

Message from the Chair



CoreNet's board has proactively continued to roll out the strategic planning initiatives it set forth earlier this year. One of the common goals of our initiatives is to both grow our membership and increase the level of involvement among members. I am very proud to report that our chapter is now the largest it has ever been, and we have more volunteers than ever.

In the past year, membership has grown from 658 to 722 members, 286 of whom are corporate end users. We've grown because we're putting on impressive programs and workshops, and developing networking opportunities for the corporate real estate community. For example, on September 19th, we held a Distinguished Speakers event, featuring Erskine Bowles, Co-Chairman of the high-profile National Commission on Fiscal Responsibility and Reform. This standout evening, which drew a packed audience, is just one illustration of the high-quality, meaningful events that benefit our members.

We have been listening to you and what you want, and will offer even more enhanced programming this fall and in the coming year. In November, we will be holding an exclusive one-day seminar focused on techniques that senior corporate real estate executives can employ to ensure that their expertise and contributions are effectively integrated into the overall

organizational strategy of the firms they serve. This seminar promises to offer invaluable insights, which will help you learn how to "manage up" and to play an even more integral role in your businesses.

In addition to developing exciting new programs and workshops that directly benefit your professional career, we are increasing the size of the chapter's advisory group, which will play an active role in directing the chapter's pursuits. And we are tapping into the extraordinary list of member volunteers, who are eager to get involved with our many committees.

There are several reasons CoreNet Global NYC is the best real estate association in the city, but our members' involvement is certainly at the top of the list. This fall season, I encourage each of you to continue to come to events, network with colleagues, join committees and get involved. It is an immensely enjoyable, rewarding and essential part of developing your career in corporate real estate. If it isn't, let me know!

Cheers,
Marcus Rayner, Chairman
CoreNet Global New York Chapter
mrayner@cresa.com • 212-758-3132

CoreNet Global NYC Chapter Thanks Joe Brancato, Sponsorship Chair Extraordinaire



Being the chairperson of a CoreNet committee entails hard work, a steadfast commitment, and in some cases, a great deal of perseverance. No one knows this better than Joseph Brancato, managing principal at Gensler, who has served as sponsorship chairperson for as long as the CoreNet Global NYC chapter has existed. During his decade-long tenure, Joe has created a solid sponsorship program that has not simply done well – it's soared! Approximately 300 sponsors generously have supported the chapter since its inception, many of them repeat donors even during a challenging recession, enabling the sponsorship committee to exceed its target each year.

This funding, totaling about \$3 million, has helped the chapter to sustain itself, providing valuable programming and events for members.

Joe modestly refuses to take all the credit for the committee's successes. He credits outstanding, motivated committee members who work together as a team, believe in CoreNet's mission and are focused on meeting the organization's financial goals.

After many years of dedicated service to the board, Joe is passing the sponsorship baton to Ted Moudis. He certainly won't forget his years as sponsorship chair, where he formed many positive long-term relationships and learned a tremendous amount about corporate real estate. And CoreNet's members will never forget Joe's enduring contributions to the chapter's success.

So, thank you, Joe. It's been a great ride.

OUR VISION:

The thought leader forum and resource for Corporate Real Estate professionals in New York City.

OUR MISSION:

Advancing innovation and professional development in Corporate Real Estate.

ARTICLE SUBMISSION

If you are a New York Chapter of CoreNet Global, Inc. member interested in submitting an article for the Expert's Corner on a timely corporate real estate industry issue, contact Alexandra Goggin at agoggin@centurycarpet.net.

Revival of New York City's Generator Tax Generates Headaches for Office Tenants

By Howard Peskoe, Counsel, and Kevin Fullington, Government Relations Co-Chair, Herrick, Feinstein LLP

Commercial building tenants in New York City that own emergency power generators are discovering that the City of New York has revived a tax on these back-up generators that had not been imposed for the past decade. Frequently, these tenants are unaware of the potential tax liability until they receive a bill for millions of dollars in assessments.

THE REVIVAL OF THE TAX

For many years, New York City imposed a tax on emergency power generators owned by large power utilities and tenants of commercial buildings. The City's authority to assess this tax comes from New York State law that defines back-up generators as taxable real property. This law applies only to back-up generators (generators owned by landlords would be included in the building's overall tax rate valuation and not separately taxed).



Approximately ten years ago, the City decided to stop taxing back-up generators because it wanted to encourage commercial buildings to utilize emergency power equipment. During this period, many commercial tenants signed leases for space that had a back-up generator or that allowed the tenant to build its own generator system in the building. Most did so without any knowledge that this tax had ever been imposed.

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Offering a Helping Hand: CoreNet's Members In Transition (MIT) Program



During the job search process, it is easy to quickly become isolated and out of touch. To address this situation, CoreNet Global provides an array of benefits for “Members in Transition,” which is defined as current members and newly joining members who are experiencing a job transition due to the challenging economy. Those benefits include membership discounts, special program price reductions, and career services support. In addition, NYC Chapter MITs are eligible for further membership fee rebates, special pricing for local and regional programs and a unique MIT support program.

The purpose of that program is to provide a support group and confidential platform for MITs to share job leads, network, stay motivated and remain current with market knowledge. The New York MIT program was conceived by Gregg Weisser, executive managing director and director of leasing at The Moinian Group, and Hussain-Ali Kahn, vice president of marketing at Enstoa, Inc. They implemented MIT in its inaugural year, and Jane Greenblatt, principle of JG Property Portfolio Services, has continued the program as its leader/facilitator for the past two years.

Here is how the NYC chapter program works:

MIT groups comprise up to 12 people who make a commitment to meet weekly for two hours for a minimum of eight weeks. A typical group includes a mix of interests, specialties, trades, perspectives and levels of experience. Weekly meetings have been held at the offices of Herman Miller and Ted Moudis, which have graciously provided meeting rooms free of charge. In addition to sharing market intelligence and news, typically a variety of topics are covered, such as:

- Resume sharing and critiquing
- Fine tuning “elevator speeches”
- Using Linked-in and social networking as job search tools
- Sharpening interview skills
- Sharing feedback from interviews
- Comparing notes on recruiters, head hunters and coaches

In an effort to maximize MIT exposure to networking opportunities and other chapter learning events, MITs can attend programs, workshops and other selected events free of charge on a first-come basis. After the Global rebate and the NYC Chapter rebate, the out-of-pocket membership fee for a full calendar year for new MIT member is \$125, and the membership fee for a renewing MIT member is \$95.

There are many MIT success stories. A total of sixty one NYC Chapter members have participated in the program and have found the camaraderie and support to be a “lifesaver.” For more information about the MIT program, contact Sheila Shen at qshen@bermangrp.com or by phone at (212) 450-7300.



Photo, top, left to right: Vanessa Panotas, Dauphin North America; Chris Braxton, NRI; Lynée Hastings, Lane Office; and Anthony Mariani, Certified Moving & Storage. Bottom, left to right: Jason Aster, KBA Lease; Meredith Essery, WB Wood; Sarah Currie, VVA Project Managers & Consultants; and Ashley Cosentino, WB Wood.

CoreNet New York City Chapter Young Leaders Volunteer at Go Project

Several members of the Young Leaders committee volunteered this summer at the non-profit GO Project in Manhattan, working with students and their teachers on various enrichment activities, including martial arts, European handball, tennis, lacrosse, art, drama/creative writing, and theatre.

“CoreNet’s young leaders recognize the importance of lending a helping hand to youth in need in our community,” says Sarah Currie of VVA Project Managers & Consultants, who organized the event. “We hope the time spent with these children has been as helpful to them as it has been rewarding to us in terms of the insights we’ve gained into their lives and experiences.”

The GO Project’s mission is to positively influence the futures of low-income New York City public school children by providing critical academic, social and emotional support, starting in the early elementary years.

Summer Comes Into Full Swing at Annual Golf Outing



Diane Cramer, Gilbane; Jody Brown, Thomson Reuters; Saeid Garebaglow, Morgan Stanley; Debra Cole, Perkins + Will



Caddie, Conrad McMillan, Mindy Williams-McElearney, WorkSpaces LLC



Kathy Winkler, Prudential Financial; Margot Sorrentino; Abbye Suskin, Morgan Stanley/Newmark; Lee Kosmac, Newmark Grubb Knight Frank



Gregg Weisser, The Moinian Group; Gina Rizzo, Herman Miller



Barry Alton, Jefferies & Co; David Amsterdam, Cushman & Wakefield; Augustus Field, Cushman & Wakefield; Dale Schlather, Cushman & Wakefield

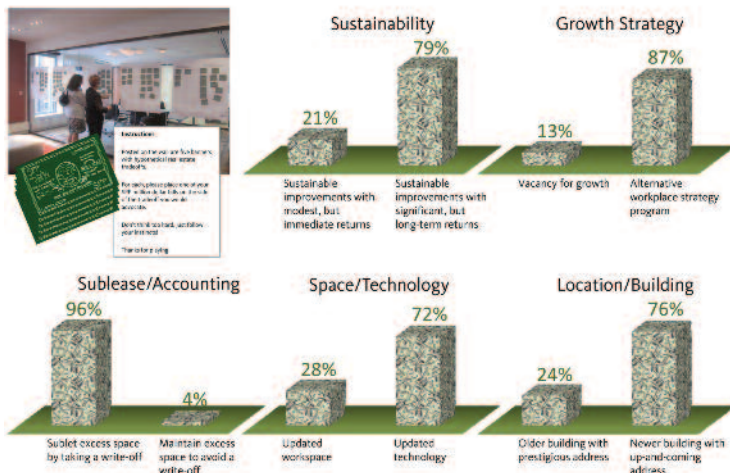
Undeterred by temperatures above 90 degrees, more than 200 golfers attended the much-anticipated annual golf outing at Century Country Club and Old Oaks Country Club in Purchase, New York. After a fun, sun-drenched day on the greens, members and guests relaxed over a buffet dinner and enjoyed an awards ceremony in honor of the day’s longest drive, best putt, lowest gross, and ball closest to the pin. The event raised over \$20,000 for Nontraditional Employment for Women (NEW), a not-for-profit organization that prepares and trains women for careers in the skilled construction, utility, and maintenance trades, and helps place them, thereby assisting women to achieve economic independence and a secure future.

Fun and Games at SSP Summer Social

Summer networking reached new heights at the SSP Summer Social, held at Inscape Solutions' New York showroom in July. Over fifty CoreNet members and guests played games related to portfolio planning and strategy and had fun testing their financial I.Q.s. Vik Aggarwal of BlackRock was the big raffle winner of the night, heading home with a new iPad.



Jon Nathanson, Christopher Marzo, Total Relocation Services LLC



Justin Mardex, Gensler; Vik Aggarwal, Blackrock; Nicole Freilich, Haworth, Inc

August Workshop Offers Insights Into NYC Greener, Greater Building



New York City is known worldwide as the Big Apple, but soon it may be able to expand that title to Big Green Apple, thanks to Mayor Bloomberg's Greener, Greater Building's Plan.

In mid-August, CoreNet members gathered at Scandinavia House with experts to learn details of the plan and what it means to the city's real estate community.

Erica Brabon, senior consultant with Steven Winter Associates, kicked off the discussion with an overview of the plan and how local laws are affecting building owners and tenants. Michael Flatley, senior building systems consultant with the same firm, continued

with a detailed discussion on the process and considerations required for building retro-commissioning, as well as the potential ultimate impact on both owners and tenants. Thomas Aloï, director of engineering at Hines Property Management, then provided an enlightening case study on 750 Seventh Avenue, explaining how the Building Plan's regulations have reinvented the ways in which Hines manages its properties. The workshop concluded with a lively discussion among panelists with the audience about the critical implications of Bloomberg's plan and the proactive long-term strategies required for owners and tenants alike.

Board Members & LEADERSHIP TEAM

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Gina Rizzo, *Herman Miller, Inc.*

Paul Darrah, *Bridgewater Associates, Inc.*

Suzanne Heidelberger, *Deutsche Bank*

Gregg Weissner, *The Moinian Group*

Members in the news



Steve Bleiweiss has joined DS&D as executive vice president of Strategic Business Development. Throughout his career he has excelled by drawing upon the relationship

management and business planning skills gained from his unique background as a

corporate end-user, commercial real estate broker and design firm principal. Most recently, Steve served for 10 years as a senior principal and board member at Mancini · Duffy, covering the New York and New Jersey markets and overseeing several of the firm's largest national accounts.

“We don’t have a choice on whether we do social media, the question is how well we do it.”

– Erik Qualman, Social Media Expert

Social media is more than a fad and has established itself as a tool to connect, educate and even do business. A matter of fact 93% of marketers use social media for business. These platforms, from Facebook and Twitter to LinkedIn and Pinterest, are no longer a luxury but rather a necessity to stay informed in an ever-evolving society.

Corporate Real Estate and its related industries are constantly employing new technologies and following new trends on how to do business and achieve success. CoreNet Global’s mission is to bring the thought leaders of Corporate Real Estate together to share, learn and develop the skills necessary to influence the market. Social media is another tool to assist in furthering these goals.

Utilizing the New York City Chapter of CoreNet Global’s social media community will benefit the Chapter’s members, helping them to receive thought-leadership information on their time, with fewer emails to sort. In addition, members can receive information about upcoming events, while also sharing and receiving real-time information, quotes & data with members unable to attend events. By offering a place for members to engage in a dialogue, they can take the conversation with them from beyond events and workshops. Sharing blogs, articles and features on chapter members will also help to further their connections with fellow members, partners and sponsors.

The New York City Chapter of CoreNet Global’s social media community relies on the engagement of its members. We ask that you connect with us and become a part of the dialogue. Your participation doesn’t have to end there; we are always looking for great content, stories and media from our members to share with the chapter.

For more information contact Kristine Scotto at: kscotto@consolidatedcarpet.com



CORENET
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NEW YORK CITY
chapter

“Social media allows me to keep in daily contact with a collection of trusted advisors made up of attorneys, brokers, architects, engineers, workplace consultants, facility managers and construction professionals... I believe social media allows you to not only maintain but deepen your relationships by sharing updates and participating in conversations. Twitter allows you to follow subject matter experts from around the globe and learn best practices and trends within the industry.” – *Brian Schwagerl, Speaker, Lecturer & Consultant for LEED Sustainability, Construction, Design & Workplace Strategy for The Sustainable Speaker, @BrianSchwagerl*

“Being active online in documenting a meeting or event can be a great way to network with guests and to broaden the reach of the messages you’re posting. Live coverage is also very important in involving viewers; instant coverage helps to draw in individuals and allows them to feel like more than just a customer - it allows them to feel actively involved in a company’s existence and makes for good, long-term company-customer relationships.” – *Michela Marsh, Marketing Associated, SAC Marketing*

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facebook.com/CoreNetGlobalNYC

Follow Us on Twitter:
twitter.com/CoreNetGlobalNY

Join Our LinkedIn Group:
New York Chapter of CoreNet Global



Social Media By The Numbers

- Facebook tops Google for weekly traffic in the U.S.
- 80% of LinkedIn users influence decisions in their company
- 41% of LinkedIn users have generated business with LinkedIn
- 53% of Twitter users will recommend companies and/or products in their tweets
- Wetpaint/Altimeter, a research-based advisory group, found companies widely engaged in social media surpass their peers in both revenues & profits
- Gary Vaynerchuk, founder of WineLibrary.com, grew his family business from \$4M to \$50M using social media. He found:
\$15K in direct mail = 200 new customers,
\$7.5K billboard = 300 new customers, \$0 in Twitter = 1,800 new customers

EXPERT’S CORNER (Continued.)

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The City ended its policy of non-enforcement in 2010, and has once again started taxing back-up generators owned by commercial tenants. The City has also been stepping up enforcement efforts, even going so far as to employ a designated individual tasked with locating back-up generators and sending bills to tenants.

IMPACT OF THE TAX

Emergency power systems are particularly critical to corporate tenants because of issues surrounding the continuity of operation and flow of data in an emergency. Indeed, some companies are even required to maintain back-up power generators. Thus, it is not uncommon for tenants of commercial buildings to have back-up generators or other emergency power equipment, and the City’s pursuit of the tax could have widespread consequences.

Although the reassessment of the tax can



be found in public assessment rolls, locating the generator tax in the public records is not easy and many tenants remain unaware of its revival until they’re sent assessments – which can be upwards of millions of dollars for large tenants. The fact that a tenant never received a notice of the policy change, or that the City’s notice was inadvertently misdirected, does not make a company any less liable. In short, plausible deniability does not protect corporate tenants from having the tax assessed.

METHOD OF ASSESSMENT

The amount taxed is based on the market value of the generator. When the generator is owned by the tenant, the tenant will be taxed on the equipment’s market value as calculated by the “cost approach,” under which the generator’s market value is equal to the current cost of producing a new, identical piece of equipment (less depreciation).

For landlord-owned generators, the assessment procedure is slightly different. When the generator is owned by the landlord and the building is newly constructed, the market value of the generator is calculated by the cost approach. When the generator is owned by the landlord and the building isn’t a new construction, the market value is calculated by the income capitalization approach. Under the income capitalization approach, the property’s rental

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income should reflect any higher rents received due to the building's generator or other equipment, and any rent received specifically for the generator should be included as rental income.

POTENTIAL COURSES OF ACTION

New York office building tenants are starting to challenge the revival of the generator tax, and a number of cases are progressing through the court system. A recent New York State Supreme Court case affirmed the validity of the reimposition of the generator tax. This decision is currently being appealed due to a host of unresolved issues – including the absence of notice, the lack of uniformity in the tax's implementation, concerns about double taxation, and the question of whether generators can be properly considered taxable real property.

In the meantime, one potential course of action for tenants with a back-up generator is to sell the generator to the building's landlord for a nominal amount and restructure the tenant's occupancy lease to account for the transfer. The tenant's use of and payment for the back-up generator would then be included in the landlord's rental.

In restructuring the lease to take account of the transfer of ownership of the generator, the parties would need to assess whether the tenant or the landlord is to cover the cost of the generator's upkeep, insurance, and permits. An additional question is whether use of the back-up generator would be exclusive to the transferring tenant. Tenants should also be careful in structuring the transfer because the City may contest the validity of the transfer and argue that the tenant must still pay the generator tax. A variety of factors, some noted above, would come into play in this analysis. Nonetheless, transferring the back-up generator from the tenant to the landlord may be an effective means to get relief from this unexpected tax.

Howard Peskoe is counsel to Herrick, Feinstein LLP, and Counsel to the Board of Directors of CoreNet Global's New York City Chapter. Howard has more than 35 years of experience structuring and negotiating leases for office, retail and mixed-use properties. He also represents construction companies, contractors, tenants and real estate developers in construction and architecture agreements for development and renovation projects in the New York City region. He can be reached at hpeskoe@herrick.com

Kevin Fullington is the co-chair of Herrick, Feinstein LLP's government relations group. A former Deputy Director and General Counsel in the New York City Mayor's Office of City Legislative Affairs, Kevin focuses on finding governmental and administrative solutions to clients' problems, and assists with identifying business opportunities and funding sources created through the New York City budget and procurement process. He can be reached at kfullington@herrick.com.

* The authors would like to thank Herrick summer associate Emily Eng, who contributed to the writing of this article.

New Job? Promotion?



Contact Alexandra Goggin at agoggin@centurycarpet.net.
for Members in the News submissions.

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Twitter Handle: @ CoreNetGlobal NY

LinkedIn : New York Chapter of CoreNet Global

Warm Welcome to New Members

Armano	Joseph	UGL Services
Betancourth	Deanna	BlackRock
Borghoff	Brian	National Air Filter
Burns	Joan	SNR Denton U.S. LLP
Chang	Sandra	Barnes and Noble Inc.
Clayton	Russell	Johnson & Johnson
Cohen	Jarrid	CA Technologies
Devine	Christopher	Macquarie Group United States
Donahue	Jeffrey	Lizardos Engineeirng Associates, P.C.
Geertgens	Earl	FreeAxez, LLC
Healy	Daniel	Rockefeller Group Development Corp.
Henderson	Kerri	Woods Bagot
Hu	Robert	Columbia - GSAPP
Humphreys	Benjamin	BlackRock
Jalil	Efrain	Day & Nite Air Conditioning Corp.
Jinks	Carolyn	
Johnson	John	Studley, Inc.
Kelly	Kristopher	Moelis & Company
Klebash	Brian	CAPRATE Events
Klein	Bari	Swiss Post
Landmann	Simon	UGL Services
Langevin	Jill	Fidelity Investments
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Olear	Mark	TD Bank
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Shvetz	Avi	Design 3-Inc
Smith	Mel	Clune Construction
Spencer	Eric	Ennead Architects LLP
Tamberino	Michael	Align Communications
Tousignant	James	Verizon
Van Duyne	Peter	Cushman & Wakefield, Inc.
Virani	Raj	Conant Architects
Yerdelenli	Damla	Jones Lang LaSalle



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CoreNet Global Newsletter/New York City Chapter 2012

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Save The Dates for These Upcoming Events!



STAY TUNED FOR DETAILS ON FUTURE EVENTS:

Nov 6th	Women's SIG Fall Program
Nov 8th	Cornell NYC Tech Campus Program
Nov 9th	Senior Corporate Real Estate Seminar: Taking up your Authority in CRE

COMMUNICATIONS COMMITTEE

Alexandra Goggin, The New York Century Group
NEWSLETTER CHAIR

Kendall Sowers, Regus
PR AND MARKETING CHAIR

From Chapter news to upcoming events...

Profiles of leading corporate real estate professionals to program registration...Reviewing our past event photo gallery to information on how to become a member or volunteer... For everything you want and need to know about the New York City Chapter... **LOG ONTO www.corenetglobalnyc.org**



ARTICLE SUBMISSIONS

If you are a New York CoreNet Global Inc. member interested in submitting an announcement or an article on timely real estate industry issues, please contact Alexandra Goggin at agoggin@centurycarpet.net.

Your Invitation to Become a Member of CoreNet Global

CoreNet Global is the premier organization for corporate real estate and workplace executives and their service providers. Noted for its leadership and innovation, the NYC Chapter is the largest and most active chapter, offering outstanding learning opportunities through a rich schedule of programs and events designed to enhance our members' professional knowledge and skills. Log onto www.corenetglobalnyc.org and click on membership for in-depth information about member benefits and a membership application.