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Be greener, ICSC's RetailGreen conference speakers urge

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Small changes can lead to large savings when it comes to energy conservation, delegates to ICSC's RetailGreen conference. Some 500 people attended the conference in Dallas, Texas.

"Do something, anything, big or little," said Jeffrey Bedell, vice president of operations for Macerich, imploring attendees to create energy and environmental-saving programs. Forest City Enterprises has enjoyed close to \$2 million in energy savings over the past three years with its programs, said Joyce Mihalik, the firm's director of energy. Energy represents 30% of Simon Property Group's controllable costs, said George Caraghiaur, the company's vice president of energy services. Simon's remote energy monitoring of its properties quickly uncovers inefficiencies before they get out of hand, he said.

Three green retail properties grabbed the conference spotlight, including two that were subjects of off-site tours on Monday: Wal-Mart's high-efficiency Supercenter in Garland and the Watters Creek at Montgomery Farm in Allen, which has applied for LEED certification. The Wal-Mart store uses white reflective roofs, LED lighting, advanced daylight harvesting and water turbine-powered, solar sensor-operated low-flow restaurant faucets. All of this means it uses 25% less energy than comparable Supercenters.

The 1.5 million s/f mixed-use Watters Creek is a high-density property that includes a pond, creek and natural amphitheater and features a high-density design, thick insulation and recycled and local building materials.

Another property, the Silver LEED-certified Uptown Monterey in Monterey Calif., was the focus of a general session. The urban-infill project, anchored by Trader Joe's, serves what developer Douglas Wiele of Foothill Partners of El Dorado Hills, Calif., called, "the triple-bottom line of fiscal responsibility, social responsibility and environmental responsibility."

Foothill Partners had to gut the site's 1950s-era Safeway store building but managed to save 80% of the buildings original lumber slabs. Wiele's group also diverted 2,100 tons of asphalt and concrete from landfills. In the end, the \$6.5 million facility came in at only \$12,000 over budget, in part because project architects and construction managers, who first suggested that the project go LEED to Wiele's initial skepticism, volunteered to do what would have amounted to \$46,000 in LEED documentation costs. The lesson learned about seeking LEED for retail: "If we can get there, it's our responsibility to get there," said Wiele.

"The greening process will always be a fluid one in the world of commercial real estate," said panelist Jerry Yudelson, principal of the design firm of Tucson, Ariz.-based Yudelson Associates. "This is a journey and not a destination." Yudelson added that if a company sets out to make a five-percent improvement each year in its sustainability/energy programs, "you will be 50% better in 10 years."

And such programs can pay off in other ways: David DeVos, director of architecture for Kohl's

department stores, said environmentally conscious efforts by his chain "help make an emotional connection with our shoppers." Studies by Lisa Heshong, principal of Fair Oaks, Calif. based Heshong Mahone Group, indicate that stores with ample skylights post sales up to 40% higher than those without them. "We found that shoppers don't notice the skylights, but they say the stores are cleaner and more spacious," she said. The number of transactions are also slightly higher in such stores, while store lighting costs are 24% less. Employees also appear to be happier and healthier in sky-lit stores, she said.

Valerie Richardson, vice president of real estate for the Coppell, Texas based Container Store, said green building "is being expedited by legislation, consumer demand and improvements in sustainable materials." The U.S. government will impose increasingly stringent environmental legislation, she said. "So the more we can do as an industry to shape green public policies, the better off we will all be."

However, Larence Kilduff, president of Mequon, Wis. based The Kilduff Co., said there's a growing concern among developers and retailers over efforts by municipalities to make LEED standards a part of their local building codes. "They latch onto LEED without really knowing what it is," he said. Justin Doak, retail sector manager for the United States Green Building Council (USGBC), which introduced LEED in 2000, agreed. He said the LEED system was never designed for code implementation.

"The USGBC is working on a new LEED 2009 version of the rating system that will re-weigh certain environmental and human-health factors to more readily award LEED credits where they are most appropriate," Doak said. California leads the nation with nearly 2,000 commercial LEED projects, according to the organization.

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