

*Empire State Building Press Conference
New York, New York
Ray Quartararo, Jones Lang LaSalle
April 6, 2009*

As the Empire State Building Company's project manager from the inception of the \$500 million Empire State Rebuilding program, Jones Lang LaSalle has had the honor of coordinating the team that has brought true innovation and leadership to the cause of energy efficiency and sustainability in buildings, using the world's most famous office building as our pilot project.

The goal was to create a model for owners to undertake substantial energy projects that would have a real impact on energy and carbon reduction. Tony Malkin did not ask us to develop a plan for the Empire State Building. Instead, our mandate was to use this building as a lab, a platform to create a replicable model that, for the first time would justify a substantial investment in sustainability improvements by achieving real energy savings and lowering overall operating costs, all in a commercially feasible way.

Owners of existing buildings are looking for proof that sustainability enhances asset value enough to justify the cost of retrofitting. The Empire State Building energy and sustainability program is a giant step toward that goal.

The energy efficiency retrofit is in many places in the Empire State Rebuilding program, impacting more than \$100 million of spending, with an estimated \$20 million of new costs, tens of millions of savings, significant redirection of expenditures originally planned in the building's upgrade program, and additional alternative spending in tenant installations.

In reducing energy use by up to 38 percent, we will achieve an annual energy savings of \$4.4 million. More than half of that will be achieved over the next 18 months, and the projects we implement will have a favorable net present value over 15 years based on the energy and operational savings the building will realize. If sustainability leads to greater tenant retention or rent premiums over time, then the value will be even greater.

We will achieve an Energy Star score of 90, putting the ESB in the top 10% of our commercial office building peers, an incredible feat for a building of this vintage. And based on Jones Lang LaSalle's analysis using the Green Globes tool, the Empire State Building will qualify for LEED Gold certification, a rare accomplishment for existing buildings of any age.

But the real message today is that this need not be a rare accomplishment at all. If this can be done at the Empire State Building, it can be done at thousands of buildings around the world. In Jones Lang LaSalle's portfolio of 1.4 billion square feet of space in more than 60 countries, nearly every owner is concerned about energy costs; many have strong energy management programs in place, and some are seeking certification through

LEED, Green Globes and other building sustainability systems. But the analytic process at the Empire State Building is unique in providing a clear path to energy efficiency and environmental sustainability beyond that which was traditionally considered practical.

The key to that model is the ability to evaluate multiple strategies to determine which ones will produce the appropriate balance of reduced energy usage and carbon emissions on one hand, and the lowest capital and operating costs on the other.

Some of the projects that will help us achieve that balance here include the installation of a whole-building energy management control system and intelligent lighting systems in tenant spaces; insulating the building's existing radiators; upgrading the chiller plant and building air conditioning equipment. And we will refurbish all of the Empire State Building's 6,500 windows to create triple-glazed insulated panels. The refurbishment will be done on-site and the original window glass will be re-used, which not only reduces waste material but avoids the need to transport the materials to and from the building. We are also establishing an innovative tenant engagement program that will encourage the use of sub-metering and web-based power monitoring systems to enable tenants to measure and reduce their carbon footprints.

Just as Jones Lang LaSalle served as the program manager during the analytical process, we will serve as project manager to ensure that the team meets its goals in the implementation of this project, managing cost, driving schedule and overseeing the measurement and verification of energy and carbon emission reductions.

On behalf of Jones Lang LaSalle I want to thank President Clinton and Mayor Bloomberg for their commitment to effecting real global change and for joining us today in validation of this effort. And to Tony Malkin, whose foresight enabled us to use this global icon as a beacon for the kind of change that is so urgently needed in our cities around the world.

###