

New York City Industrial Development Agency

Not-for-profit [501 (c)(3)]

Project Financing Application

By what date do you wish to close the proposed project financing? June 30, 2002

I. APPLICANT INFORMATION

Applicant's Name: Convent of the Sacred Heart School of New York ("Sacred Heart" or the "School")

Address: One East 91st Street, New York, NY 10128

Phone #: (212) 722-4745

Fax #: (212) 996-1784

IRS Employer ID Number: [REDACTED]

S.I.C. Code: 8211

NY State Dept. of Labor Number (if applicable): 04-56182

Officer of Applicant completing this application (contact person):

Name: Stephen Roache

Title: Director of Finance & Human Resources

Phone #: (212) 722-4745

Applicant type of Organization: Independent school

Brief description of service: Sacred Heart is an independent school providing for the education of primary and secondary aged girls from Pre-kindergarten through Grade 12.

Applicant's State of Incorporation or Registration: New York

Applicant's Attorney: Name: Albert Simons III Phone #: (212) 506-5040 Fax #: (212) 506-5151

Firm and Address: Orrick, Herrington & Sutcliffe, 666 Fifth Avenue, New York, NY 10103

Applicant's Accountant: Name: Howard Cohen

Phone #: (212) 372-1800

Fax #: (212) 372-1801

Firm and Address: Goldstein Golub Kessler, LLP, 1185 Avenue of the Americas, New York, NY 10036

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II. PROJECT INFORMATION

1. Describe in detail the nature of the proposed project. Describe the proposed project site and any improvements currently on it. Describe proposed construction/renovation, if any.

Sacred Heart's proposed project will renovate and enlarge the School's programmatic and community-gathering spaces, resulting in a total of 10,240 sf of new space and 22,000 sf of renovated space. The project will be three phases:

Phase One (January – June 2002): Construction of a glass stair tower, linking the School's two buildings and providing direct access to either side of the School.

Phase Two (June – September 2002): Bridging the Kahn and Burden mansions behind the new stair tower, the in-fill building will create much needed space for academic programs on all five floors of the School, including new laboratory spaces for Lower School science and Upper School physics.

Phase Three (September 2002 – September 2003): New programmatic facilities will be built above the third floor, including a Lower and Middle School library media center on the fourth floor and a fine and performing arts center on the fifth floor. Additionally, three new classrooms, a dining hall, faculty workspace, enlarged assembly hall and psychologist's offices and nurse's room will be added.

The total estimated cost of the project is approximately \$24.9 million.

2. Why does the applicant plan to undertake the project? What are the objectives to be achieved through the project?

The project is needed to provide expanded and improved educational, cultural and athletic programs for the School's approximately 640 students, providing for an optimal learning environment with new and renovated classrooms, state-of-the-art computer lab, library/media center, fine arts lab, science lab, theater/assembly hall and dining facilities. The project will help ease traffic flow, enhance lighting and generally improve the quality of life for all members of the School's community.

3. Indicate the estimated dates for construction/renovation start and completion and financing drawdowns.

Renovations began in Summer 2000, with completion expected by September 2003. Estimated drawdowns are:

Through December 2001	\$5,930,091
January – March 2002	3,244,991
April – June 2002	10,019,961
July – September 2002	3,860,002
October – December 2002	420,000
January 2003 - Completion	1,420,000
Totals	\$24,895,045.00

4. Please give best estimates for all costs involved in the proposed project.

Construction	\$18,780,161
Furniture, Fixtures & Equipment	2,321,516
Consultants/Administrative	3,793,368
Bond Financing Costs*	1,279,000
Total Cost	\$26,174,045.00

***Calculation of Estimated Bond Financing Costs (based on \$15 million financing):**

IDA Closing Fee	\$100,500
IDA Not-for-Profit Fee	375,000
IDA Counsel Fee	15,000
Trustee Fee	2,500
Trustee Counsel Fee	3,000
Bond Counsel Fee	30,000
Borrower's Counsel Fee	65,000
Rating Agency Fees	18,000
Insurance Premium	450,000
Underwriter's Fee	85,000
Underwriter's Counsel	50,000
Printing	10,000
Title Fee	75,000
Total	\$1,279,000

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5. Please identify proposed sources and amounts of funds to finance the above project costs.

<u>Estimated Sources:</u>	\$14,700,000
Net Bond Proceeds	\$11,474,045
Capital Campaign	\$26,174,045
Total Project Sources	

6. Provide the following information relating to the proposed project site.

Street Address & Borough	Block, Lot & Section Number	Square Footage of Land	Square Footage of Building	# of Floors including Basement	Zoning
One East 91 st Street, New York, NY 10128	1503-1	14,603	56,000	8	R10 and R8B Residential/Community Facility
Seven East 91 st Street New York, NY 10128	1503-7	7,016	25,600	8	R8B Residential/Community Facility

7. Give the following information with respect to all present tenant(s) and sub-tenants at the proposed project site.

Sacred Heart School of New York is the sole occupant of project site.

8. Will any entity/person other than the Applicant use the project facility? Does Applicant intend to lease a portion of the project facility, and, if so, will there be tenants other than those listed under Question 6? Provide all details.

No other entity/person will use project facility. Applicant does not intend to lease any portion of the project facility. Flik International Corporation, an independent contractor, with main offices at 3 International Drive, Rye Brook, NY 10573, has the right to operate the School's food service maintained for the students, faculty, staff, visitors and guests of the School. The term of the agreement is from September 1, 1999 until August 31, 2004.

9. Provide street address, borough or town from premises which you currently own or lease, even if you don't occupy same. Do you plan to terminate/sell/vacate/remain at such premises? Provide all details.

MANAGEMENT INFORMATION

Please provide the resumes of the principal officers of the Applicant. Make sure this includes age, education, employment history, current title and responsibilities.

Mary Blake, Ed.D., Headmistress
Joined Sacred Heart as Headmistress in 2000
Former Director of Development and Headmistress of United Nations International School
B.S., St. John's University, M.A., Antioch College, M.A., New School for Social Research
Ed.D., Nova Southeastern University
D.O.B. 10/12/47

Stephen Roache, Director of Finance and Human Resources
Joined Sacred Heart in 2001
Former Chief Financial Officer of Museum of American Folk Art and Harlem School of the Arts
B.A., City College of New York, M.B.A. in Finance, New York University Stern School of Business
D.O.B. 12/22/54

Craig MacPherson, Director of Annual Giving and Special Events and Manager of Capital Campaign
Joined Sacred Heart in 1998; became responsible for Capital Campaign in 2000
Former Director of Alumni and Assistant Director of Development, Grace Church School, New York, NY
B.A., *magna cum laude*, Hunter College
D.O.B. 9/7/68

Barbara S. Root, Director of Admissions
Joined Sacred Heart as Assistant Director of Admissions in 1985; named Director of Admissions in 1987
Previously held various volunteer and paid positions in educational field
B.A., Manhattanville College
D.O.B. 6/5/47

Please provide a list of the Board of Directors and their affiliations.

See attached.

Give a detailed history of the Applicant and a detailed description of Applicant's organization.

In 1800, St. Madeleine Sophie Barat founded the Society of the Sacred Heart in France, with the singular and revolutionary goal of educating women. Religious of the Sacred Heart set up residence on Mulberry Street, in New York City, on May 6, 1841 and soon opened a school on Houston Street. On August 8, 1844 they moved to a larger building in Astoria, New York, but moved back to the City in 1845, moved again within the City in 1851 and again in 1855. A second school for boarders, located between the villages of Harlem and Manhattanville, was founded in 1872. On September 21, 1881 New York's oldest independent school for girls was founded at the Academy of the Sacred Heart at 533 Madison Avenue, a prime residential area of the City at that time. By 1934, the school had outgrown its space, and the Religious purchased the Otto Kahn building on the corner of East 91st Street and Fifth Avenue. This was followed by the purchase of the adjoining Burden mansion in 1940. Both buildings were given landmark status by the Landmarks Preservation Commission in 1974.

From its inception in 1881, the School was managed by a Board of seven Trustees, all members of the Religious of the Sacred Heart. However, with the diminution of the Religious of the Sacred Heart, the School opened the 1976-77 school year with a new form of lay leadership, with a board of trustees numbering not fewer than seven nor more than 25, and including four Religious of the Sacred Heart.

To this day, the Religious of the Society of the Sacred Heart and the School's lay educators continue to carry out St. Madeleine Sophie's imperative of educational excellence. They have created an international network of Sacred Heart schools, 22 in the United States and 44 internationally. Each school has its own identity, but shares in the Sacred Heart mission and is guided by the same values.

Please see attached copy of the current draft of Appendix A of the Official Statement (attached) for a full description of the organization.

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IV. DUE DILIGENCE

This question asks for more specific information about Applicant's services. Please complete the following questions using attached Due Diligence Sheets, when necessary.

1. How many employees does Applicant employ in New York City at the present time?

Full-time 140 (minimum 35 hours per week) Part-time 16 (minimum 20 hours per week)

2. How many employees does Applicant employ outside of New York City but in New York State?

Full-time None (minimum 35 hours per week) Part-time None (minimum 20 hours per week)

3. Does Applicant intend to employ new additional employees at the proposed project site, or will Applicant transfer current employees from premises presently being used? Please provide details.

The School anticipates maintaining the current size of the student body, therefore, no significant increases in staff sizing are expected. Potentially, 2-4 teachers may be added if and when the need arises. As the School's location is not changing, no transfers of current employees will be made.

List union affiliation, contact person, phone and fax numbers and contract expiration date on attached Due Diligence Sheet.

Sacred Heart has no union affiliations.

List bank affiliation, contact person, phone and fax numbers and account number on attached Due Diligence Sheet.

See attached.

List any funding sources, their addresses, contact persons and phone and fax numbers on attached Due Diligence Sheet.

Sacred Heart is in the midst of a capital fundraising campaign, the proceeds of which will be used in connection with its projects. Pledges have been received, and are anticipated to be received, from a large number of private donors, both individuals and foundations, and are expected through 2007.

List the principal officers of the Applicant, their home addresses, titles, dates of birth and social security numbers on attached Due Diligence Sheet. (This is in addition to the resumes in Question III (1)).

See attached.

Has Applicant, or any officer or director, or any entity with which any of the foregoing individuals have been associated, ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)?

YES No If yes, provide all details on attached sheet.

Has any of the Applicant's officers or directors ever been convicted of any criminal proceedings?

YES No If yes, provide all details on attached sheet.

Has Applicant, or any officer or director of Applicant, a plaintiff or defendant in any civil or criminal proceedings?

YES No If yes, provide all details on attached sheet.



11. In what litigation is Applicant, or any of the individuals and entities listed in response to Questions 10 and 11 currently involved, either as plaintiffs or as named defendants? Provide all details on attached sheet.

Not applicable.

12. Does Applicant have any contingent liabilities? (e.g., pending claims, federal, state or city tax liabilities, judgments, liens, etc.)

() YES (X) No If yes, provide all details on attached sheet.

13. Has Applicant filed all required tax returns with appropriate governmental entities?

() YES () No Not applicable; pursuant to Treasury Regulation 1.6033-2(g), the School is not required to file IRS Form 990.

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DUE DILIGENCE SHEET

1. Principals

Name: Mary Blake, Ed.D
Address: 353 East 83rd Street
New York, NY 10028
Social Security #: [REDACTED]
Date of Birth: 10/12/47
Title: Headmistress

Name: Stephen Roache
Address: 41 Park Drive
Cortlandt Manor, NY 10567
Social Security # [REDACTED]
Date of Birth: 12/22/54
Title: Director of Finance and Human Resources

Name: Craig MacPherson
Address: 346 West 47th Street, #4A
New York, NY 10036
Social Security #: [REDACTED]
Date of Birth: 9/7/68
Title: Dir. Annual Giving/Special Events, Mgr. Capital Campaign

Name: Barbara S. Root
Address: 43 West 93rd Street
New York, NY 10025
Social Security #: [REDACTED]
Date of Birth: 6/5/47
Title: Director of Admissions

DUE DILIGENCE SHEET

2. Funding Sources

See Due Diligence, Question 6.

3. Unions: Not Applicable

4. Banks, other

Bank Name: JP Morgan Chase
Contact Person: Barbara Williams
Phone #: 212 403-5043
Fax #: 212 403-5134
Type of Account: Checking & Endowment Funds

Name: Barclays
Contact Person: Kaye Tiao
Phone #: 888-244-7420
Fax #: 415-597-2124
Type of Account: Investments

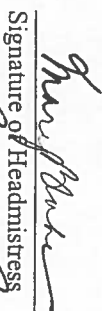
On behalf of Applicant, I acknowledge and agree that IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expense, and shall be in form and substance satisfactory to IDA.

Approval of this Application may only be granted by IDA's Board of Director through the Board's adoption of an inducement or authorizing resolution for the project described in the Application. Additionally, it is understood and agreed that the \$2,500 Application Fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the \$2,500 Application Fee will accrue toward payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 10 basis points of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date:

April 17, 2002

Certification by:



Printed Name Mary Blake, Ed.D.

Signature of Headmistress

Attested by:



Printed Name: Stephen Roache
Director of Finance and Human Resources