



THE
CAPITOL
CHELSEA



Company overview

- ▶ The Capitol is a 387-unit multifamily asset with roughly 70k of commercial space at its base, it is located in the Chelsea neighborhood of New York.
- ▶ Acquired in December 2002.
- ▶ Its value is roughly \$336mm.

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Company approach to carbon neutrality

- ▶ Our overarching approach to decarbonization:
 - ▶ Measure, monitor, and improve performance at the assets to meet reduction targets for energy, greenhouse gas emissions, water, and waste
 - ▶ Target 10-year reduction of energy and emissions by 25% (2.5% annually) in alignment with the Paris Accord and Science Based Target Initiatives, and water and waste by 15% (1.5% annually)
 - ▶ Seek to improve the performance of our assets by identifying low-cost property enhancements, implementing strategic capital improvements, and seek to assess new technologies to achieve emissions reduction targets
 - ▶ Assess additional opportunities to reduce GHG emissions through on-site solar, renewable energy certificates, offsets, and other renewable or alternative sources
 - ▶ Pursue energy ratings for eligible buildings annually
 - ▶ Evaluate and strategically pursue third-party green building certifications using schemes prevalent in each specific region, such as LEED, IREM CSP, Green Mark, DBJ Green Building, CASBEE, HQE, DGNB, and BREEAM, as well as health and wellness certifications such as WELL and Fitwel
- ▶ What do you hope to achieve through the EBC Challenge?
 - ▶ The value proposition for The Capitol is a path to explore innovations to assist in decarbonization via energy efficiency, renewable energy, and electrification with partners that have vast experience and technical abilities. We hope to explore opportunities that can also lead to operating expense reductions, further enhance the resilience of The Capitol, potentially result in lower increases in insurance premiums compared to market and enhance the Capitol's local market reputation. In addition, we hope to avoid or largely limit any fines or penalties related to LL 97.



Track record

- ▶ Track record with sustainability/green buildings
 - ▶ The Capitol has an IREM CSP certification.
- ▶ Carbon Neutrality:
 - ▶ **Reduce Emissions:** By reducing the amount of greenhouse gases we produce, we make arguably the most critical impact. This can be done by reducing our reliance on fossil fuels for electricity, heat, and transportation or electrification as more commonly used today.
 - ▶ **Increase Energy Efficiency:** By making our physical assets and businesses practices more energy efficient, we can reduce the amount of energy we need, thus reducing our emissions.
 - ▶ **Switch to Renewable Energy:** Renewable energy sources like wind and solar power do not produce greenhouse gases when they generate electricity. By switching to these sources of energy, we can significantly reduce the emissions our physical assets produce.
- ▶ How does the commitment fit within the company's primary investment thesis?
 - ▶ Our thesis is that better buildings attract and retain tenants, perform better and thus are more valuable to investors. Making smart improvements to our assets is a way to ensure this goal.



Sustainability Information

- ▶ The Capitol at Chelsea, 776 Avenue of the Americas, NY, NY 10001
- ▶ Portfolio commitment
 - ▶ Target 10-year reduction of energy and emissions by 25% (2.5% annually) in alignment with the Paris Accord and Science Based Target Initiatives, and water and waste by 15% (1.5% annually)
 - ▶ The property, primarily using natural gas, exceeds its 2030 and 2035 emission targets by 10% and 40% respectively, and is projected to incur Local Law 97 fines from 2030, averaging \$43,000 annually.
- ▶ Site EUI target and percent reductions relative to a 2010 baseline.
 - ▶ Site EUI baseline year is 2019, as it is the first year where data is available. The EUI for electric is 26 and for gas is 61.8. The target EUI in 2035 is electric-only of 47.5. This would nearly cut in half the EUI of the building while fully electrifying all systems.
- ▶ The target year for reaching the target
 - ▶ Chelsea New York Realty Company LLC is targeting to eliminate fossil fuels on-site by 2035 or sooner. This target applies to The Capitol only. However, we are seeking to explore decarbonization across the other assets on our platform in an intelligent and economic way that enhances value across the portfolio.
- ▶ The proportion of units that meet NYSERDA's definition of Affordable Housing, if applicable.
 - ▶ There are no Affordable units at The Capitol.



The Capitol

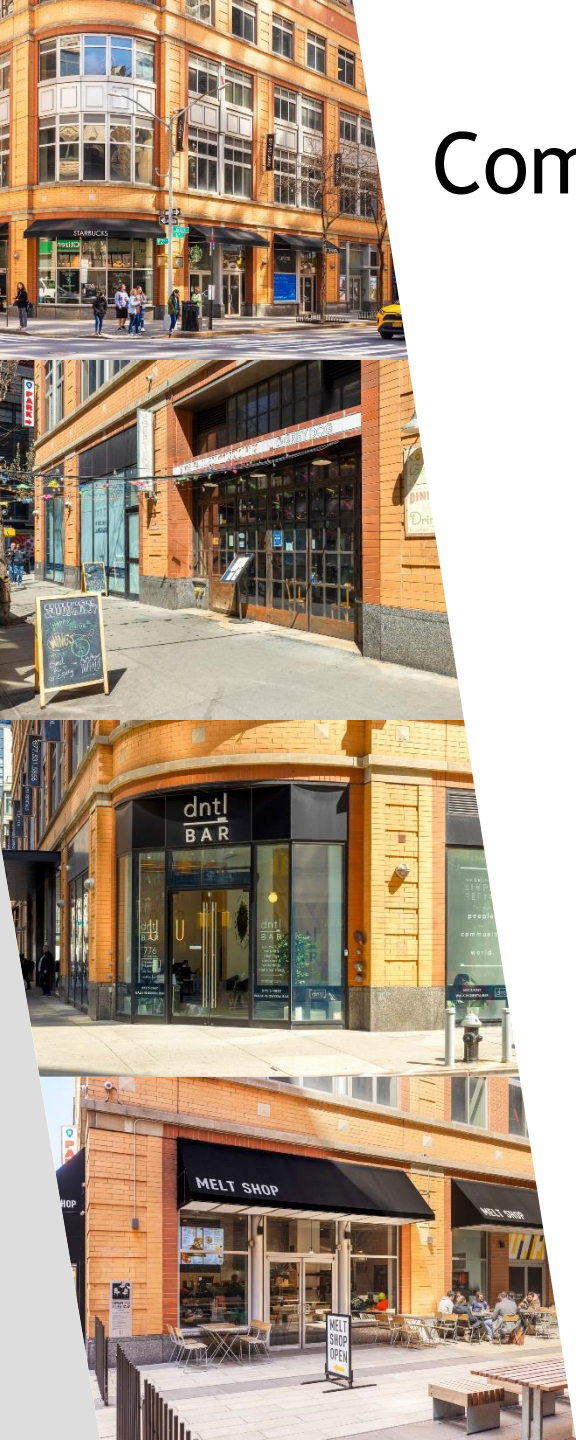
Age - built in 2001 (23 years)

of stories - 39-story rental apartment

- Floors 1-4 are retail
- Floors 5-37 are residential
 - 387 apartment units
- Building's amenities are located on the 4th floor (laundry, gym, and terrace)
- Mechanical rooms are located in the subcellar and a section of the 4th floor.
- A two-level parking garage spans the subcellar and cellar floors.

Committed building - The Capitol

- ▶ Heating Plant
 - ▶ Two gas fired steam boilers rated at 400 MBH provide space heating to packaged terminal units
- ▶ Cooling Plant
 - ▶ The packaged terminal units have direct expansion (DX) coils for cooling ranging in size from $\frac{3}{4}$ ton to 1 ton
- ▶ Distribution systems
 - ▶ The common areas are served by air handlers while the PTACs provide ventilation for the apartments.
- ▶ Façade description
 - ▶ The façade is made up of brick and concrete masonry with fiberglass insulation. The windows are aluminum framed double pane glass.
- ▶ Current EUI
 - ▶ 85.3 kBtu/sf
- ▶ Current emissions
 - ▶ 2,643 metric tons CO₂e
- ▶ Please see the attached application document for a full description of the systems



Testimonial

We believe that NYSERDA will bring us the expertise, insights and access to new and cutting-edge technologies that will enable us to decarbonize our asset and gain the knowledge to apply to other assets.