

DMA GREEN ROUNDTABLE

PROCEEDINGS SUMMARY



April 3, 2008

5-7 p.m. at DMA offices
1201 North Clark
Chicago, IL 60610

Participants:

Sachin Anand, PE, LEED AP, Principal, dbHMS

Chad G. Harrell, AIA, President, Griskelis Young Harrell

Helen J. Kessler, FAIA, LEED AP, Principal, HJKessler Associates

Paul Knight, Principal, Domus Plus

Pat Meara, Sr. Vice President, JMB

Erik Olsen, PE, Green Projects Administrator, City of Chicago

Maria Pellot, AIA, LEED AP, Project Manager, Urban Works Architecture

Grace Rappe, AIA, LEED AP, Sr. Vice President Hoerr Schaudt Landscape Architects

Many thanks to each of our excellent panelists for being so generous with their time and for sharing their broad expertise on this important topic



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DMA Team Attending:

Julie Brock, Project Manager
Jaimie Bulla, Development Manager
Jake Knight, Project Coordinator
Charles Porter, Principal
Martha Spatz, Principal
Marybelle Nelson, Project Manager
Jon Ruda, Development Manager
Jason Westrope, Development Manager
Eliot Vieceli, Project Manager
Tim Feldballe, Development Accounting Manager



Development Management Associates, LLC (DMA) works on behalf of real estate owners to develop and improve high-profile properties, achieving the highest levels of quality and financial performance. DMA provides development, project management, tenant coordination, and project accounting services for a variety of significant development and redevelopment projects in Chicago and around the country.



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The National Association of Industrial and Office Properties believes that in five years the definition of Class-A office space will be “green” offices.

40% of building owners say they would charge more for green buildings.

15% say they would charge between 3-4% additional rent.

Reported by Retail Traffic, November 2007



What is the marketability of, and market interest in, green building practices?

- There is a clear value in building a LEED commercial building. Corporations, including financial institutions, are increasingly seeking green buildings, especially green headquarters: Citibank, Goldman Sachs, Microsoft, etc. Most RFPs from national companies ask for LEED certification credentials.
- Educational institutions and not-for-profits focused on affordable housing are prioritizing green issues in redevelopment and new construction.
- Interest from developers is evident where it makes financial sense.
- Developers are not yet selling energy efficiency.
- In the residential market, the public is not clearly buying “green” or willing to sacrifice certain materials, particularly in luxury markets. There is more potential in the middle market. “People like the idea of being green. They won’t pay for it.” For a 200-unit apartment building, DMA is beginning a feasibility study analyzing the potential gains of energy efficiency. Could low utility costs be successfully marketed to tenants, or could design efficiencies make it financially feasible for the owner to cover utilities and use that as a selling point?
- Retailers are not typically green-focused unless their corporate image or target market is related. Some retailers are showing interest in energy efficiency (Barney’s flagship Chicago store).

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Investments in clean tech nearly tripled from \$497 million in 2005 to \$1.45 trillion in 2006.

47% of corporate users believe that green building standards will soon become the code.¹

The Dallas City Council has adopted a green construction ordinance that aims to reduce energy and water consumption in all new houses and commercial buildings constructed in the city.

1. Reported by Retail Traffic, November 2007



What is driving current interest in green building practices?

- Al Gore and “An Inconvenient Truth” in late 2006 sparked significant public awareness. Green issues continue to receive major media coverage and have reached mainstream and corporate America.
- For corporations, there is now some public pressure to be green; it can be a benefit to reputation.
- The change in the cost of utilities in the recent past has made energy efficiency a financial necessity. Europe has been ahead of the United States in part because energy costs in the U.S. have been lower—five years ago, U.S. energy costs were about 1/3 of the cost in Europe. Cyclical interest since the 70s is linked to energy resources and issues.
- For public housing/non-profits focused on affordable housing, energy efficiency is a huge issue. Some one-half of the low-income population is paying 30 percent of their income for housing costs. Buildings have been abandoned for their high fuel costs.
- Educational institutions have a sense of ideological responsibility to being green.
- LEED has had an enormous impact.
- Codes are beginning to support good design as opposed to preventing it.
- The City of Chicago’s green permitting program has seen exponential growth since it began in 2005. Saving time through expedited permitting is a huge motivator for large projects. The program’s small financial incentives are attractive to smaller projects.



Some 30% of the energy consumed in buildings is used unnecessarily or inefficiently – saving this 30% of energy costs is equal to increasing net operating income by 5%.¹

Wal-Mart's latest High Efficiency Store cuts energy use 45%.²

1. United States Environmental Protection Agency
2. Reported by Environmental Leader, March 2008

What does green design really mean? How is it best achieved?

- Energy efficiency is key. Conduct energy modeling versus performing energy accounting. Determine from the beginning what is best for the project: solar, wind, geothermal. Design to reduce system requirements: "A lot of it is just good design practices."
- Use green materials, but look beyond bamboo floors. Use local materials, materials within 500 miles of site. Consider comfort and health.
- Good green design takes integration—the contractor, architect, and engineer all working together, addressing issues of ventilation, insulation, and energy systems. Some affordable housing projects do after-the-fact tests of energy efficiency as well.
- Reinvent the wheel for every project. You can't pull the old solution out of the drawer and tweak it.



A report from the National Renewable Energy Laboratory shows properly designed daylighting can increase worker productivity by as much as 15%.¹

Natural daylighting in retail stores reduces costs by \$0.24 per square foot and simultaneously improves sales by \$0.66 per square foot.²

1. Reported by Retail Traffic, November 2007 and Commercial Building Products, September 2007

2. 2003 study by Hescong Mahone Group, Inc. as reported by Retail Traffic, January 2008

How can green building practices be effectively “sold” to decision-makers?

- There are no costs associated with them up to a certain point. (There are soft costs to achieve LEED certification or complete a more rigorous design and engineering process. Soft costs are a very small percentage of total building costs.)
- “We can help you downsize your systems cost.”
- There is a market need—the case for The Residences at 900 - Green Roof. “The market says we need outdoor space.”
- Old design “rules of thumb” – for example, standard retail lease requirements of 20 watts per square foot—should be challenged. Prove to the client that energy assumptions/specifications are too high.
- Develop the proper cost comparison—not a porous paving system versus asphalt but a porous paving system versus storm water catch basins and pipe.
- Find receptive city contacts interested in interpreting the code and in green design innovations.



The number of commercial buildings and manufacturing plants to earn the Energy Star label increased by 25% in the last year. These buildings stand to save a combined total of \$1.5 billion annually on their energy bills. ¹

Every day \$100 million of construction registers with LEED through the USGBC.

Currently, 10% of the construction market is following green building practices. ²

1. Reported by GreenerBuildings.com, February 2008

2. USGBC as reported in Retail Traffic November 2007

How good is LEED, and what's next or needed to further drive green building practices?

- LEED for Schools is relatively new and has some issues. There may be changes forthcoming.
- LEED certification is not difficult to achieve in terms of energy efficiency.
- To not-for-profits, the Illinois Clean Energy Community Foundation has offered incentives covering incremental design and commission fees. State incentives for for-profits are expected later this year.
- The City of Chicago will institute a simplified green permitting fee structure, effective June 1, making financial incentives more accessible to small projects. Eligibility requirements have been raised every year and may be raised at the six-month mark to control volume.
- Some cities have adopted green ordinances. Chicago's strong union presence may be hampering that here.
- As a "pick and choose" point system, LEED is not appropriate as a city requirement or code. ASHRAE-189, a standard for the design of high-performance green buildings (except low-rise residential) could be a basis for city code.



PARTICIPANT BIOS



Sachin Anand, PE, LEED AP, Principal, dbHMS

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Sachin has designed, commissioned and managed projects from commercial, residential and healthcare to industrial and award-winning sustainable. Sachin is a LEED™ accredited professional and brings several years of experience to the team. He runs the team with uncompromising quality checks at each design phase and strives to maintain client goals with a creative design solution. He is an Adjunct Professor at Illinois Institute of Technology's College of Architecture. Active in ASHRAE, he has been a reviewer for projects which apply for the Green Permit Program in the City of Chicago and has made several presentations on sustainable ideas to a variety of audiences. Sachin holds both a Master of Science - Mechanical Engineering from Oklahoma State University, Stillwater, 1996 and a Bachelor of Engineering Delhi College of Engineering, Delhi, India, 1994.

Chad G. Harrell, AIA, NCARB, President, Griskelis Young Harrell

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With more than 21 years of planning, design, administrative and leadership experience, Chad believes a broad, creative, client-centric approach to design is the most meaningful way to pursue and realize architecture as a social art. Whether programming, creating a master plan, breathing life into a tired structure or designing a new building, Chad welcomes the client into the design process as an active partner. This approach has allowed Chad to successfully design and execute projects for a varied client base with building types in residential, commercial office, retail, industrial, higher education, ecclesiastical, athletic and entertainment market sectors. Prior to joining Griskelis Young Harrell, Chad worked as a project architect at SOM and as a project manager for Jack Train Associates. Chad holds a Bachelor's Degree in Environmental Design and a Bachelor of Architecture Degree from The College of Architecture and Planning at Ball State University. He is a member of the AIA, ICSC, NCARB and is pursuing LEED AP certification. Griskelis Young Harrell is a USGBC member firm.



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Helen J. Kessler, FAIA, LEED AP, Principal, HJKessler Associates

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Helen J. Kessler has over 25 years experience in sustainable design, energy efficiency and renewable energy. She is a nationally recognized LEED /green building design consultant and was one of the first architects in Chicago to work with LEED. She routinely facilitates design charrettes and provides sustainable design assistance and LEED documentation. Kessler is an expert in energy efficiency, building commissioning and lighting design and is adept at facilitating an integrated approach to resource efficient design with the goal of maximizing efficiency of building systems and minimizing costs. She has participated variously as sustainable design team leader, lighting designer, energy efficiency consultant and commissioning authority on numerous projects.

She has led energy audit teams for numerous facilities, saving her clients millions of dollars annually. Kessler has written over 100 articles on green building, energy efficiency and solar energy and has given over 100 presentations on these subjects.

Helen teaches a course called Sustainability in Construction at Northwestern University. Additionally, she lectures on energy efficient lighting for the Building Operator Certification program, provides training programs on ASHRAE 90.1 and teaches lighting economics for the Chicago Chapter of the Illuminating Engineering Society. She co-developed Green Building: Nuts and Bolts for Contractors for the Chicago chapter of the USGBC.

Prior to starting her own firm, Kessler was Executive Vice President at Sieben Energy Associates, an energy management consulting firm, where she was instrumental in creating their core services. She also worked as a Project Director for Hyatt Hotels (where she was responsible for renovations at 14 hotels) and for Richard I. Rubin & Company, a real estate development firm, where she managed the development of the Hotel Atop the Bellevue in Philadelphia. For many years, she designed solar homes and did research in solar energy.

Helen is a licensed architect and has a Bachelor of Architecture from the University of Arizona and an MBA from the Wharton School of the University of Pennsylvania. For more info see www.hjkesslerassociates.com

Pat Meara, Sr. Vice President, JMB

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Paul Knight, Principal, Domus Plus

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Paul is the principal of Domus PLUS, a residential energy efficiency consulting firm located in Oak Park, IL. Mr. Knight has worked extensively in the low-income weatherization and affordable housing fields during his 30 years since graduating with a Masters Degree in Architecture from the University of Illinois at Urbana-Champaign. He serves as the energy consultant to the Illinois Energy Efficient Affordable Housing Construction Program. He also provides training and technical assistance to the Illinois Low Income Weatherization Assistance Program. He is currently working with the Building Research Council at the University of Illinois at Urbana-Champaign conducting mold and moisture investigation for Native American housing programs around the country. Mr. Knight also served as the energy consultant for the Chicago Green Bungalow Initiative and the Chicago Green Homes Checklist.

Erik Olsen, PE, Green Projects Administrator, City of Chicago

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Erik is the creator, editor, and city contributor to GreenBean. Erik is a mechanical engineer, green building advocate, and Green Projects Administrator for the Chicago Department of Construction and Permits, where he manages the Green Permit Program. Erik is a resident of Chicago's Lakeview neighborhood and an Indiana native. He is a graduate of Purdue University and the Massachusetts Institute of Technology and is a licensed professional engineer in Illinois. In June, Erik will be joining Transsolar Climate Engineering, relocating to Stuttgart, Germany for 6-12 months, then to New York City.



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Maria A. Pellot, AIA, LEED AP, Project Manager, Urban Works Architecture

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While with Urban Works Architecture, Maria has developed extensive experience in delivering community based facilities to public agency clients. She is skillful in developing low cost, innovative design solutions for clients with limited construction budgets through effective detailing and careful material selections. While working in a Florida office, she produced architectural documents and designed the interiors for 2 childcare projects, one of which involved converting a residential building into a facility for prevention of child abuse through parental education. While working at small to mid-sized firms in the southeast, California, Illinois and Missouri she both participated on and led design teams in the design and production of public-use projects. She was also staff architect and construction coordinator for 38 tenants on a mixed use project with a summer 2006 Grand Opening. Maria became a LEED Accredited Professional in 2003 and has great interest in environmental architecture utilizing her LEED knowledge on all projects in which she is involved. Maria is a member of the American Institute of Architects and participates in local organizations such as Chicago Women in Architecture and Arquitectos. Maria holds a Master of Architecture from the University of South Florida School of Architecture + Community Design, and a Bachelor of Science in Architecture from Florida International University College of Engineering and Design.

Grace Rappe, AIA, LEED AP, Senior Vice President

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After working with Booth Hansen Associates in Chicago, Grace joined Douglas Hoerr Landscape Architecture in 2003, now newly merged with Peter Lindsay Schaudt Landscape Architecture to form Hoerr Schaudt Landscape Architects in 2008. She attended Penn State University, obtaining a Bachelor of Science in Architecture and continued her education at the University of Pennsylvania where she received a Master of Architecture. Ms. Rappe is a registered architect in the state of Illinois and a LEED-certified designer.



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