

REPORT REAL ESTATE

Ambitious 'green' law will overhaul how city builds

Standards to affect \$12B in projects; officials scramble as rules deadline looms

BY ERIK ENGQUIST

WITH DEADLINES approaching quickly, New York is hustling to implement a complicated new law that promises to revolutionize municipal construction and could also change the way the private sector operates.

Beginning in January, the "green buildings" law will require most city-funded projects to meet an eco-friendly standard that few developers attempt to reach. Supporters say it will affect about \$12 billion worth of projects over a decade, cut the city government's energy use, provide healthier workplaces and kick-start private green development.

But the immediate challenge is teaching new tricks to a sprawling

bureaucracy that for decades has been building the old-fashioned way.

"I don't know if everyone in the administration quite understood what they signed on to," says one person who helped pass the law. "It's a sweeping change in the way the city does construction."

Honor code

INDEED, 10 months after Mayor Michael Bloomberg signed the bill, his staff is trying to get dozens of agencies and cultural institutions on board and to spell out how the law will work. City officials hope to release draft regulations in September. Because the law modified the City Charter, a public review will follow.

"A lot of eyes are on us for this green buildings law, and we don't want it to fall on its face," says Robert Kulikowski, director of the city's Office of Environmental Coordination, which is writing the regulations.

Environmental groups are watching closely, in part because the law doesn't say who will enforce it, or

how. "It's a funny situation where we would sort of self-police," Mr. Kulikowski says. That might seem a recipe for failure, but the Bloomberg administration appears motivated to make it work, advocates say. The legislation was championed by then-City Council Speaker Gifford Miller.

Passage of Local Law 86 last year was largely overlooked by the public, which at the time was focused on the mayoral election, but observers call it a landmark piece of legislation. Most municipal construction and substantial renovations by the city, as well as private projects that get at least \$10 million or half their funding from the city, must achieve "LEED silver" status. Leadership in Energy and Environmental Design is a system developed by the U.S. Green Buildings Council to rate the eco-friendliness of a building's design and construction.

Projects can garner LEED "points" in a variety of ways, from recycling construction debris to using

wood certified by the Forest Stewardship Council. The more points, the higher the rating: "Silver" is third, behind "gold" and "platinum," but ahead of "LEED-certified."

Under the law, hospitals and schools need only to be LEED-certified. Schools got a break because the agency that erects them was not considered "silver"-ready.

"Working with the School Construction Authority has been a challenge," says Ashok Gupta, director of the Natural Resources Defense Council's air and energy program.

More loopholes

THE MAYOR can also exempt 20% of projects, and only half of the remainder must apply for the Green Building Council's stamp of approval; the rest will be allowed to meet the requirements on paper.

Despite these carveouts, the law will put New York among the leaders in green building.

"I do think the market impacts are going to be huge," Mr. Gupta says. He believes that the increase in eco-friendly construction will drive



WATCHED: "A lot of eyes are on us for this law, and we don't want it to fall on its face," says Robert Kulikowski.

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down costs and encourage more private developers to go green. The Durst Organization, the Albanese Organization and Ground Zero developer Larry Silverstein are among the small number of local builders who strive for LEED ratings.

City Hall, by contrast, is just getting started. "You work long and hard to pass a law, but it's like getting married," says Nancy Anderson, executive director of the Manhattan-based Sallan Foundation, a booster of the legislation. "It's the first step in a lot of work."

COMMENTS? EEngquist@crain.com