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# CAGNY

*Vision, Ethics, Value*

## INSIDE

- **CRESCENT CONSULTING**  
GRASSROOTS IN DIVERSITY
- **NEW YORK TRANSPORTATION**  
"PLANES, TRAINS, FERRIES & AUTOMOBILES"
- **NEW YORK'S HOTTEST PROJECTS**



# CAGNY

## Vision • Ethics • Value

BY JAN WILSON

**A**t a time when much of what is written about the relationship between big business and unions is less than flattering to either side of the table, The Contractors' Association of Greater New York, Inc. (CAGNY), stands as a shining example of how industry leaders can work with their labor force to gain the greatest efficiency and the best results, for their customers, time after time.

"CAGNY has tried to create an image as an association dedicated to competency, safety and integrity in this industry," says Raymond McGuire, the group's Managing Director and a partner at Kauff McClain & McGuire LLP, specializing in labor law. "Our builders are the biggest and the best. One of the reasons that we only have seven members is that we want to be sure that all of our members share our important core values."

CAGNY's members include AMEC Construction Management, Inc., Bovis Lend Lease LMB, Inc., Cauldwell Wingate Company, LLC, Cavanagh/Stewart International, Inc., HRH Construction LLC, Plaza Construction Corp., and Turner Construction Company.

The group's core values can be summarized simply as vision, ethics and value, and this drives its members to remain at the forefront of the New York construction industry. CAGNY not only serves as a collective bargaining representative in the negotiation of labor agreements with its affiliated trade unions, but also provides leadership in the areas of legislative action, technology development, safety innovation, public service and philanthropy.

"Initially, CAGNY confined itself to collective bargaining but after about three or four years we started to see that developing into a more expansive trade association was the right way to go," McGuire says.

James Abadie, CAGNY's Chairman and the Principal-in-Charge of the New York office of Bovis Lend Lease, says, "CAGNY represents the best of the building trades. We are dedicated to safe jobs and, as importantly, quality jobs for the trades and our clients. We really want to leave the industry better than we found it."

### VISION, ETHICS, VALUE

CAGNY was formed in 1984 by Morse Diesel International, Inc., Turner Construction Co., Lehrer McGovern Bovis, Inc. and Crow Construction, Inc. (as they were then known) because of their collective concern that none of the employer associations to which they belonged were adequately representing the unique interests of high-rise builders.

In the early years, its founding members focused on creating a professional approach to negotiations with the six trades with which it held collective bargaining agreements and on using those negotiations to advance several objectives deemed critical for the prosperity of the larger construction industry in New York City. These included the need to moderate the proliferation of expensive "work rules" and manning practices; the necessity of tying wage and benefit adjustments to productivity improvements; and the ideal of a labor/management partnership in which each side sought to further the interests of the industry as a whole.

John Cavanagh, currently President and Chief Executive Officer of Cavanagh/Stewart International, Inc., was President and Chief Operating Officer of Morse Diesel International, Inc. when he became the founding Chairman of CAGNY. (Cavanagh is the current 2nd Vice President of CAGNY.) "We are one of the few associations that lives by



**Michael J. Murphy**  
Vice President,  
Field Operations  
HRH Construction LLC



**Richard Wood**  
President  
Plaza Construction Corp.



**James Abadie**  
Principal In Charge  
Bovis Lend Lease LMB, Inc.



**Raymond G. McGuire**  
Managing Director  
Contractors' Association  
of Greater New York



**Peter J. Davoren**  
President and CEO  
Turner Construction



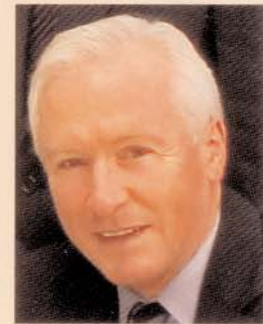
**John A. Cavanagh**  
President & CEO  
Cavanagh/Stewart  
International, Inc.



**Susan L. Hayes**  
President & CEO  
Caldwell Wingate  
Company, LLC



**Dawn M. Zanichelli**  
Executive Administrator  
Contractors' Association  
of Greater New York



**Patrick Muldoon**  
Senior Vice President  
AMEC Construction  
Management, Inc.

union agreements. On the other hand, we will pursue legal action if we find that they are not abiding by the agreements we have negotiated," he explains.

CAGNY, despite being comprised of competing firms, negotiates with the building trades as a team. "We are all in this together when it comes to the safety and efficiency of the projects that we build," says Richard Wood, President of Plaza Construction and current Vice President of CAGNY, which joined the association in the mid-1990s. "There's no question that we are fierce competitors, but we always share information that can affect the industry as a whole."

As a result of the founding firms' vision, and the continued quest for excellence by CAGNY's leaders today, the Association has grown to advance several objectives critical to the success of large-scale development projects in New York City. Some of these objectives include insurance reform, support of new construction technology, and the recruitment of women and minority-owned contractors. CAGNY contractors are known for their commitment to superior professional standards, cre-

ativity and innovation in construction management and energetic vision in addressing the next generation of construction challenges for New York City.

"As we had success with collective bargaining, our attention began to turn to other things," says McGuire. "We got involved with governmental issues and have a lobbyist in Albany to inform legislators about issues that affect our members. We also serve as a liaison to developers on these issues."

Ethics is a word that frequently peppers the conversations of CAGNY board members. They share a personal commitment to ethical conduct, which CAGNY principals demonstrate in their everyday activities. "CAGNY members take great pride not only in doing the right thing but in setting standards upon which the larger industry can model itself," says McGuire, adding, "we do have to turn down applicants" that don't conduct their business

according to CAGNY's values. As Cavanagh says, "One of the ways in which CAGNY has changed the industry for the better is to promote understanding between construction

"CAGNY has been one of our strongest supporters in terms of leadership in the industry. They understand how pursuing public policies and relationships with labor need to be done in a broad-based manner. Their leadership has always shown an ability to look beyond what their individual needs are."

**Louis Coletti, President, Building Trades Employers Association**

and the unions. Everything is transparent and done by the book."

Value is at the heart of CAGNY's commitment to labor-management cooperation and to providing quality unionized construction services at the best possible price. CAGNY members use the highly skilled professionals trained and represented by the craft locals affiliated with the Building & Construction Trades Council of Greater New York, AFL-CIO. By working cooperatively with these craft locals, CAGNY members achieve efficiencies and savings that independent companies cannot match. CAGNY members' commitment to value is evidenced by the number of landmarks built by its members in New York and throughout the world. These projects stand for triumph of teamwork between the owner, contractor and skilled craft locals.

"We believe in a world of unionized construction," says McGuire. "Our union tradespeople are highly skilled individuals who, once they complete their apprenticeships, have access to good wages and wonderful benefits. We are proud of the fact that due at least in part to unionized labor we build more quickly in New York than anywhere else in the world. The dignity that workers here are allowed to experience because of their union membership is vastly different than those who work in a non-union environment."

"CAGNY has helped to shine a positive light on union construction in a town that has some competing ideas about the value of a unionized workforce in this industry," says Susan Hayes, President and Chief Executive Officer of Cauldwell Wingate Co., LLC, and a 1st Vice President of the Association. "We have shown that to have a unionized workforce is to have a work ready, qualified labor pool with the skills necessary to get the job done."

### **A PUBLIC SERVICE ORIENTATION**

CAGNY provides a unique forum to advance industry and community-wide issues such as professional advancement, job creation, building innovation and worker and public safety. Some of CAGNY's best-known initiatives in these areas include its Superintendent Training Program, developed with Cornell University, and its John A. Cavanagh Scholarship Program to provide opportunities for students who are the children of the employees of its member firms.

CAGNY has collaborated with the Cornell School of Industrial and Labor Relations to teach superintendents with less than five years of experience ways to manage the diverse groups they work with daily, such as unions, subcontractors, building inspectors, and owners' representatives. A Cornell professor developed the program after visiting ten CAGNY-member job sites and interviewing project members. CAGNY later formed a committee to help customize the program, resulting in consistent training in safety, cardio-pulmonary resuscitation, first aid, specialized foundation work, and aspects of steel structures. The goal is to make each superintendent and project manager well-



*The New York Times building at 620 Eighth Avenue*



*The Bloomberg Building at 731 Lexington Avenue*

rounded in all areas of the industry.

"I noticed as I would visit construction sites that the superintendents have an overwhelming number of responsibilities," says McGuire. "Most superintendents are professional engineers and while all of their companies provide some training, a lot of them were being thrown into complex, challenging situations with very little formal training on how to manage the issues that come up hour-by-hour on construction sites." CAGNY has trained about 200 superintendents through this program.

In 2001, CAGNY created a college scholarship fund to enhance educational opportunities for tomorrow's construction industry leaders. The fund was named in honor of its founding Chairman, John A. Cavanagh.

Each year, the John A. Cavanagh Scholarship Fund presents a monetary award to several worthy high school seniors. CAGNY anticipates that starting with the 2006 school year, the Scholarship Fund will also provide one scholarship to an economically disadvantaged student enrolled in a New York City Public High School who is planning a career in construction management.

"We have within our member companies lots of hard-working, dedicated people for whom it's awfully hard to afford college," says McGuire. "This is a way to ease their burden." The scholarship award is \$3,000 per year for each recipient, for up to four years of undergraduate-level study. Recipients of the awards may attend any accredited two or four-year college, university or approved trade school. The association also provides seven "honorable mention" \$500 one-time awards to students.

"Many of these kids end up going into architecture or engineering," McGuire says. "I would be shocked if some of them didn't come back into our lives through professional relationships."

## A SPIRIT OF COOPERATION

Interviews with CAGNY board members illustrate a remarkable clarity of vision, as all speak about the honor associated with being part of the group, as well as the benefits they receive from the group as professionals. "I continue to learn at every meeting," says Susan Hayes. "I am in the room with the most talented builders in the City—there is an answer there to any question."

Richard Wood of Plaza Construction notes that CAGNY's focus on safety has been good for the industry. "To build successful projects, we need to build safely, and CAGNY has been at the forefront of that movement. In the construction industry, no one wants to see anyone hurt or killed. We are all affected when construction isn't conducted safely – it's never an issue of being thankful that it 'wasn't me.'" Adds McGuire, "Safety requirements can sometimes be a tough sell with construction

workers. They don't always want to do things that they perceive may hamper their ability to do their jobs, or slow them down. We have worked with them to convince them that we are all on the same page when it comes to wanting them to go home to their families every night. We had real breakthroughs with the construction of the Time Warner building and The Bloomberg Building in terms of the safety of workers on those jobs."

Frank Ross Jr., Senior Vice President of HRH Construction and current Secretary of the Association, says, "Developers understand that when they are dealing with a CAGNY builder, they are dealing with the best of the best. So beyond the ability to collectively bargain with the trades, the CAGNY designation highlights the integrity of how you run your business and lets your clients know you operate with the highest of standards."



*Hearst Tower at 57th Street and Eighth Avenue*



NYU Cancer Center on East 34th Street

## MEMBER PROJECTS

"Many New York City landmarks have been built by CAGNY members," says McGuire. "Our commitment to our core values assures the achievement of unparalleled quality and value for every assignment and what our member firms have built demonstrates that."

### The New York Times Building

AMEC Construction Management is hard at work on The New York Times Building, located at 620 Eighth Avenue. Designed by Renzo Piano Building Workshop in association with FX Fowle Architects, the 1.6 million square foot high-rise is being built for the Times and Forest City Ratner Cos. in partnership with ING Real Estate.

"What makes this project interesting is that the end-user is the client and a major player in the design," says Patrick Muldoon, Executive Vice President of AMEC and a current Director of CAGNY. "The New York Times was very concerned about the quality of the building as it relates to its employees."

He adds that a complex steel structure and unusual curtain wall design made the building a construction challenge. "We had to get fabricators interested in building some of these materials as they weren't typical," he says.

The New York Times will own and occupy the lower half of the building, which is slated for completion in 2007, and Forest City Ratner Companies will lease the upper floors

which will consist of 700,000 sq. ft. of office space and 24,000 sq. ft. of retail space. Other amenities will include a ground floor garden, a roof garden conference facility, a 380 seat auditorium with gallery and prefunction space, and a renovated adjacent subway entrance.

### The Bloomberg Building

At 731 Lexington Avenue, Bovis Lend Lease recently completed a 1.4 million square foot mixed-use building for Vornado Realty Trust. Known as the Bloomberg Building, the 53 story project contains lower-floor retail space and 900,000 square feet of commercial space up to the 28th floor. The 30th through 53rd floors contain 105 high-end residential condominiums. The architect on the project is Schuman Lichtenstein Claman Efron Architects, and Cesar Pelli & Assoc. Inc.

"This building was redesigned after the foundation was poured," says Abadie. "The site remained untouched for a year and then the foundation had to be relaid because the plans changed."

This project was constructed on the old Alexander's Department store site, and was one of the last square blocks remaining in New York City. The midtown construction site was bordered by two busy avenues, Lexington and Third, as well as 58th and 59th Streets which are both approach streets to the outbound 59th Street Bridge. Based on this location, lane closures were very difficult, so the logistic plan was developed by staging the delivery of steel and other construction materials inside the property line whenever possible.

### Hearst Tower

This 858,000 square foot office building, designed by Foster & Partners/Adamson Associates, looks like nothing else in Manhattan. Turner Construction provided construction management services for the 46-story glass and steel building constructed within and above the existing six story Hearst office building, built in 1928.

The existing Landmark façade was integrated into the tower, designed by Foster & Partners, and restored. The structural frame, standing 598 feet tall, is enclosed with a panelized glass curtain wall system with stainless steel diagrid cladding. The triangulated steel frame uses 21 percent less steel than a traditionally framed building, saving 2,000 tons of steel. The project also included improvements to the Columbus Circle-59th Street Subway station; with four new stairways, a new entrance on 57th street, installation and maintenance of three ADA compliant elevators, and repositioning of the existing turnstiles to improve circulation for the 100,000 riders who use this station daily. The building will serve as the corporation's world headquarters and is recognized by the US Green Building Leadership in Energy and Environmental Design (LEED) as a certified project.

Pat Di Filippo, Executive Vice President of Turner and a current Director of the Association, says, "This melding of the old and new was quite complex. This was also an emotional project because it was one of the first commitments by a major corporation to remain in New York after September 11. It showed the strength of this New York media company."

As for the design of the building itself, which has been called "gem-like" and "thrilling," DiFilippo says simply, "this is one of those buildings where you say: 'that's why I'm in this business'. We're leaving something behind that has really changed the skyline."

#### **NYU Cancer Care Center**

Cauldwell Wingate Co. was engaged by New York University Hospitals to provide construction management services for their new 145,000 square foot ambulatory cancer care facility on East 34th Street. This project, designed by Perkins Eastman Architects, consisted of 13 floors, including two which were below grade, in a new building. This cancer care facility housed a radiation therapy unit with linear accelerators, a simulator room, exam rooms, doctors' offices, infusion suites, pharmacy, laboratory conference areas and patient waiting areas.

"This facility has an architectural understanding of the comfort and care necessary when you have this disease," says Hayes. "It is a state-of-the-art facility."

#### **City Center**

This one million square foot development, being built by HRH Construction will cover an entire city block in the heart

CAGNY is a very reputable, hard-working organization. They are tough but they are fair. Working together in a partnership between management and unions makes a stronger construction industry.

**Tom Gesualdi,  
Secretary/Treasurer  
Teamsters Local 282**

of downtown White Plains. The architects on the project, which includes a mixed-use complex and two adjoining 35-story residential towers housing 600 luxury apartments, are Beyer Blinder Belle and Costas Kondylis & Associates PC.

"The difficulty in working on this project was that it opened in phases while other construction was still going on in other areas," says Ross. "Also, since we were working in a downtown area, the traffic situation and logistics were very challenging."

City Center features a dynamic and comprehensive planning design that includes a fully landscaped pedestrian plaza with gardens, fountains and outdoor dining facilities. The retail/entertainment portion of City Center began opening in October 2003 which includes Target, Circuit City, a 15-screen National Amusements movie theater, Barnes & Noble, Fleet Bank, GreenPoint Bank, Legal Sea Foods, Zanaro's Italian Restaurant and Applebee's Neighborhood Bar & Grill. In addition, City Center offers a 10,000 sq. ft., 400-seat Performing Arts Center which had its Grand Opening in November 2003.



Astoria Energy



## CAGNY Project Consultants, Suppliers and Vendors:

- **Association of Contracting Plumbers of the City of New York**
- **Atlantic-Heydt Corporation**  
(*NYU Hospital Cancer Care Center; Liquidnet*)
- **Atlas Fire Protection**
- **Best Plumbing Tile & Stone**
- **Bovis Lend Lease**  
(*Bloomberg Building*)
- **Carpenters' Local #608**
- **Cauldwell Wingate**  
(*NYU Hospital Cancer Care Center*)
- **Cavanagh/Stewart**  
(*Liquidnet*)
- **Commodore Construction**  
(*Hearst Tower*)
- **Crescent Consulting**
- **DCM Erectors**
- **Evan Joseph**
- **Forest Electric**
- **FX Fowle Architects**  
(*The NY Times Building*)
- **Heritage Mechanical**  
(*The NY Times Building; Bloomberg Building; Hearst Tower*)
- **HRH Construction**
- **Island Diversified**  
(*The NY Times Building*)
- **JP Phillips**
- **Laborers' Local 79**
- **Mason Tenders District Council**
- **PAL Environmental**  
(*Astoria Energy Plant; Hearst Tower*)
- **Pearlgreen Corporation**
- **Plumbers Local Union #1**
- **Plaza Construction**
- **Sciame Construction**
- **Syska Hennessey**
- **Tractel Ltd.**  
(*The NY Times Building; Hearst Tower*)
- **Thornton-Thomasetti Group**  
(*The NY Times Building; Bloomberg Building*)
- **Turner Construction**
- **Woodworks Construction**  
(*The Bloomberg Building*)

### Astoria Energy

Plaza Construction is currently working on the first phase of a 1,000 megawatt power generation plant in Astoria, Queens. Phase One includes the engineering, procurement and construction of a 500 megawatt facility that will be sold to Con Edison for distribution in the community. The architect on the project is Shaw, Stone & Webster.

Michael Gabbay, Senior Vice President of Plaza Construction and a current Director of CAGNY, says "This will be New York City's largest new power plant in more than 25 years once completed. Astoria Energy will use state-of-the-art, natural gas fueled, combined cycle technology to supply one million customers."

The challenging project site was originally a fuel storage and transfer facility for Castle Oil, and required the demolition of fuel tanks prior to construction. All major equipment was barged into the site and offloaded, including two heat recovery steam generators, each weighing five million pounds. Commercial operation is projected for spring 2006.

### Liquidnet Holdings Inc.

Cavanagh/Stewart International is currently performing construction management duties on Liquidnet Holdings' large-scale interior fit out project in midtown Manhattan. The 55,000 square feet, three-phase office alteration project is scheduled for completion next year.

"This is a high-tech state-of-the-art space that will involve offices, conference rooms, and information technology server rooms," says Cavanagh. "We discovered some problems during the demolition and we helped the client select a structural engineer and changed the design to accommodate this."

## CONSTRUCTING THE FUTURE

Given the number of large projects on the horizon, such as the expansion of the Javits Center, the construction of new stadiums for New York's baseball teams and the Nets arena in Brooklyn, McGuire thinks that the medium-term future for construction in this area is optimistic.

"For the next five to seven years we will have plenty of work," he says. "However, when our members get busy we start to lose our market share in the boroughs to non-union contractors. This remains a constant threat. We are trying to make ourselves more attractive to non-union developers. We don't want to wake up at the end of seven years and find we have lost even more jobs to the competition."

CAGNY works on some of these issues through an informal organization called the Construction Industry Partnership. "We are gradually eliminating some of the costly work rules and are encouraged at the response we have gotten from the unions. We are trying to get our price down and make union contractors as attractive as possible."

One of the things that the Partnership will be discussing is the greater role for project labor agreements in mitigating some of the costs associated with union labor. In these agreements, trade unions make concessions in exchange for a developer's commitment to use all union labor on a worksite. "PLAs have been successful and we want to expand their use," says McGuire.

Whatever the future holds, CAGNY members agree that the organization will be at the forefront. "With CAGNY, solutions to problems are swift and resolutions are put in place that are to the good of everyone in the industry," Hayes says. "CAGNY contractors command respect because of their integrity, and their commitment to working in partnership with labor to build better buildings." ■