

Guidelines Board Approves Rent Increases

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month for a Two-Year Lease Term

Owners and managers, again, may choose the method that produces the highest increase (either the percentage formulas or the minimums) as a result of the board's actions.

Vacant Apartments

No additional guidelines—other than The Rent Regulation Reform Act Formula of 1997 and the 2011 State Revisions—were adopted for Vacancy Leases.

The formula for units vacated between Oct. 1, 2011 and Sep. 30, 2012 is as follows:

In the event of a vacancy, the allowance as stated in the Rent Regulation Reform Act of 1997 is operative. The allowance permits the legal regulated rent for a vacant apartment to be increased by 20 percent for a Two-Year Lease.

For a One-Year Lease, the allowance calls for 20 percent, less the difference between the One and Two-Year Lease Renewal Guidelines. For the 2011-2012 term, the rent increase would be 20 percent (20 percent - 1.5 percent = 18.5 percent) for a One-Year Lease.

If a unit was occupied eight years or more, an additional increase of 0.6 percent per year is allowed. For example, a unit occupied for 10 years can be increased 26 percent (20 percent, plus .6 percent x 10 years = 26 percent) in the event of a Two-Year Lease.

Changes on the State Level

The Jun. 24, 2011 extension and revisions to the state's housing laws have four provisions that are relevant for owners and managers:

- The Vacancy Decontrol Threshold is now \$2,500.
- The formula for Individual Unit Improvements (IUI's) for buildings over 35 units is now 1/60 and remains at

1/40 for smaller buildings. The 1/60 ratio becomes effective on Sep. 24, 2011.

- Only one Vacancy Increase is now allowed for an apartment unit during the calendar year, no matter how many vacancies occur in that year.
- The High-Income Threshold is raised to \$200,000.

The Reaction of the Realty Industry

The AOAC, in its presentations to the Guidelines Board, provided many exhibits showing that Westchester apartment owners and managers required fair rent increases, association officials said.

"We consistently stressed during the process that owners are in a difficult period of cost increases, specifically in property taxes and fuel," said Jerry Houlihan, chair of the AOAC, which represents more than 300 owners and managers. Those owners and managers are responsible for more than 25,000 units in Westchester County.

He added: "We feel greater increases would have been justified. Commendations for their efforts in providing economic data to the Guidelines Board are extended to the AOAC's staff. The staff worked tirelessly to compile and gather data for the realty industry's presentations to the board."

Houlihan said that thanks should also be given to the AOAC's members and consultants for their testimony on behalf of the realty industry at the board's Public Hearings.

"We also would like to thank the AOAC's owners and managers who attended the hearings and deliberations as observers. And, without a doubt, recognition must also be given to our Owner Representatives on the board, Ken Finger and Eliot Cherson, for their dedicated services."



BOMA HONORS THE PIONEERS OF WESTCHESTER'S OFFICE MARKET -The pioneers of Westchester's Commercial Office Market were recently honored with Lifetime Achievement Awards from the Building Owners and Managers Association of Westchester (BOMA). Receiving the awards at BOMA's 20th Annual Hall of Honor Awards Dinner on May 12 in Tarrytown were, from left to right, Robert Weinberg, Robert Martin Company; Jon Halpern, Halpern Enterprises; Martin Berger, Robert Martin Company; and Lowell Schulman, Schulman Realty. Heineken USA and Beacon Capital Partners were the 2011 Hall of Honor Recipients for their respective contributions to the economic growth of Westchester County, event officials said. Weinberg and Berger are past presidents of the Building and Realty Institute (BRI). Halpern is a former vice president of the BRI.



AN UPDATE ON CO-OP AND CONDO ISSUES – The May 23 Membership Meeting of The Co-operative and Condominium Advisory Council (CCAC) focused on key issues affecting the co-op and condo sector. Mary Ann Rothman, executive director of The Council of New York Cooperatives and Condominiums, was the guest speaker. Pictured at the event are, from left to right, Angelo Ponzi, vice chair, CCAC; Diana Virrill, chair, CCAC; Rothman; and Jane Curtis, vice chair, CCAC.

AN ECONOMIC REVIEW —



The Jun. 9 General Membership Meeting of The Building and Realty Institute (BRI) presented a mid-year look at the economy. More than 60 members of the local building, realty and construction industry attended the event at the Crowne Plaza Hotel in White Plains. Pictured during the meeting is Guest Speaker Steve Roberts, an executive director with JP Morgan Chase. Also pictured, in the background, from left to right, are Jeff Hanley, associate director of the BRI; and Greg Perelman, a vice president with JP Morgan Chase.



RAC MEETS – The Remodelers Advisory Council (RAC) of The Building and Realty Institute (BRI) held its Board of Directors' meeting on Jun. 9 at the Crowne Plaza Hotel in White Plains. Pictured at the event are, from left to right, RAC board members Tina Mancuso and Mike Asch; Jenny Besch, director of Westchester Mediation (guest speaker); Eric Messer, RAC chair; Ken Furst, Levitt-Furst Associates, insurance manager for the BRI; and RAC board members Steve Smalheiser and Linda Blair.

INSURANCE INSIGHTS

By Ken Furst and Jason Schiciano, Levitt-Furst Associates Ltd.



You're Being Sued for Wrongful Termination – Are You Covered By Your Insurance Policy?

YONKERS – You just got sued for wrongful termination. The question that arises is this: are you covered by your insurance policy?

And the answer is: only if you have an Employment Practices Liability Insurance (EPLI) Policy!

Or, if you have another policy, such as a Directors and Officers Policy, with built-in Employment Practices Liability Coverage. Most Directors and Officers policies, by the way, for condominium, homeowners association and co-op apartments, have built-in EPLI.

A Surprise

Business owners are often surprised to discover that their General Liability Policy does

not provide coverage for lawsuits stemming from employment practices, including allegations of:

- Wrongful Termination
- Harassment (Sexual, Racial, Religious, Etc.)
- Discrimination (In Hiring, Firing And/Or Promoting)

These types of claims are addressed by an Employment Practices Liability Insurance (EPLI) Policy and are specifically excluded by the General Liability Policy - which basically addresses bodily injury and property damage claims - and the Umbrella Liability Policy.

In this day-and-age, when many businesses are cutting staff to remain competitive, or just to survive, and when finding comparable new employ-

ment can be nearly impossible for a discharged employee, a wrongful termination claim filed by a disgruntled employee is a distinct possibility. Even if the claim is baseless, an often costly legal defense must be waged.

Yes, It Is Needed

When the importance of an EPLI policy is explained, the business owner often responds: "My employees have been here for years, I don't need that coverage."

On the contrary! Those employed by the same employer for years, whose compensation and responsibility has grown steadily, may be even more likely to file a claim for wrongful termination.

When explaining to business owners the risks of harassment claims, a common reply is: "I would never harass anyone and neither would my managers."

But harassment claims do

costs to defend your company against an employment practices claim can be in the tens-of-thousands of dollars, or more. Judgment awards can be in the hundreds-of-thousands of dollars, or even ex-

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GHP Office Realty Handles Six Leases in Rockland County

ORANGEBURG—GHP Office Realty has completed six leases totaling 30,000 square feet at two of its buildings, 30 and 40 Ramland Road in Orangeburg, the company recently announced.

The buildings are currently 88 percent leased.

The largest of the leases was Katapult, LLC for 6,700 square feet at 30 Ramland Road. Katapult is an airplane de-icing company that was previously based in the Cherry Hill section of southern New Jersey. William Pastuszak of Resource Realty represented the tenant in the transaction. Jamie Schwartz, executive vice president of GHP, represented the owner, officials said.

Also at 30 Ramland Road, Schwartz represented the owner in the following transactions:

- Greenwald and Doherty LLP, a law firm specializing in employment law and orig-

inally located in New City, leased 5,100 square feet at the building.

- Theg, Inc., a company specializing in the sales of contact lenses, relocated from Fort Lee, N.J. and signed a five-year lease for 3,367 square feet of office space.

- Longtime tenant Davidson & Grannum LLP, a law firm specializing in securities law litigation, extended its term on its 4,827 square foot headquarters.

- Another longtime tenant, Impulse Dynamics, a company that develops electrical therapies for the treatment of chronic heart failure, relocated to 4,513 square feet and renewed at the building.

At 40 Ramland Road, Radiance Inc., a manufacturer of hair removal products, including the widely successful "No No" consumer laser hair removal product, expanded its

headquarters space to 4,640 square feet. The deal was negotiated by Andrew Green-span, a principal of GHP.

Officials said that limited suites in each building remain, some with efficient office suites, others on the ground floor with tech space and overhead doors.

GHP Office Realty is the office building division of Houlihan-Parnes Realtors, LLC. GHP Office Realty has acquired, financed, redeveloped, leased and managed more than 3,500,000 square feet. Regionally, the partners presently own and manage buildings in Westchester County, Fairfield County (N.J.), Rockland County and in Bergen County and Princeton (both in N.J.). The firm, with a Long Island-based partner, owns and manages 52 buildings and approximately 2,500,000 square feet in Nassau and Suffolk counties, officials said.

not always involve a subordinate versus his or her superior. In fact, harassment claims—sexual, racial, religious, physical abuse, etc.—often can arise as a result of one co-worker harassing another, a scenario over which management and owners often have little control, but for which the company could ultimately be legally responsible.

Like all legal situations, the

ceed \$1,000,000. An EPLI policy premium is typically a small percentage of total insurance premiums, but based on the risks described herein, can represent a very wise allocation within your insurance budget.

For more information on Employment Practices Liability Insurance, or for a quotation, please call our offices at (914) 457-4200.

**Join us at the
Building and Realty Institute
Annual Golf Outing
Tuesday, October 18
see page 12 for details**

VHB Relocates to New Office in White Plains

WHITE PLAINS—VHB Engineering, Surveying and Landscape Architecture, P.C. (VHB), one of the leading providers of integrated planning, transportation, land development and environmental services, recently announced its move to a new office in White Plains.

Company officials recently announced that the firm is now at 50 Main Street. Officials said that the new location "further solidifies VHB's commitment to the city, as well as to Westchester County."

Officials added that the new address is a transit-oriented lo-

cation—adjacent to the White Plains Metro-North Railroad Station—underscoring what they termed as the firm's commitment to practicing smart growth principles.

Principals John Saccardi, David Schiff, David Smith and Michael W. Junghans lead a staff of planning, engineering and environmental professionals from the new location. The relocation follows VHB's acquisition last October of Saccardi & Schiff, a prominent White Plains-based planning and development consulting firm. For more than 20 years, Saccardi

& Schiff provided planning services to municipalities, businesses and not-for-profit organizations in the Westchester and the Mid-Hudson Region.

At 9,000 square feet, the new office is nearly double the size of the former office at 445 Hamilton Avenue, officials said.

In explaining the move, Tom Lucivero, VHB senior principal and northeast regional manager, said: "Our new office will allow us to serve our clients in the public and private sectors throughout Westchester and elsewhere in the state with a comprehensive range of inte-

grated planning services."

Several of VHB's notable regional clients and projects include the County of Westchester, City of Yonkers, PepsiCo, and Brownfield Opportunity Areas projects in Farmingdale, Binghamton and Glen Cove.

Saccardi said: "We are very excited to build on the strong foundation that VHB has established in New York State. To celebrate our new location and new company, VHB will hold an Open House for our friends and colleagues in the fall."

VHB has operated in New York state for more than 10

years. Since 2007, it has acquired three firms and opened two offices, expanding operations into Albany, Hauppauge, Manhattan and White Plains.

VHB is affiliated with Watertown, Mass.-based Vanasse Hangen Brustlin, Inc., a 850-person firm that provides integrated planning, transportation, land development and environmental services from 21 offices along the east coast. Engineering News-Record ranks VHB 80th of the Top 500 U.S. Design Firms and among the Top 50 Transportation Firms in the U.S., officials said.