



MAY 2023

Bricks & Mortals

The Community Church of New York
“Concept to Keys”

Right Place, Wrong Time

Initial analysis and Leadership challenges

- It begins with a presentation
- Is there an opportunity?
- Zoning, Lot size, Allowable FAR, Tenants / Vacant possession, value
- Check, check, check the boxes
- Pitching your idea...creativity leads to overcomplication, but that's ok aka tread lightly with a ULURP
- But you don't understand, it's a phenomenal idea!
- Its not me, its him
- Cultivating allies
- Biding your time

Creating Momentum

Committed Leadership / Committed Board

- A leadership search and a calling
- The right person at the right time
- Where she leads, they will follow
- No project without a campaign
- Fact finding and due diligence
- Getting hired
- No project without the work
- Architectural analysis
- Existing facilities condition
- Growing or shrinking and planning for the future
- Cost
- Market conditions

Initial Consensus Building

A congregation of diverse individuals and opinions

- Managing feelings and attachments
- Facts are your friends
- Details matter
- How to correct someone and make an ally
- Individual hand holding
- Cottage meetings
- Some people you'll never please and why that's ok
- Congregational presentations aka "a picture is worth a thousand words"
- Gathering votes and knowing the outcome beforehand

Welcome to the End of the Beginning

A variety of issues and tenancies that come with long-term land ownership

- Rent regulated tenants
- Managing NO's!
- Managing histories
- Finding relocation alternatives
- Managing NO's!!
- A gift from the Gods
- Sometimes it costs money to make money
- And then a construction project
- Agreements and vacant possession

Building Consensus Again

The organization of the opposition

- No turning back now and the necessity of burning your boats
- A resignation
- A schism, albeit a small and necessary one
- Coalescing around a mission and a vision
- More cottage meetings
- Congregational presentations...more art than science but you'd better be prepared
- A vote to start
- Victory!

Finding a Partner

Know at least as much as your partner

- Highest and best use
- End product value
- A developers model
- The necessity of failure
- Construction, engineering, MEP, demo, cost, financing, union v non-union...you've got to be an expert in everything
- The value of a well-crafted offering memorandum
- The right partner is more important than the last dollar
- A well crafted and quiet marketing process
- The neighbors will organize
- Community opposition
- Beating them to the punch...government relations and lobbying
- Choosing a partner
- Being comfortably uncomfortable

Deal Structure

Protecting the fee

- Ground lease vs sale
- Ground lease if coming back
- Released deposit at execution
- Construction financing as trigger aka the bank is our friend & lender quality matters
- GMP
- Responsibilities for cost increases
- Condo docs
- Plans attached to the lease
- Column spacing & engineering attached to lease

Complications

These are old institutions with old documents

- Neighbors
- Easements
- Egress
- Previous ownership interests
- Neighbors
- Managing a crisis
- Best laid plans
- Pivoting
- Building consensus again!
- Execution

The Attorney General

Everything should keep the AG and the court in mind

- The submission
- The wait
- The response
- The questions
- The objections
- The % matters
- Objectors with nothing to do
- The court
- One year
- A better deal

The Search Begins

How could this possibly take 10 years?!!

- Waiting for the money
- Finding a new home
- Requirements
- How to make a real estate deal with no money
- The wait may be helpful
- Class B catastrophe

Team

- Broker
- Attorney
- Architect
- Engineer
- MEP
- Expediter
- Project manager (Owners Rep)
- GC

Religious Organization Decision Making Process



Initial Gating Issues

Is there a redevelopment opportunity?

- Zoning
- Lot Size
- Allowable FAR
- Tenants / Vacant Possession
- Gross Value



Fact Finding

Is there a Need? Is there a market opportunity?

- Information Gathering
- Architectural Analysis
- Existing Facilities Condition
- Desire for Growth or Contraction
- Cost
- Market Conditions
- “Waive a Magic Wand”
- “Castle on a Hill”

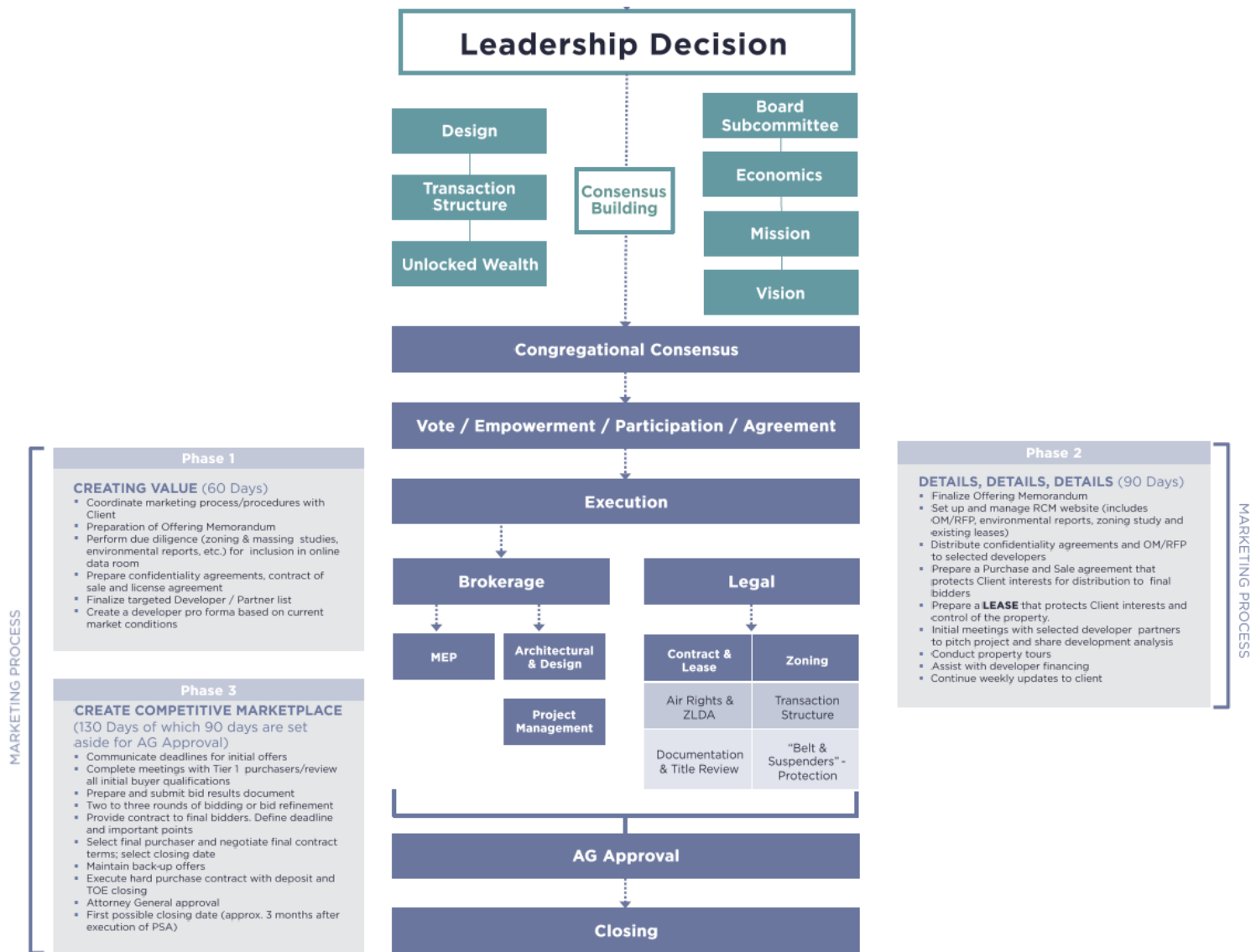
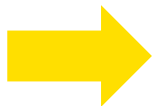
Religious Organization Decision Making Process

Leadership Consideration

- National Organizations
- Economic Conditions
- Leadership Positions / Terms
- Mission
- Vision
- Growth
- Impact
- Congregational Reception
- Community Reception
- Desire for Growth / Renewal
- Economic Certainty
- Protecting the Church
- Key Stakeholders
- Thoughtful Reflection / Prayer



Religious Organization Decision Making Process



Religious Organization Decision Making Process

MARKETING PROCESS

Phase 1

CREATING VALUE (60 Days)

- Coordinate marketing process/procedures with Client
- Preparation of Offering Memorandum
- Perform due diligence (zoning & massing studies, environmental reports, etc.) for inclusion in online data room
- Prepare confidentiality agreements, contract of sale and license agreement
- Finalize targeted Developer / Partner list
- Create a developer pro forma based on current market conditions

Phase 2

DETAILS, DETAILS, DETAILS (90 Days)

- Finalize Offering Memorandum
- Set up and manage RCM website (includes OM/RFP, environmental reports, zoning study and existing leases)
- Distribute confidentiality agreements and OM/RFP to selected developers
- Prepare a Purchase and Sale agreement that protects Client interests for distribution to final bidders
- Prepare a **LEASE** that protects Client interests and control of the property.
- Initial meetings with selected developer partners to pitch project and share development analysis
- Conduct property tours
- Assist with developer financing
- Continue weekly updates to client

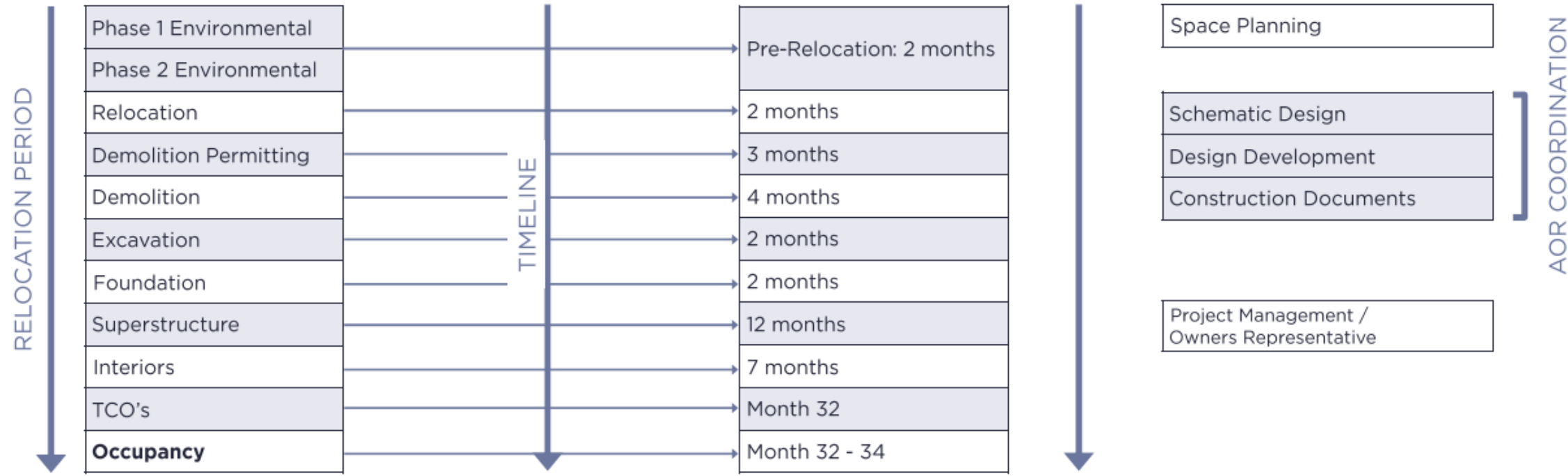
Phase 3

CREATE COMPETITIVE MARKETPLACE

(130 Days of which 90 days are set aside for AG Approval)

- Communicate deadlines for initial offers
- Complete meetings with Tier 1 purchasers/review all initial buyer qualifications
- Prepare and submit bid results document
- Two to three rounds of bidding or bid refinement
- Provide contract to final bidders. Define deadline and important points
- Select final purchaser and negotiate final contract terms; select closing date
- Maintain back-up offers
- Execute hard purchase contract with deposit and TOE closing
- Attorney General approval
- First possible closing date (approx. 3 months after execution of PSA)

Religious Organization Decision Making Process



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