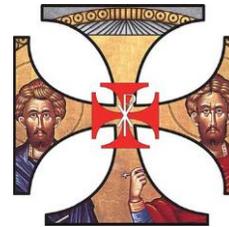


National Philoptochos Society 2016-2018 Committee Report



Philoptochos Center of Philanthropy

Chair: Anita Kartalopoulos
Liaison: Maria Logus
Members: Arlene Siavelis Kehl Aphrodite Skeadas
Jennifer Constantin Georgia Vlitas
Helen Lavorata Martha Stefanidakis

Overview:

After spending almost 23 years in rental space, and an exhaustive search for property throughout Manhattan, the National Philoptochos completed the purchase of the Philoptochos Center of Philanthropy (PCOP) on November 27, 2012 for \$3 Million. The original asking price was \$3.4M but after hard-fought negotiations, a purchase price of \$3M was agreed upon with the Seller. We had raised a down payment of \$2.1M and closed with a purchase money mortgage of \$900k. In 2014 the mortgage on the property was fully paid off and \$100k was set aside in the “Evergreen Fund”—a reserve account for emergency repairs required for the building. In the event that any monies from the Evergreen Fund are ever used, the monies must be replaced in order to keep that fund’s balance at a minimum of \$100,000. We occupied the property in August, 2013.

The PCOP is an approved mixed-use building having both a commercial and residential component. At the time of purchase, the building was fully occupied by the current tenant.

In addition to the Evergreen Fund, a restricted fund was set up at Wells Fargo for the payment of the mortgage, any repairs and other expenses associated with the PCOP. The funding stream for this account is the rental income from the tenant as well as monies from the Per Capita that were designated at the 2010 convention. Additional sources of funds were the leaf donations by individuals and chapters and other gifts targeted for the PCOP.

As we all know, prior to occupying the PCOP, we were paying an annual rent of \$75,000 (\$6250/mo) to the Fifth Avenue Presbyterian Church. Since we occupied our building in August 2013, our rental savings through 2018 will total \$400,000.ⁱ

At the time of occupancy, we were very fortunate because the building was in excellent condition and other than a coat of paint, it was move-in ready. A budget of \$50,000 was allocated for IT infrastructure (computers, phones, security).

Arlene Siavelis Kehl managed that process and brought it in under budget.

Furnishing our space was accomplished through a donation of excellent quality, used office furniture by Nicholas J. Bouras, so we did not have to expend monies on furniture.

Since occupying our space in August of 2014, we have been fortunate to have a tenant that pre-existed our purchase of the building. This pre-existing use of the building was a benefit to us as our tenant assisted us in transitioning into the role of owner and manager of our space.

To Date, the following have been completed:

- Complete restoration and beautification of the façade by New York City Restorations, one of the premier restoration companies in NYC. The restored façade is truly beautiful.
- Expanding into the space so as to provide greater services to those in need as well as support services to our chapters;
- Maintaining a quality tenant in the building in order to assist with cash flow and meet day-to-day operating expenses (utilities, maintenance, service contracts for systems and taxes); A new 24-month rental agreement has been entered into that will bring us \$190,968.00 in rental income.
- Engaging in the preventive maintenance that a historic building requires as well as the systems upgrade, renovations and maintenance that any real estate investment needs.
- Installation of a new security system;
- Updated IT infrastructure and expansion into the third floor;
- Renovations to the outside deck, doorways and other items in the tenant space;
- Railing installation, painting and other repairs/enhancements in the basement;

- Purchase and installation of a new refrigerator for our kitchen;
- Analysis of the HVAC systems and engagement in bid process for replacement of all systems;
- Full review of historical views of our property as well as the Landmarks' Commission designation of the PCOP;
- Review of the premises with an Engineer;
- Review of basement space and planning for storage needs for both National Philoptochos as well as other current programs;
- Minor painting both at the front of the building as well as in the tenant space and other minor repairs.

Upcoming Projects in process:

- Installation new HVAC systems (\$70k estimate has been received);
- Installation of handicapped access (to be done upon completion of the façade);
- Expansion/renovation of the reception space on the second floor;
- Interior enhancement/beautification of our space;
- Lighting enhancements in staff work areas;
- Purchase of fireproof safe for protection of Philoptochos legal documents and archives;
- Purchase of new furnishings for the reception area that will be effective for multiple uses of the space;
- Renovation of all bathrooms.
- Installation of the Tradition of Love Tree for individual donors, "In Memory Of", "In Honor Of" et al is anticipated for the fall;
- Relocation and reorganization of staff work spaces.
- Inquiries are being made regarding the feasibility of an elevator however we are concerned about not only the cost and approvals which would be required but also the loss of square footage;

Conclusion:

As prudent owners and good stewards of the PCOP, we had a very fruitful collaboration among our very dedicated committee. We have done a significant amount of work in addition to addressing a number of items that required our attention. We look forward to further expansion in our space, its enhancement and further growth. In addition to the "bricks and mortar" needs of the PCOP, however, we must also prudently provide for its economic viability. The Philoptochos Center of Philanthropy is about PROMISES KEPT, not only for our current members but for generations to come.

The Philoptochos Center of Philanthropy is fulfilling its mission, as promised. We look forward to the enhanced services that will continue to emanate from our beautiful Center of Philanthropy.

i 2013: \$25,000.00 (4 months at \$6250/mo) 2014: \$75,000.00; 2015: \$75,000.00; 2016: \$75,000.00; 2017: \$75,000.00; 2018 \$75,000.00