



Governor Cuomo Announces 10 "Empire Building Challenge" Partnerships to...

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Commitment by Prominent Real Estate Partners to Reduce Greenhouse Gas Emissions Represents More Than 52 Million Square Feet of Real Estate Including Affordable Multifamily Housing

April 21, 2021

Governor Andrew M. Cuomo today announced 10 real estate groups as partners in the State's \$50 million Empire Building Challenge, to establish public-private partnerships and usher in the next generation of high-rise, low-carbon buildings to combat climate change. Each real estate group was selected because it is committing to achieve carbon neutrality in one or more high-rise buildings it owns. These selections are the first step in the multi-phase challenge which will lead to increased comfort, sustainability, and energy performance in the state's existing high-rise buildings. The Empire Building Challenge is statewide and will accelerate New York's progress toward reducing greenhouse gas emissions 85 percent by 2050, as outlined in the Climate Leadership and Community Protection Act.

"By transforming our state's majestic high-rises into low-carbon, sustainable structures using modern, energy efficient technology, New York is taking a tremendous leap forward in our fight against climate change," Governor Cuomo said. "As part of this effort, we will work with our partners to identify ways to make buildings more climate friendly and collaboratively usher in carbon-neutral buildings across the state, helping to create cleaner air and more energy efficient office space for the next generation of New Yorkers."

"Our innovative Empire Building Challenge is yet another smart way New York is taking bold action against the threat of climate change," said Lieutenant Governor Kathy Hochul. "Not only are we bringing together some of the brightest minds to decarbonize high-rise buildings in New York City, their forward-thinking solutions will set the standard for others to follow in greening our building stock. This is how we create a cleaner, more sustainable post-pandemic future for New Yorkers."

The Empire Building Challenge partners collectively control over 130 million square feet of real estate in New York State, including more than 250 buildings that contain affordable housing. The partners are each pledging to achieve carbon neutrality in one or more of their buildings and in more than 700 units of affordable housing collectively with the potential to scale across their portfolios to more than 25,000 units of affordable housing. Exceeding program requirements, Vornado, Empire State Realty Trust and Rudin Management Company have all committed to achieving carbon neutrality in their entire real estate portfolios.

A full list of the Empire Building Partners can be found below, and more information about the real estate in which they have committed to achieving carbon neutrality can be found [here](#).

Beam Living - 110 multifamily buildings totaling 12 million square feet.

Empire State Realty Trust - Its entire real estate portfolio of 10.1 million square feet, leading with the Empire State Building's 2.89 million square feet.

Hudson Square Properties, a joint venture comprised of Trinity Church Wall Street, Norges Bank Investment Management, and Hines - One commercial office building, totaling 928,366 square feet.

Jonathan Rose Companies - To mixed-use multifamily buildings including 274 units of affordable housing.

L+M Development Partners and Invesco Ltd. - Three mixed use, high-rise multifamily buildings with 600 total units, including 402 affordable housing units of which 134 units are set aside for formerly homeless households.

Omni New York - Two mixed use multifamily buildings with 195 affordable housing units.

Rudin Management Company - Three commercial office buildings, totaling 1.7 million square feet.

Silverstein Properties - Two commercial buildings totaling 2,825,000 square feet.

The Durst Organization - Up to three high-rise commercial office buildings, totaling up to 3.2 million square feet.

Vornado Realty Trust - Its entire office and retail real estate portfolio, leading with four high-rise commercial office buildings totaling 6.4 million square feet.

These selected real estate partners will seek carbon neutrality through investments in energy efficiency, electrification, energy storage, and retrofit projects, which will employ New Yorkers in a variety of skilled fields such as engineering, architecture, and equipment management while reducing on-site fossil fuel use and greenhouse gas emissions associated with the operation of buildings. As the market for low-carbon technology in high-rise buildings grows, so will the need for labor and expertise in the engineering, architectural, heating, ventilation and air conditioning and equipment replacement and maintenance fields, making New York an attractive and competitive international market to develop and test emerging technologies.

NYSERDA President and CEO Doreen M. Harris said, "Our Empire Building Challenge partners represent some of the largest and most prominent real estate owners in New York State and around the world, and we are excited to see such a strong commitment to decarbonization as we accelerate Governor Cuomo's goal of a carbon-neutral building stock. By harnessing the combined expertise of our innovators and real estate experts, we can develop scalable and cost-effective solutions for large-scale energy efficiency improvements in our high-rise buildings, creating more comfortable, sustainable, and healthy living environments for residents and owners."

As part of the challenge's next phase, the selected real estate partners will be working with solution providers and experts to identify low-carbon retrofit solutions to demonstrate carbon neutrality in their proposed buildings and are eligible to develop a proposal for submission as follows:

Partners will choose technology and innovation experts to work with to develop a replicable low-carbon retrofit solution proposal for addressing one of more barriers to achieving decarbonization in their buildings.

Partners are eligible to submit their retrofit solution proposals to NYSERDA by July 31, 2021, which will be evaluated competitively for up to \$5 million each in order to support development and implementation of such proposal, with a total of \$27 million available.

Proposals will be evaluated based on a project's scalability and feasibility in addressing the major challenges of decarbonizing high-rise buildings, and also on the building owner's willingness and ability to implement solutions across their portfolio of buildings.

Funding not awarded during this initial proposal selection process will be made available for future rounds of development and implementation of solutions to decarbonize high-rise buildings. This could include replacement of fossil-fuel heating and cooling systems with electric and energy efficient technologies.

The information learned in the course of the partners' work will be shared as part of a Building Decarbonization Webinar Series that NYSERDA will kick off this summer to highlight each of the partners' buildings and their extensive portfolios, as well as explore the decarbonization solutions identified with their solution providers to provide important insights to the broader market.

JB&B Managing Partner Scott E. Frank, PE, LEED AP, said, "The Empire Building Challenge is exactly the type of bold and forward-looking program that New York needs to spur real innovation and market transformation. Demonstration projects like the ones that will come out of the Empire Building Challenge will transform the abstract notion of building decarbonization into actionable pathways that will prove what is practical and set the stage for deeper industry buy-in. JB&B is proud to support these efforts alongside New York's industry-leading real estate owners, partner organizations and consultants."

Rudin Management Company COO John Gilbert said, "The Rudin Family is proud to partner with NYSERDA and participate in the Empire Building Challenge at 80 Pine Street, 845 Third Avenue, and 355 Lexington Avenue. Sustainability has always been a core principle at Rudin and public-private partnerships are critical to addressing the challenges of climate change. Reducing our carbon footprint is integral to our short and long term goals and we are honored that NYSERDA is acknowledging our efforts to date as well as our plans for the future."

Silverstein Properties Vice President, Operations, Jason McCalla said, "NYSERDA's Empire Building Challenge will help Silverstein Properties enhance our ongoing efforts to provide high-quality, energy-efficient and sustainable indoor environments for our tenants and their employees. Through the State's program, we will continue our investment in retrofitting strategies to our existing buildings while participating in New York's reduction of carbon emissions."

Bright Power CEO and Founder Jeffrey Perlman said, "Innovative programs like the Empire Building Challenge are critical to meet New York State's climate goals. We applaud NYSERDA's multiple programs that engage and support real estate leaders in their path to reduce their building stock's carbon emissions dramatically. These real estate owners, developers, and solution providers will create scalable and replicable deep energy retrofits, providing a guide for others to follow suit and enabling New York State to meet its climate goals. We look forward to working with several Empire Buildings Challenge awardees -- including Jonathan Rose Companies and Omni New York -- to drive decarbonization strategies in their portfolios."

Hines Vice President of Construction Michael Izzo said, "Hines and the Hudson Square Properties joint venture are proud to partner with NYSERDA, in addition to global and local climate leaders to help eliminate the threat of climate change, while creating an equitable and just transition for all. We believe it's incumbent on all CRE leaders to be bold in our attempt to impact real change by developing a framework for achieving carbon neutrality in an existing pre-war building, while preserving New York City's rich architectural history."

Annika Rembe, Consul General of Sweden in New York said, "Climate change is the greatest threat of our time and a challenge for all nations. I believe in collaborations and am pleased to see that a start-up from Sweden and one of the largest real estate developers in the US can come together and find solutions for New York. This is a great example of how co-creation can drive innovation."

Omni New York LLC Managing Director Eugene Schneur said, "Omni New York is proud to be a part of the Empire Building Challenge and to work with NYSERDA and the other selected partners to shape the future of New York's greenhouse gas reduction in affordable housing. This work is necessary to increase the energy efficiencies of large, existing multifamily buildings while also working to curb climate change."

Dana Robbins Schneider, senior vice president, director of energy, sustainability & ESG said, "ESRT's work and development of innovative decarbonization strategies and technologies put us in a great position to apply to participate in The Empire Building Challenge. We are thrilled that our widely recognized years as technical trailblazers continue to be recognized and The Empire Building Challenge will help advance our continued efforts to reach our target for net-zero emissions by 2035."

Urban systems urbs AB (urbs) Founder & CEO Will Sibia said, "Urbs is grateful to be part of one of the cohorts selected under Empire Building Challenge, probably the most ambitious real estate transformation goals in the world. We, with our team lead Hines, plan to bring the best-in class technologies from the Nordic countries and tailor innovative solutions for supporting this challenge."

VIDARIS Senior Principal Adrian Tuluca, RA, LEED AP BD+C, BEMP, said, "NYSERDA has been at the forefront of energy efficiency and sustainability in buildings for decades. Its programs have been targeted to change how the building industry approaches efficiency and green, rather than paying building-by-building to include more efficient hardware. The Empire Building Challenge program is a recent example. It promotes a whole-building approach to decarbonization, with renovations of different building types and different building systems. It will yield examples on how decarbonization can be implemented cost-effectively, in a way that benefits both owners and tenants."

L+M Development Partners Vice President, Fund Management, Joseph Weishaar, said, "As we work to mitigate and reverse the effects of climate change it is incumbent on developers to bring their projects to the highest possible standards of environmentally-friendly development. NYSERDA's Empire Building Challenge program will help us fund, pilot and scale new retrofit technologies to drastically reduce or eliminate carbon emissions in our affordable housing portfolio. Large-scale investment in such technology is crucial to addressing the challenge of climate change, and we are proud to take part in this important initiative."

Steve Winter Associates, Inc. CEO Marc Zuluaga, PE, said, "We simply cannot meet climate goals without changing the way we think about, manage, and operate existing buildings. Steven Winter Associates, Inc. (SWA) is proud to be supporting this evolution by working alongside NYSERDA and New York State's top real estate partners, as part of the Empire Building Challenge, to develop and implement scalable projects that will reduce carbon emissions in buildings across the state."

Senate Energy Committee Chair Kevin Parker, said, "As the State of New York continues to lead nationally in clean energy reform it is important for us to have an aggressive plan which includes solutions for the various infrastructures throughout our city, including our high rise buildings. I applaud Governor Cuomo and NYSERDA for launching the Empire Building Challenge initiative which will help to decarbonize high-rise buildings and help us achieve our clean energy goals."

High-rise buildings, particularly in New York City, face unique challenges when it comes to implementing carbon emissions reduction measures. These challenges can range from tenant disruption to upfront costs for renovations and the sheer size and scale of high-rise buildings. The Empire Building Challenge seeks to address these and other market barriers by addressing crucial clean energy innovation gaps, through collaboration with the private sector, to decarbonize high-rise buildings and provide a blueprint so successful strategies can be implemented across many more buildings. In order to surmount these challenges

and as part of the Empire Building Challenge, NYSERDA plans to launch the Empire Technology Prize in 2022 supporting innovation and product development in the high-rise building decarbonization space to address market gaps.

Buildings are one of the largest sources of greenhouse gas emissions in New York State and integrating energy efficiency and electrification measures in existing buildings will reduce carbon pollution and help achieve more sustainable, healthy, and comfortable buildings. Through NYSERDA and utility programs, over \$6.8 billion is being invested to decarbonize buildings across the State. By improving energy efficiency in buildings and including onsite storage, renewables, and electric vehicle charging equipment, the State will reduce carbon pollution and achieve the ambitious target of reducing on-site energy consumption by 185 trillion BTUs by 2025, the equivalent of powering 1.8 million homes. Energy efficiency accounts for 75 percent of the clean energy jobs across New York and the state's ambitious plan to reduce carbon pollution will result in an additional \$1.8 billion in societal and environmental benefits.

Building owners, solution providers, manufacturers and other interested stakeholders are encouraged to visit <http://nyserda.ny.gov/EBC> for additional details on the Empire Building Challenge and to learn how to partner with NYSERDA, reduce carbon emissions, and get involved in the clean energy economy.

New York State's Nation-Leading Climate Plan

Governor Cuomo's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the Climate Leadership and Community Protection Act, New York is on a path to achieving its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality.

It builds on New York's unprecedented ramp-up of clean energy including over \$4 billion invested in 91 large-scale renewable projects across the state, supporting more than 150,000 jobs in New York's clean energy sector in 2019, a commitment to develop 9,000 megawatts of offshore wind by 2035, and 1,800 percent growth in the distributed solar sector since 2011.

Under Governor Cuomo's leadership, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments to disadvantaged communities and advancing progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.