

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

CONNECTICUT AND
SUBURBAN NEW YORK CHAPTER

February 2, 2009
Honorable Representative Stephen D. Dargan
Chair, Public Safety and Security Committee
Legislative Office Building, Room 3603
Hartford, CT 06106-1591

RE: HB 6284

Dear Senator Dargan:

With almost 17,000 members, and comprised of owners, investors, and developers of commercial, industrial, and mixed use real estate, NAIOP (Commercial Real Estate Development Association) is the nation's largest commercial real estate trade organization. I serve as chair of NAIOP's Connecticut and Suburban New York Chapter. I write on behalf of our organization in support of HB 6284. As explained in more detail below, this legislation will (i) correct a near impossible requirement on the State Building Inspector imposed by current law, (ii) prevent dire economic consequences to the state, and (iii) advance the state's interest in energy efficiency and sustainable development.

NAIOP has a strong and committed interest in advancing the principals of environmentally sustainable design throughout the nation. Consistent with this interest, our local NAIOP Chapter has already expressed to the legislature its serious concern about changes to the Connecticut State Building Code it mandated in Sec. 10 of P.A. 07-242. That law mandated the State Building Inspector to amend the State Building code to require (1) buildings costing \$5 million or more built after January 1, 2009 and (2) renovations costing \$2 million or more starting January 1, 2010 to meet the Leadership in Energy and Environmental Design (LEED) silver standard or its equivalent. Those requirements would apply to private and public sector projects, other than residential buildings with up to four units. Under the existing statute the Codes and Standards Committee of the Office of the Building Inspector could not issue code amendments that provided adequate guidance to the community that must abide by the State Building Code. Without a change in the law, as would result from enactment of HB 6284, we could reasonably anticipate not only increased costs and delays, but also the potential of litigation and the disincentive to build in Connecticut rather than in neighboring states.

We made our concerns about Sec. 10 of P.A. 07-242 known both to the State Building Inspector and to the Legislature in a series of letters last year. We pointed out, for example, that the current language of the law does not provide any

2008 Gavel Sponsors

Albert D. Phelps
Ashforth Companies
Benchmark Title Agency
CB Richard Ellis
Celestial Capital Group
Fuss & O'Neill
Ivy Equities
Northmarq Capital
Spinnaker Real Estate Partners
Stamford Office Furniture
Wiggin and Dana
W & M Properties

President

Deanna Polizzo
Northmarq Capital

Vice President

Brian Brennan
Allianz of America

Board of Directors

Doug Bora, Spinnaker Real Estate
Joe Caruso, Rexcorp Realty
Joseph Coci, Mountain Development
Nicholas Everett, A. P. Construction
David Friedman, Jones Lang LaSalle
David Hurley, Fuss & O'Neill
JoAnn McGrath, A. D. Phelps
Kim Morque, Spinnaker Real Estate
Jeffrey Seigel, Pavarini
Barry Trilling, Wiggin & Dana

Past Presidents

Doug Bora, Spinnaker Real Estate
Barry Trilling, Wiggin & Dana
Kim Morque, Spinnaker Real Estate
Nicholas Everett, A. P. Construction
Marion Geddes, Ivy Realty
JoAnn McGrath, A. D. Phelps
Joseph Caruso, Reckson Assoc.
Mark van Summern, Perkins Eastman
Mark Costello, Ernst & Young
Jeffrey Newman, W & M Properties
Brett Greenberg, Equity Office
Michael Klein, Insignia/ESG
Beth Chappel, CB Richard Ellis

Executive Director

Barbara Chase
NAIOP Office Headquarters
46 Ralsey Road
Stamford, CT 06902
Phone: 203-653-2883
Fax: 203-323-9677
execdir@naiopct.org

Honorable Representative Stephen D. Dargan
February 2, 2009
Page 2

guidance on how to calculate threshold amounts. Do the amounts include expenses for environmental remediation or the cost of installing energy efficient materials? Will the new code requirements give any guidance as to what constitutes equivalency to the LEED silver standard? Will accommodations be made to recognize differing climate conditions unique to Connecticut or differentiate among office, warehouse, industrial, and multifamily properties, all of which require differing construction techniques? What will happen if LEED certification or an equivalency determination is delayed or denied? Will this result in the refusal to grant a Certificate of Occupancy or a penalty? A memo dated October 28, 2008 from Assistant Attorney General, Henri Alexandre to the State Building Inspector expressed similar concerns.

Our questions and concerns and those of the Attorney General, if not answered prudently, could result in unjustifiable, potentially unconstitutional deprivations of property, which in turn could lead to litigation and in the inhibition both of new construction and much needed renovation, required to keep our Connecticut building inventory safe, productive, and energy efficient.

HB 6284 eliminates these difficult questions and substantially alleviates our concerns.

1. It removes reference to dollar thresholds and leaves the determination of application criteria, such as a square footage threshold, to the Codes and Standards Committee.
2. It speaks to the portions of buildings that most directly effect energy consumption, specific to mechanical, electrical and thermal envelope.
3. It allows for equivalent standards and a method for demonstrating compliance.
4. It provides for compliance to be determined at the permitting stage.

We at NAIOP would be very pleased to provide additional information about our concerns. Please feel free to call me to discuss this personally at 203-363-7670.

Very truly yours,



Barry J. Trilling
Chair, Public Affairs Committee
Connecticut and Suburban New York Chapter
NAIOP

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
CONNECTICUT AND
SUBURBAN NEW YORK CHAPTER

Honorable Representative Stephen D. Dargan
February 2, 2009
Page 3

Chapter Board of Directors
Melissa Huffman, NAIOP National Senior Director of State and Local Affairs
Thomas J. Bisacquino, NAIOP National President

1\262\2168314.1

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
CONNECTICUT AND
SUBURBAN NEW YORK CHAPTER

