

NEW YORK POST

LANDLORDS WILL NEED MORE GREEN

By LOIS WEISS

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TO celebrate Earth Day, **Mayor Bloomberg**, the City Council and green advocates are set today to unveil four proposals that could have some building owners seeing red as they're being asked to spend more green.

"In this economic time, now is not the time to institute additional restraints that will hamper the recovery of New York," said **J. Christopher Daly**, president of the Sheldrake Organization, which developed the gold LEED-rated Riverhouse condo at Battery Park City.

The four bills are a product of the mayor's Sustainability Advisory Board, which was created in 2006 to count city government carbon emissions with an eye toward reducing them.

"Most of our members are pretty enthusiastic about the proposals," said **Kathryn Wylde**, president and CEO of the Partnership for New York City and a committee member.

They might be the only ones. According to several sources, some of whom described the proposals as "poorly thought out," the bills will require expensive energy audits, the installation of recommended energy efficient upgrades, the upgrading of residential and commercial building hallway and common area lighting and finally creating a new city energy code. One proposal will mandate benchmarking building systems, which will require information from all of a building's tenants' utility bills.

While many laud the intent behind the proposals -- indeed, many in the real-estate industry have been at the forefront of environmental upgrades to their own buildings -- critics say these regulations will be costly to implement.

"They are wild-eyed, starry-eyed idealists who have no idea how the real world operates when it comes to running a building," said one source of the Bloomberg aides.

Added another industry player, "This will create work and kickbacks for a lot of people."

As its centerpiece, the most controversial proposal requires owners of all buildings of at least 50,000 gross square feet to conduct an energy audit every 10 years. That rule would kick in on a staggered basis after Dec. 31, 2013.

"It's totally neglecting the cash flow situations of many buildings," complained an industry insider. "Some audits cost \$20,000 to \$30,000."

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But **Ramon Cruz**, vice president of sustainability for the Partnership for NYC, said his group estimates that an audit of a 50,000-foot building would cost \$7,500, or 15 cents a square foot.

After an audit is conducted, the building owner would be required to install all of the technological bells and whistles "in the optimum bundle" that have a payback period of no more than five years.

The city is creating a pilot program using federal stimulus money to help some owners conduct and implement the retrofit work, but the bill also allows those that cannot obtain financing for the work to obtain a year-by-year deferral.

"They are putting the infrastructure around this to help them do this," Cruz said.

The energy-efficiency audit, together with proof the retrofit was completed, would then be filed with the Department of Buildings before the end of the 10-year period.

The Buildings Department is being put in charge of drafting the rules no later than Dec. 31, 2010.

An agency spokesman referred us to the Mayor's press office, but neither they nor Council Speaker **Christine Quinn's** office returned calls prior to presstime.

The benchmarking measure is also drawing criticism.

To conduct the benchmarking, a building owner will be required to use a tool on the Environmental Protection Agency's Energy Star Web site. But it requires owners to have, among other data, all of the electric, gas and water bills for the entire building.

"How would you ever get the [residential] tenants to give you copies of their electric bills?" laughed one source.

The city tried to get Con Edison to hand over the bills but was stymied by privacy rules. The measure now includes language that would enable the utilities to send along that information electronically -- if they agree to do so.

Critics say the Energy Star checklist's assumptions also aren't always compatible with city buildings, and sources said the Bloomberg administration is talking to the EPA about being more cognizant of what items are under central operations and what comes under tenant control.

There are also questions where these benchmarking forms go after they're completed, how much of the results will be kept private and what are the penalties for noncompliance.

The last two bills are aimed at reducing electrical use and could be easier to implement.

The first creates a New York City energy code to make retrofitting of fixtures required in more instances. Currently, the state's Energy Conservation Construction Code excludes renovations of less than 50 percent of the building, effectively cutting out most city buildings that renovate on a floor by floor or unit basis.

The last, so-called "daylighting" measure requires commercial and residential buildings of 50,000 feet and up to upgrade all the lighting in the public areas and exteriors when renovated, or by 2023 at the latest, to meet New York City energy codes.

One critic notes the city's Housing Preservation and Development code still requires lighting in watts, which are no longer a standard industry measurement and conflicts with the requirements of the green proposal and the city's own electric code that will be updated by 2010.

"[These bills provide] a set of guidelines, that in certain instances will be beneficial for overall property management and development," Daly said. "Tell the owners not to get too worked up. There are tremendous costs, and it hasn't been thought out fully."

lois.weiss@nypost.com

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