable?

- We regularly handle internal investigations for educational institutions. We understand well the sensitivities, the role of the board and the financial implications of an internal investigation for an educational institution, particularly in connection with sexual misconduct or harassment claims.
- We have served as land use, construction, environmental and real estate counsel for the redevelopment of educational and cultural institutions throughout New York City. This work involves zoning analysis and master planning, obtaining land use approvals, environmental and landmarks reviews, subdivision of tax lots, purchase, sale and leasing transactions, and design and construction contract issues.
- We advise schools regarding indoor air quality and related environmental issues connected to their presence in older buildings and with renovation projects.
- We assist institutions with creating employee handbooks, hiring, leave and social media policies, executive compensation and retirement and health insurance benefits.
- We counsel institutions on federal regulations, including tax and fundraising compliance, UBIT, HIPAA, Affordable Care Act, ADA compliance and issues surrounding the Family Educational Rights and Privacy Act (FERPA), and we advise universities in securing federal funding for critical projects.
- We provide counseling on not-for-profit law, governance, conflicts of interest and board matters.
- We defend medical schools, arts education institutions, independent schools and universities in age, race and sex discrimination lawsuits in federal and state courts throughout the country. We also litigate for schools defending wage and hour and wrongful discharge claims and in construction-related litigation.
- A focus of our IP practice is managing large portfolios of active patent applications for universities and research institutions. Our IP team also routinely advises on university-funded research and technology transfer arrangements and royalty agreements.
- We represent educational institutions in transactions and commercial law, including tax exempt bond financings, loan transactions, sale of real and physical property and negotiation of business and vendor contracts.
- We represent schools in class actions, including several law schools in the putative class actions brought by former law students who claimed to have been misled about their postgraduate employment options.
- Our education attorneys are often called upon to speak at state and national education conferences, meetings and regularly provide on-campus presentations and trainings.



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About the Law & Education Forum

This cross-disciplinary discussion series is focused on legal issues important to universities, secondary schools, independent schools and other degree-granting institutions. It is designed to help educational institutions tackle both day-to-day concerns and "bet the campus" issues, including internal investigations, responding to subpoenas and government inquiries, real estate, tax, compliance, risk management, IP, labor and employment, environmental topics, and more!

Kliment Halsband Architects



New York University College of Global Public Health



University of Massachusetts/Amherst South College Academic Facility



SUNY Purchase College Humanities Building



University of Chicago Neubauer Collegium for Culture & Society

Esteemed for design excellence and distinguished architecture, this midsize firm is a giant. A quarter century of team practice has produced profound architecture specific to both context and client. Their success is great, their approach deceptively simple: extraordinary attention to detail.

**1997 ARCHITECTURE FIRM AWARD
AMERICAN INSTITUTE OF ARCHITECTS**

Established in 1972, Kliment Halsband Architects is a leading architectural practice based in New York City and Northampton, MA. Our clients are public and private organizations with ambitious educational, cultural, and civic goals. Our work is known for simplicity and directness, concern for human presence, and respect for the environment. Ours is an architecture of accommodation.

Design Philosophy

We intend our projects to be clearly conceived and carefully made places that engage the past and imply connections to the future. We believe it is important that they engage the existing cultural and physical context, so that they become integral components of it; that they give direction to future uses and development, so that change and growth can be natural and coherent; that they fully develop the requirements and opportunities of program, so that they work well; and that their construction is congruent with available skills and funds, so that they are built well.

Design Excellence

The work of the firm has been recognized with over 150 awards for design excellence, and is the recipient of the AIA Firm Award and the Medal of Honor from the New York Chapter AIA, each of which is the highest honor given annually for consistently distinguished architecture. The work of the firm has been featured in over 200 publications and has been widely exhibited in the United States and abroad. Two monographs have been published about the firm's work, one in 1998 and the other in 2008.

Environmental Responsibility

Creating environmentally sensitive and energy efficient buildings with healthy and comfortable environments is fundamental to our commitment to design excellence. We approach every project creatively, investigating technologies, methods, and materials that will minimize impact on the environment and result in high performance buildings. We take advantage of each site's distinct climate and place in order to optimize the sun for lighting, the wind for natural ventilation, and the earth for heating and cooling. We strive to minimize waste, from segregating and recycling construction debris to reintroducing refurbished existing components into the project.

Zubatkin Owner Representation

History

Zubatkin Owner Representation specializes in the development and management of building projects for educational, performing arts, cultural, religious and for-profit clients. Over our twenty-two year history, we have completed more than 200 projects for prestigious institutions like the American Museum of Natural History, National September 11 Memorial Museum, St. Patrick's Cathedral, Clark Art Institute, The Spence School, and Theatre Row. The scope for these projects has ranged from historic restorations, exhibit development work and tenant fit-outs to large-scale expansions and new construction projects.

We also have extensive experience with private development projects and understand how to bring the not-for-profit and for-profit sectors together in the right way to create the highest and best use of our clients' real estate assets. As part of our portfolio, we have represented not-for-profit organizations in their real estate development deals. In coordination with an owner's legal counsel, our work has involved assisting in the structuring of development agreements, negotiations with private developers, due diligence reviews and implementation planning.

Approach

As owner's representatives, we partner with our clients to help them strategically plan and execute their building projects. One of our most important functions is to ensure that the owner's decisions are fully informed with implications presented in a clear and timely manner. We bring strategic thinking to our work and advise our clients on establishing the right framework for project success. We also maintain the project and communication controls, making sure that the project team is properly coordinated and that the budget, schedule and overall project quality are on track.

We have established many longstanding relationships with the clients we represent. Our reputation has been built on delivering the highest quality of work and exceeding our clients' expectations. We are very proud of the fact that 85% of our work is from repeat business and referrals.

Team

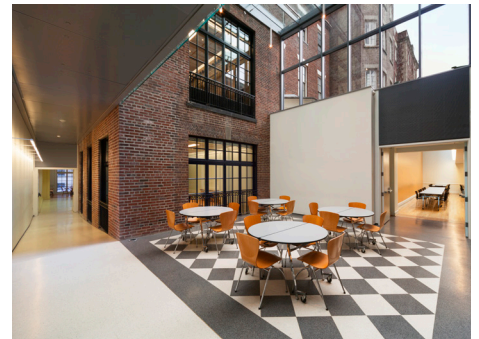
The Zubatkin team includes experts with in-depth experience in the construction and operational challenges of institutional projects. Our firm's evolution has been based on assembling the right resources in support of building projects. Today, we have a staff of over 45 professionals with a range of backgrounds including construction specialists, engineers, architects and landscape architects. As sustainable design is a core mission of our work, a majority of our staff have either completed Green Professional Building Skills training or are LEED Accredited Professionals.



American Museum of Natural History



St. Patrick's Cathedral



The Spence School



Theatre Row

Zubatkin Owner Representation, LLC

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Notes:
