



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

PROPOSED INTRO. NO: 973-A

COMMITTEE: Environmental Protection

TITLE: A Local Law to amend the administrative code of the city of New York, in relation to upgrading lighting systems and the installation of sub-meters in buildings greater than 50,000 gross square feet.

Sponsor: By Council Members Members Recchia, Jr., Comrie, Dickens, Fidler, Garodnick, Gioia, James, Lappin, Mitchell, Nelson, Reyna, Rivera, Stewart, Liu, Yassky, Sears, White Jr., Mendez, de Blasio, Mark-Viverito, Katz, Vallone Jr., Gerson, Koppell, Vann, Avella, Vacca, Jackson, Brewer, Gonzalez and Ferreras.

SUMMARY OF LEGISLATION: The legislation will require buildings that exceed 50,000 square feet or 100,000 square feet if two buildings are on the same tax lot, to upgrade lighting systems bringing them in line with requirements for new systems. The legislation applies to both private and City owned properties. It is estimated by the Department of Citywide Administrative Services (DCAS) that the additional cost to the City for upgrades to its properties will be \$3.50 per square foot, with an estimated 4.3 million square feet of lighting upgrades per year, bringing the estimated additional cost per year to approximately \$15,000,000. The lighting upgrades are forecast to pay for themselves with energy savings in an eighteen to twenty four month time frame.

The legislation also mandates that sub-meters be installed in tenant space larger than 10,000 gross square feet on one or more floors of a building fitting the above description which is let or sublet to the same person, or a floor of a building larger than 5,000 gross square feet consisting of one or more tenant spaces let or sublet to one person or to two or more different persons. The property owners will be responsible for the installation of the sub-meters which are estimated to cost \$5,000 per meter installed. The City in the majority of cases is the sole tenant of any properties it owns and in the situations where there are tenants a sub-meter is usually present, making the added cost to the City minimal. Each tenant renting space with a sub-meter monitoring its energy usage shall receive a monthly report detailing its energy consumption.

EFFECTIVE DATE: This law shall take effect immediately.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED:

FISCAL IMPACT STATEMENT:

	Effective FY10	FY Succeeding Effective FY11	Full Fiscal Impact FY10
Revenues (+)	\$0	\$0	\$0
Expenditures (-)	\$7,500,000	\$15,000,000	\$15,000,000
Net	\$7,500,000	\$15,000,000	\$15,000,000

IMPACT ON REVENUES: Fines for non-compliance have yet to be established

IMPACT ON EXPENDITURES: It estimated additional cost to the City from this legislation in \$15 million per year in capital dollars.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: The City of New York's Capital Budget.

SOURCE OF INFORMATION: The Department of Citywide Administrative Services, the Mayors Office of Long-term Planning and Sustainability and the City Council Finance Division.

ESTIMATE PREPARED BY: Jonathan Rosenberg, Deputy Director
Nathan Toth, Assistant Director

HISTORY: Introduced as Int. 973 by Council and referred to the Committee on Environmental Protection on April 22nd, 2009. On June 26th, 2009 the Committee held a hearing and Int. 973 was laid over. An amendment has been proposed, and the bill will be considered by Committee as Proposed Int. 973-A on December 8, 2009.