

Board announces changes to REBANY executive committee

REBANY announced changes to the REBANY Executive Committee, Board of Governors, Residential Brokerage Board of Directors, and Commercial Brokerage Board of Directors.

New members of Executive Committee & Board of Governors will join leadership in charting the association's activities and policies, in close and continuous consultation with our elected committees, and consult on REBANY's positions and actions on issues that concern the industry.

New Roles and Inductees are pictured in top row left to right: Chairman: William C. Rudin, Rudin Management Company; Vice President, Management Division: Amy Rose, Rose Associates; Member-at-Large: Barry Gosin, Newmark Knight Frank; Member-at-Large: Lisa Silverstein, Silverstein Properties. Board of Gov-



Changes to 2018 Executive Committee & Board of Governors

ernors Inductees pictured bottom row left to right: Enrique Alonso, SJP Properties; Charles Bendit, Taconic Investment Partners; Paul Cicerchia, Willis Towers Watson; John Fish, Suffolk; Barry Gosin, Newmark Knight Frank (pictured in

top row); Joseph McMillan, DDG; Seth Pinsky, RXR Realty; Amy Rose, Rose Associates (pictured in top row); Lisa Silverstein, Silverstein Properties (pictured in top row); Kevin Smith, TIAA.

Members honor mandate to make city the best it can be

Throughout the year, REBANY and its executive committee members have worked with the city on a whole host of issues aimed at improving life for everyone who lives here.

The following highlights just a few of the topics debated, discussed and deter-

mined ...

Greater East Midtown

The Greater East Midtown rezoning was enacted in August, establishing a plan to revitalize this premier commercial district by increasing allowable floor area for the development of new office buildings.

The rezoning establishes a mechanism for landmarked properties that are landlocked to transfer unused development air rights to office buildings within the district, conditioned upon a contribution to a fund for the creation of public realm improvements.

These improvements will enhance subway stations and transit service in the area, while expanding public open space.

REBANY played an active role in this rezoning. We served as a member of the East Midtown Steering Committee, which established a framework for the plan, and continually advocated for modifications to the plan on issues including light and air rules, enlargements, and mid-block development. These modifications would ensure that the maximum floor areas permitted were achievable as-of-right, and that restrictions proposed by community groups and elected officials did not constrain development and the market for air rights.

The rezoning plan will enhance New York City's ability to recruit international talent and maintain our competitive advantage. Delivering a fully revitalized and competitive East Midtown in the coming decades will ensure that this area remains one of the world's preeminent business districts.

Sustainability

In February of 2017, REBANY partnered with Mayor de Blasio to launch the NYC Carbon Challenge for Commercial Owners and Tenants.

REBANY recruited new commercial owner and tenant participants to work together to identify strategies for the coordinated implementation of energy efficiency projects and the reduction of greenhouse gas (GHG) emissions from their buildings by 30% or more, within ten years.

In September, the de Blasio Administration announced intentions to bolster its effort to reduce greenhouse gas emissions 80% by 2050, with an ambitious plan to mandate fossil fuel use limits on commercial and residential buildings over 25,000 square feet. The plan will take effect in 2030 and mandate specific fossil fuel use limits based upon building typology. Those buildings exceeding the use limits will face severe financial penalties. Buildings with at least one rent stabilized unit will be similarly affected, but the fossil fuel use limits will not be mandated until 2035.

The breadth of this mandate will disproportionately affect multifamily buildings as these assets are predominantly powered by natural gas and oil. Many of these buildings switched to natural gas when heating oil No. 6 was phased out in 2015.

Throughout the fall of 2017, REBANY met with the Administration and City Council to stress the unintended consequences of these mandates. It's uncertain at this time how much of New York City's electrical grid will consist of renewable energy sources with the imminent decommissioning of the Indian Point Energy Center in 2021. Legislation to mandate such fossil fuel use limits was introduced in November 2017 and will be taken up in the City Council in 2018.

In the coming year, REBANY will continue to forcefully advocate for the industry on these issues. We will meet with relevant stakeholders to express our concerns over the unintended consequences of this legislation and the need to identify appropriate metrics to measure energy efficiency.

421-a Certificate of Eligibility

At the end of 2016, the Department of Finance (DOF) sent letters to approximately 3,000 owners of 421a projects, notifying them that they must receive a Final Certificate of Eligibility (FCE) from Housing Preservation and Development (HPD). Failure to receive an FCE would result in a suspension and revocation of the project's 421a tax exemption benefits.

Tax exemption benefits for new 421a projects commence when an owner completes a Preliminary Certificate of Eligibility (PCE), which includes a project's basic eligibility requirements. The project's tax exemption benefits continue upon completion in anticipation of the project receiving an FCE.

For a variety of reasons, FCE applications were not finalized in a timely manner and the processing effectively halted. With the resumption of the processing of FCE applications, REBANY has been working closely and diligently with its members, as well as the DOF and HPD, to ensure that the applications are completed and that no project actively pursuing an FCE will have their benefits suspended or revoked.

Commercial Waste Zones

Sanitation released the findings of a feasibility study to create geographic zones throughout the city where commercial waste could be collected by one waste management company in each zone. The study found that such a zone system could decrease pollution and congestion, promote worker safety, and stabilize costs across all consumer categories. Embracing the study, the Department embarked in late 2016 on a multi-year effort to implement such a system.

New York City abandoned a similar "franchising" system in the 1990s before it could be implemented. The concerns about stifling competition, soaring costs, and unmet service needs were overwhelming.

While REBANY supports the purported policy goals of the commercial waste zones, we believe that the goals can be achieved without implementing

Construction Safety

REBANY believes that every construction worker should receive safety training.

In January 2017, the New York City Council introduced the Construction Safety Act, a package of 21 bills impacting worker training, prevailing wages, site safety, crane safety, civil penalties, and reporting requirements. The Act was designed to address the increasing incidents of accidents and fatalities on construction sites.

Many of the Act's bills reflected construction safety best practices and recommendations identified in REBANY's Construction Safety Report issued in March 2016. REBANY supported bills requiring pre-task safety meetings, site-specific orientations, and site safety plans for all workers, personnel for smaller projects, and lift directors on crane operations.

Much focus was placed upon the Act's centerpiece bill, Intro 1447, which required workers on all major building sites of ten stories and above to be enrolled in, or graduates of, apprenticeship training programs. REBANY testified against this bill in January, at the only hearing that the Committee on Housing and Buildings convened on the Construction Safety Act. REBANY argued that Intro 1447 would throw tens of thousands of construction workers off of sites and out of work since apprenticeship programs are very difficult to access.

In the ensuing months, the City Council redrafted Intro 1447 to exclude any reference to apprenticeship training and require a minimum of 40 to 55 hours of training for every construction worker on sites of four or more stories.

The legislation ceded development of the training curriculum to a 14-member task force to be appointed by the Mayor and City Council Speaker. REBANY partnered with the Minority and Woman-Owned Business Enterprise (MWBE), small contractor, and civil rights communities to voice our continued concern over: the ability of workers, who are not affiliated with a specific contractor, to pay for the new training requirements; the capacity of current training providers to accommodate thousands of workers; and the lack of any third-party verification system of training cards that will be issued as a result of this bill.

Nonetheless, the City Council passed Intro 1447 in late September. The legislation was subsequently signed by the Mayor on October 16, as Local Law 196. Along with

Continued on Page C14



Mayor de Blasio announces changes to the Commercial Rent Tax

COMMERCIAL SPACE FOR RENT

350, 500, 700, 1000, 2000 sq. ft

147 WEST 35TH	325 WEST 38TH
152 WEST 36TH	252 WEST 38TH
262 WEST 38TH	1026 SIXTH AVE.

Renovated Buildings

- 24 Hour Security
- Hi Tech Accessibility
- Large Windows
- Video Surveillance System



212-302-3000

Falcon@falconproperties.com

IN THE COMMERCIAL MARKET FOR OVER 40 YEARS



489 FIFTH AVE 9th FLOOR, NEW YORK, NY 10017
WWW.FALCONPROPERTIES.COM