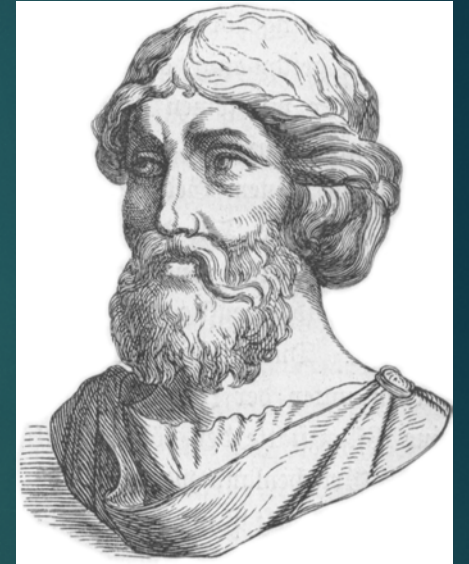


The Retrofit NY Process

"It is only when the abstract comes into contact with the concrete that anything new can happen."

- Pythagoras



The Retrofit NY Process

- ▶ Retrofit NY gave General Contractors a “seat at the table”
 - ▶ Integrative Process of Design & Construction
- ▶ Essential in developing a cost effective, constructible & replicable solution.
- ▶ Credo is one of collaboration, problem solving and fair dealings.

A General Contractor's Perspective

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Subject Location: 300-304 East 162nd Street, Bronx, NY

- ▶ 42,000 sq.ft. 5 story walk-up built in 1925
- ▶ 42 residential units, fully occupied
- ▶ Joisted masonry construction
- ▶ 2 gas fired steam boilers & DHW system
- ▶ Last renovated in 1997
- ▶ East 162nd Street



The Retrofit NY Scope of Work 300-304 East 162nd Street

- ▶ Building Envelope – Windows, Panels, Masonry, Roof
- ▶ Ventilation & IAQ
- ▶ Space Heating & Cooling – VRF Solution
- ▶ DHW – Heat Pump
- ▶ Electrical & Solar
- ▶ Ancillary Work



Execution Concerns – General

- ▶ Tenant Relocations / Phasing
- ▶ Site Logistics
- ▶ Scheduling / Timing
- ▶ Shortage of Skilled Tradesmen
- ▶ Noise Mitigation

Execution Concerns – Scope Specific

- ▶ Exterior Cladding Installation
- ▶ VRF System – Phasing of Central Heating System Shutdown
- ▶ VRF System – Shared versus Individual Condensers
- ▶ Structural Considerations for Rooftop Loading
- ▶ Unforeseen Conditions – Roofing & Plumbing

Preliminary Cost Estimate

		Conceptual Budget
1	General Requirements (10% of Ex. 3 Line 36)	\$ 322,000.00
2	a. Site Work	\$ 182,500.00
	b. Off-Site Work	
	c. Asbestos Removal	
	d. Environmental Remediation	
3	Concrete	\$ 15,750.00
4	Masonry	\$ 369,308.00
5	Metals	\$ 369,626.00
6	Woods and Plastics	\$ 187,425.00
7	Thermal/Moisture Protect	\$ 417,180.00
8	Doors and Windows	\$ 223,250.00
9	Finishes	\$ 449,898.00
10	Specialties	\$ 31,350.00
11	Equipment	\$ 154,300.00
12	Furnishings	\$ 23,850.00
13	Special Construction	\$ -
14	Conveying Systems	\$ -
15	Mechanical	
	a. Heating/Ventilation	\$ 210,080.00
	b. Plumbing	\$ 146,650.00
	c. Fire Protection/Sprinklers	\$ 5,000.00
16	Electrical	
	a. Electrical	\$ 898,000.00
	b. Fire Alarm System	\$ 40,000.00
	Subtotal	\$ 4,046,167.00
	Insurance	\$ 60,692.51
	Overhead (2% - 4%)	\$ 161,846.68
	Profit (Up to 10%)	\$ 404,616.70
	TOTAL	\$ 4,673,322.89
	Incentives	\$ 74,400.00
	TOTAL Including Incentives	\$ 4,598,922.89
	Total / unit	\$ 218,996.33

Note: Excludes Soft Costs & Tenant Relocation Costs.

Potential Areas for Cost Savings

- ▶ Minimize tenant relocation costs
 - ▶ Hospitality Suite in Cellar
 - ▶ Vacate entire building for a limited duration
- ▶ Exterior Cladding
- ▶ Solar Financing Options
- ▶ Electric Heat Pump Option for DHW
- ▶ Electrical Service Review

Why Participate?

- ▶ Building Upgrade
- ▶ Economic Benefits
- ▶ Legacy

The Subject Property

- ▶ Renovated under a HPD PLP loan in 1997
- ▶ Subject to Rent Regulatory Agreement until 2029
- ▶ Subject to Rent Stabilization, no RC units
- ▶ Average rent \$869 per month – large apartments
- ▶ Market Rate Financing & HPD Loan at 20% LTV

Regulatory Considerations

- ▶ Rent Stabilization and its future
- ▶ Affordability Requirements
 - ▶ Rent Levels
 - ▶ Term of Agreement
- ▶ Tenant Electric Metering of VRF Shared Condensers
- ▶ J-51 versus 421a

Economic Considerations

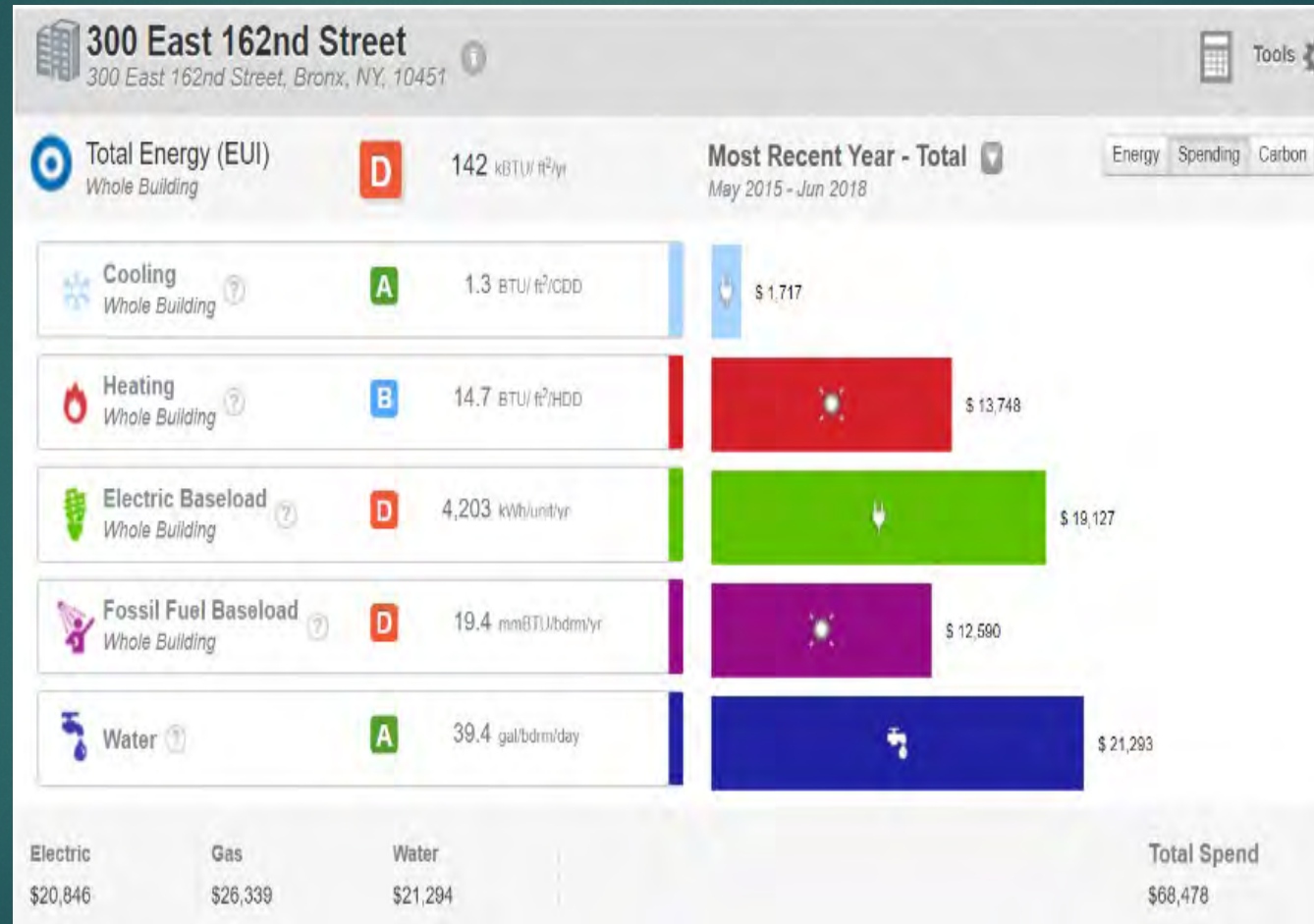
	Current Estimate	Goal
Hard Costs	\$218,000 per unit	\$175,000 per unit
Soft Costs (Design, Interest, Legal, etc.)	\$20,000 per unit	\$15,000 per unit
Other Costs (Relocation, Lost Rent)	\$4,000 per unit	\$2,000 per unit
Total Program Costs per Unit	\$242,000 per unit	\$192,000 per unit
Total Program Costs	\$10,164,000	\$8,064,000

Financing Options

- ▶ NYC Department of Housing Preservation and Development
- ▶ Community Preservation Corporation
- ▶ J-51 / Article XI Tax Benefits
- ▶ Con Edison Incentives

An Owner's Perspective

Energy Score Card



An Owner's Perspective

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Expense Analysis

Expenses:	Year 2014	Year 2014	Year 2015	Year 2016	Year 2017
Water & Sewer	\$17,257	\$38,912	\$56,377	\$43,088	\$41,316
Electricity	\$11,557	\$13,668	\$12,841	\$10,335	\$9,721
Gas	\$58,145	\$69,697	\$68,675	\$59,654	\$46,688
Maintenance & Repairs	\$18,042	\$19,956	\$17,708	\$16,680	\$22,601
Totals	\$105,001	\$142,233	\$155,601	\$129,757	\$120,326
Total per Unit	\$2,500	\$3,386.50	\$3,704.78	\$3,089.45	\$2,864.90

Financing Options

Benefits

- ▶ Lower Utility Costs
- ▶ Upgraded Physical Plant
- ▶ Stable Tenancies
- ▶ Low Cost Financing

Considerations

- ▶ Ties to Electric Power
- ▶ Long Term Agreement
- ▶ Regulatory Agreement
- ▶ Restrictions on Optionality