

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE
New Buildings Committee Meeting
Wednesday, October 22, 2008, 2:00 pm – 5:30 pm
 Seattle Municipal Tower, 700 5th Avenue, Room 6070

MEETING SUMMARY
Prepared by Triangle Associates, Inc.

Attendance

Green Building Task Force				
Last	First	Organization	Committee	In Attendance?
Adelstein	Aaron	Master Builders Association/Built Green	New	✓
Chase	Patricia	International Sustainable Solutions	New	✓
Dinndorf	Jerry	Associated General Contractors	New	<input type="checkbox"/>
Dolwick	Carrie	NW Energy Coalition	New	<input type="checkbox"/>
Drummond	Susan	Foster Pepper, PLLC	New	<input type="checkbox"/>
Dunn	Liz	Dunn+Hobbs	New	telephone
Elwell	Chris	Building Construction Trades Council (BCTC)	New	<input type="checkbox"/>
Frank	Kari-Lynn	NAIOP	New	✓
Frankel	Mark	New Buildings Institute	New	<input type="checkbox"/>
Gregory	Bert	Mithun	New	Rich Franko
Horn	Don	US General Services Administration	New	telephone
Howe	Douglas	Touchstone Corporation	New	<input type="checkbox"/>
Jonlin	Duane	NBBJ	New	✓
Lowe	Marco	Triad Development	New	✓
Mann	Kelly	Urban Land Institute - Seattle	New	✓
Marseille	Tom	Stantec Consulting	New	✓
McCumber	Mary	Futurewise	New	✓
McLennan	Jason	Cascadia GBC	New	<input type="checkbox"/>
Mitra	Anindita	American Planning Association	New	telephone
Powers	John	Colliers International	New	<input type="checkbox"/>
Pryde	Curt	Pryde-Johnson	New	✓
Purcell	Paul	Beacon Development Group	New	telephone
Richmond	Lisa	AIA Seattle	New	✓
Schuster	Mark	The Schuster Group	New	✓
Southard	Patti	King County GreenTools	New	✓
Stolarski	Bob	Puget Sound Energy	New	<input type="checkbox"/>

City of Seattle & Presenters			
Last	First	Department	In Attendance?
Antonoff	Jayson	Seattle DPD	✓
Atwood	Glenn	Seattle City Light	✓
Eichel	Amanda	Seattle OSE	✓
Hogan	John	Seattle DPD	✓
Howard	Sandy	Seattle DPD	✓

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

City of Seattle & Presenters			
Last	First	Department	In Attendance?
Hsu	David	Seattle City Light	✓
Indig	Harry	Seattle DPD	✓
Lail	Jennifer	Seattle DPD	✓
Traxler	Maureen	Seattle DPD	✓

Consultants			
Last	First	Organization	In Attendance?
Blair	Ellen	Triangle Associates	✓
Bonham-Carter	Claire	EDAW	✓
Fischer	Sandy	EDAW	✓
MacGregor	Alastair	DMJM H&M	✓
Kern	Michael	Triangle Associates	✓

General Public (<i>several in attendance, none signed up to speak</i>)			
Last	First	Organization	In Attendance?

Meeting Purpose

The purpose of this meeting was to provide the Committee with information about mandatory green buildings standards and building code policy options and to get the Committee members' input on those policy options. The purpose was also to have the Committee members' identify which of the incentive policy options are of most interest.

Welcome and Updates

Facilitator Michael Kern of Triangle Associates opened the meeting and noted that there would be time available at the end of the meeting for public comment. Michael reviewed the agenda and meeting materials and led a round of introductions.

Amanda Eichel, City of Seattle Office of Sustainability and Environment, reported that the Existing Buildings Committee had discussed upgrade incentives and upgrade requirements at its October 21 meeting. She said the key questions for discussion had been about what tax should be targeted for incentives, what level of incentive would achieve the desired results, and whether prescriptive or performance standards are most appropriate for each building sector under an upgrade incentive or upgrade mandate policy.

Amanda said the Existing Buildings Committee had a long discussion about performance monitoring, and that the summary of the October 21 meeting and the associated policy scorecards would be distributed to the New Buildings Committee members for their information.

Michael asked Committee members to consider the following questions as they discussed mandatory green performance standards and building code policy options:

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

1. What aspects of a uniform, mandatory approach like this appeals or doesn't appeal to you?
2. How would this specifically impact:
 - a. Multi-family sector
 - b. Commercial sector
 - c. Low income community groups
3. Does this do "enough" to make a difference in achieving our energy efficiency goals for new buildings and major renovations? If not, what could be changed to make this policy more effective?
4. What other thoughts, comments, ideas do you have on these policy options?

Mandatory Green Building Standards

Alastair MacGregor, DMJM H&M, provided an overview of the mandatory green building standards policy option. Alastair's PowerPoint presentation and the mandatory green building standards scorecard are available on the Green Building Task Force website.

In response to a question, Jayson Antonoff, City of Seattle Department of Planning and Development (DPD), and Claire Bonham-Carter clarified that the City is constrained from deviating from the upper and lower limits established by the Washington State energy code for the residential sector.

In response to a question, Alastair confirmed that Leadership in Energy and Environmental Design (LEED) certification was assumed to be the standard in the cost analysis. He said building to a LEED Gold standard could add six to ten percent to the project cost, but he agreed with a Committee member who said that experienced teams could design and build to a LEED Gold standard at no extra cost.

At the end of his presentation, Alastair highlighted the following recommendations for the Committee to consider.

Recommendations for Committee Consideration

- Consideration must be given between the benefits of a mandatory green performance standard rather than direct code updates.
- Need to ensure early stakeholder involvement; a task force approach has been key to the successful implementation of existing mandate based policies in other jurisdictions.
- Should consider what type/size of development the policy will target. Less costly disclosure/compliance mechanisms should be made available to smaller buildings.
- A phased increase in minimum requirements will reduce market resistance.
- Consider use of existing 3rd party framework (LEED, Green Globes, etc.) as the basis, with the potential for increased level of prerequisites. Need to determine whether to require "certified", "certifiable" or a combination of the two.
- Consider use of a performance bond to both fund the program and incentivize developer compliance.

1. What aspects of a uniform, mandatory approach like this appeals or doesn't appeal to you?

Committee members provided comments about a mandatory approach:

- A program in which everyone participates is preferable to an optional program, because energy conservation produces climate change benefits that accrue to everyone.
- It will be necessary to use energy codes and/or mandatory standards to reach the City's energy efficiency goal.
- Incentive programs can be successful, such as the King County WaterWorks and Seattle Public Utilities incentive programs.
- Mandating a green building standard is unappealing because it would not allow the flexibility to adapt quickly to advances in technology and green building practices. A performance-based approach is better.

Committee members commented on costs associated with mandatory green building standards:

- The cost and bureaucratic burden placed on developers is a concern.
- Focus groups show that developers are not able to charge higher rents to recoup the additional cost of building green. The City should focus on promoting demand for green buildings as well as supply.
- The City will have to be very clear about its goals if establishing a mandate so as not to burden the development community unnecessarily.
- Meeting a green building standard need not create any additional cost. Experienced developers in Seattle are able to build to LEED Silver at no additional cost.
- One Committee member related that during permitting for a medium-rise office building project they worked on recently, the developer asked them to change from non-certified to LEED Gold. They were able to do it at 1% of project cost, half of which was covered by utility rebates, and the developer is finding it to have been a worthwhile investment.
- Fears that development would move elsewhere in response to past code revisions have proven unfounded. A small cost increase is not a defining issue for developers
- How can developers and contractors become familiar enough with green building, and demand for special materials increase enough, to bring costs down, when the green building policies are localized to only Seattle?
- Mandating a green building standard or changing the energy code would make any additional costs applicable to all developers, thus keeping the playing field level.
- Additional costs can drive out small and mid-scale developers. Higher costs make it difficult to build at an appropriate neighborhood scale with any quality.
- Adding two to three percent in project costs would be a major burden in the current economic climate.
- Developers are accustomed to working with performance bonds, but an energy efficiency performance bond would be redundant since the City already issues the Certificate of Occupancy. Performance bonds are difficult to secure without cash collateral.

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

Committee members commented on the use of third party certification:

- The City should not use a single third party certification program, such as LEED, because of the risk of creating a monopoly and of being dependent on one program's ability to process projects in a timely fashion.
- Concerns about relying on only one certification program are valid, but LEED is a more transparent program than others like Green Globes, and LEED is already familiar to public agencies and the development community.
- Using a third party certification program would allow the City to offload cost and administrative burden to developers. The City could provide a tax break to developers to account for the shifting of cost.
- Using a standard like LEED helps balance energy concerns with other important building features. The City could require energy credits in addition to a standard such as LEED.

2. How would this specifically impact:

- a. Multi-family sector**
- b. Commercial sector**
- c. Low income community groups**

A Committee member noted that any additional development costs would impact the cost of affordable housing. Another Committee member noted that affordable housing projects can go through Built Green for free.

Committee members agreed that multi-family housing is inherently far more efficient per capita than single family housing in terms of building energy efficiency and vehicle miles traveled.

A Committee member said that King County had worked to develop very good green building standards for single family and multi-family residential buildings but that studies are needed for commercial and industrial buildings.

A Committee member noted that the industrial sector is particularly sensitive to cost increases and that there did not seem to be a demand for more energy efficient buildings in that sector. This Committee member expressed support for a utility incentive program, noting that developers who do not hold buildings cannot recoup costs through lower operating costs. The Committee member said assistance is needed to market to a sector that is not currently interested in energy efficiency.

3. Does this do "enough" to make a difference in achieving our energy efficiency goals for new buildings and major renovations? If not, what could be changed to make this policy more effective?

Committee members offered the following suggestions for mandatory green building standards:

- The City should provide a menu of options including not only third-party certification programs, but options such as ASHRAE standards, to allow developers to choose the easiest method for energy efficiency compliance.

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

- A menu of options could be updated more easily as technology and practices change than could any specific certification program.
- King County is considering offering a menu of compliance options.
- It would be easier to implement an existing “certified” standard rather than a City-administered “certifiable” standard.
- If the City pursues mandatory green building standards, it needs to work with the City of Bellevue, which provides competition for commercial development.
- Any mandatory conditions should be phased to ease the transition for developers
- Phasing should begin in 2011 or later when the commercial real estate market is likely to be recovering.

Committee members discussed potentially creating utility-based policies:

- A utility-based program in which reductions in energy use are tied to energy costs would make sense.
- Utility bill incentives can have the undesirable consequence of reducing people’s physical comfort.

In response to a Committee member’s request, Seattle City Light agreed to provide information about the amount of electricity it imports and its predictions for future imports, to help the Committee consider potential utility-based incentives.

Several Committee members asked the City to consider the degree of equivalence for energy efficiency among the various third party certification programs.

4. What other thoughts, comments, ideas do you have on these policy options?

A Committee member said it is important for the City to determine if it is focused narrowly on energy efficiency or more broadly on green building. The Committee member said that if the City is interested primarily in energy efficiency, then green building certification programs like LEED are unnecessarily costly and distracting from energy efficiency. The Committee member said that the City could mandate a few energy-related items and have building inspectors review them.

Green Building Codes

Alastair provided an overview of the green building code policy option. Alastair’s PowerPoint presentation and the green building code scorecard are available on the Green Building Task Force website.

At the end of his presentation, Alastair highlighted the following issues for the Committee to consider.

Issues for Committee Consideration

- Stringency of building requirements and the associated level of financial burden to impose on the developer industry?

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

- Should mandatory requirements be phased to reduce the economic/administrative burden on the City and developer?
- Will policy requirements conflict with State building code requirements? Should a green building code be adopted at State level prior to local implementation, or does it make sense for the City to lead?
- If achieving exemplary green building performance is required across the board for all construction, how would the City continue to promote the development of truly exceptional buildings to drive innovation?
- Comments for improvements to the next 3-year cycle of the Washington State Codes are due on March 31, 2009. Changes which may be affected by state policy should be submitted before this date.

1. What aspects of a uniform, mandatory approach like this appeals or doesn't appeal to you?

Several Committee members expressed a preference for green building code over mandatory green building standards. Committee members' comments on the aspects of green building code that appeals to them included:

- It makes more sense to augment an existing structure than to create a new structure. Having mandatory green building standards on top of mandatory building codes would be unnecessarily complex, and could lead to confusion and conflicts in enforcement.
- Enforcing a building code would keep money in the community while using third party certification programs would export money from the community
- A mandatory approach is needed, because the City had already begun using policies such as density bonuses and incentives that appeal more to developers, but they are not anticipated to achieve the intent of the 2030 Challenge.
- By putting green building requirements in code, the requirements can be referenced under the National Environmental Policy Act and State Environmental Policy Act.

Some Committee members urged caution in using green building code, providing the following comments:

- A complete rework of building codes would create a significant burden for both the City (program development and staff training) and developers/designers (education and compliance). Considering the amount of effort required, the City should consider other policies first if energy efficiency is the primary goal.
- The City needs to be very thoughtful about mandatory approaches as the building industry may lobby against proposed changes.
- Some in the real estate industry are resistant to additional requirements, and the City would need to show how any new policies would achieve its energy efficiency goals.
- The City of Seattle is already far ahead of most of the country in energy policy, and it will need to act in accordance with Western Climate Initiative requirements when they are established.
- Mandates are not necessarily more effective than incentives, because incentives drive innovation.

2. How would this specifically impact:

- a. Multi-family sector**
- b. Commercial sector**
- c. Low income community groups**

A Committee member said that, as noted during the discussion of mandatory green building standards, it is important to acknowledge that additional development costs can make housing less affordable. Another Committee member suggested that the City subsidize design for low income housing to allow those projects to receive the benefits of energy efficiency.

3. Does this do “enough” to make a difference in achieving our energy efficiency goals for new buildings and major renovations? If not, what could be changed to make this policy more effective?

Two Committee members suggested that a green building code be used to establish an aggressive energy efficiency baseline with the option of using incentives for exemplary performance. The City could charge higher building permit fees, which could fund the incentive.

Several Committee members discussed options for implementing more stringent codes without causing undue distress or burden to the development community.

- Building code should not be set overly high such that building becomes high cost and high risk for developers who are new to green building.
- Building code could be used to set a relatively low bar, though higher than current code, and incentives would set a high bar. Codes could become more stringent gradually over time as developers become familiar with the new requirements.
- Builders do not like new requirements to be phased, because they have to learn something new every year or two.
- Revised code could be established with only a few aspects that would change over time.
- Performance-based code would provide more certainty than prescriptive code for developers to reach compliance.
- Incentives should be implemented in the near term to help prepare the development industry for a future code revision.
- The City can help the development community adopt better practices by providing modeling support and green building education.
- It would be helpful for the City (and the Task Force) to consider how to encourage upfront investment in good design, which can minimize or eliminate any additional cost of green building.

4. What other thoughts, comments, ideas do you have on these policy options?

Committee members had several questions and comments about the costs associated with a green building code, including the following:

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

- It would be interesting to see cost modeling for green building standards like those proposed in California.
- Some building improvements, such as orienting a building to take advantage of solar radiation, can be designed to improve energy efficiency at no extra cost. Education is needed to promote these no-cost measures.
- Although designing a green building need not cost more, implementing and administering a green building program will have costs for the City. What is the source of funding?

Additional questions and comments included the following:

- Getting code officials to accept the philosophy of green building may be harder than some anticipate.
- The City could realize big energy efficiency gains from working with lots of smaller projects.
- The City needs to make appropriate connections to the Western Climate Initiative to ensure City policies make sense in the larger context.

Proposed Follow-Up Plan for Additional Committee Topics for Discussion

The Committee identified three additional topics for discussion at its October 8 meeting. Jayson presented the City's proposal for how to address each of the three topics.

1. **Performance Monitoring:** Jayson reported that the Existing Buildings Committee had discussed performance monitoring. He suggested that the New Buildings Committee briefly discuss performance monitoring at its November 6 meeting, and then discuss it at the December 2 Green Building Task Force meeting as a full group.
2. **"Beyond the Building Envelope"/District Energy:** Jayson said that this topic had been assigned to the policy consultant for analysis because the stakeholder discussion and input needed to refine recommendations could benefit significantly from the additional information the consultant could provide. He said it would be discussed at the Committee's November 6 meeting.
3. **Aligning City Goals with Existing Codes and Permitting Processes:** Jayson noted that the Committee's current meeting agenda included time to discuss this topic.

A Committee member asked if performance monitoring could account for carbon emissions, not just energy use reduction, since carbon neutrality is the goal of the 2030 challenge. Jayson said the Mayor's goal is to meet the *intent* of the 2030 Challenge, rather than directly meet the 2030 Challenge, because of the City's uncommon reliance on hydropower.

A Committee member suggested that changing utility rate structures to incentivize energy conservation should be added as a topic for Committee discussion. The Committee agreed that the City should consider how best to determine whether or not to add this issue, consistent with the process by which other additional issues were considered by the Committee. If this issue is added, discussion of potential changes to utility rate structures will involve both Seattle City Light and Puget Sound Energy.

Aligning City Goals with Existing Codes and Permitting Processes

Jayson noted that when the Committee suggested this topic, he had heard that existing codes and permitting processes need to be adjusted to correct barriers to achieving the City's goals, but he had not heard that existing codes and processes need to be gutted. He asked the Committee to respond to the following questions:

- What specific examples can you provide on lack of alignment?
- What specific ideas do you have on how the City could make this alignment a reality?
- Should the recommendations to the Mayor include anything on this topic?

Committee members provided the following general comments about lack of alignment:

- The Mayor, City Council, Department directors, and the progressive development community may buy into certain goals, but lower level staff who enforce codes and permitting are not on board.
- There are few obstacles to energy conservation in code, although DPD is reluctant to form a precedent that is a new interpretation of code.
- Seattle City Light has a bias toward air-side economizers. Energy could be conserved with water-side economizers or, in some cases, not installing economizers.
- Fire code can be a problem, for example with providing natural lighting.
- Fire code and safety concerns have not presented a problem for me when I have built natural lighting.
- The issue is innovation; there will likely be new ideas in the future that bump up against code.
- A few years ago, I wanted to use water from rain cisterns for toilets to reduce energy and water use, but code would not allow it. (Now it would be allowed).
- Not all code barriers are directly connected to energy efficiency. For example, code does not allow builders to deconstruct buildings and use the building materials on site, although this would avoid machine excavation, require less shipping, and emit no carbon. Code requires materials to be stored off site, which makes the process prohibitively expensive and has carbon impacts.
- Developers are less likely to try something progressive or innovative if they have tried once and been denied.
- Seattle City Light has structured requirements defining the size of vaults for electrical equipment in mixed use buildings. This may not lend itself to reducing the cost of housing.

The Committee agreed that the draft recommendations to the Mayor should include the concept of an Innovation Review Board or Committee to review, encourage and promote innovative green building ideas and methods, which often do not get past the code enforcement stage. Committee members' comments about such a board of committee included:

- The Board should consist of experts who would review project proposals and allow exemptions to code where appropriate, to facilitate innovation and achievement of the City's goals.
- The Board would need to include high level people from all relevant departments, director-level or people who have the directors' ears. Directors would need to let their staff know that this Board is intended to facilitate innovation.
- The Board would be a resource available to project proponents, but would not be required for all projects reviewed by the City.

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

- The Board should be cross-departmental. At a minimum, Seattle City Light, Seattle Department of Transportation (SDOT), and DPD should be represented.
- The Board would not need to meet regularly. It would meet when a project needs to be reviewed.
- The Board could have multiple “green” goals, not just energy efficiency.
- The Board should be a separate track from regular permitting. If an innovation is denied on the regular track, the project proponent could present a case to the board to override code. The Board would not be effective unless it had the authority to override decisions made by permit reviewers.
- If a Board is created, it is critical that it have the authority to do what the City says it can, or it will merely create frustration and expense for project proponents. One of the Committee members described a recent experience where he went through a several months-long process for an affordable housing project which had expedited priority, but it was derailed when SDOT provided last minute comments and the Fire Department made last minute decisions about an already approved site design.
- Code officials are charged with maintaining code to the letter of the law. The Board would be outside the regular code process, but would not defeat the purpose of code. It would support decisions that support the intent of the code (e.g., energy efficiency) even if they do not follow the literal interpretation of the current code.
- Code officials would need to be educated about the Board and green building goals.
- This approach is reminiscent of credit interpretation requests in LEED. Over time, LEED officials see patterns and credit requirements may be altered to accommodate innovations.
- King County experimented with a demonstration ordinance for low impact development. The Fire Department was a willing participant when it was an experiment and not being set into code permanently. Many stakeholders were also willing to participate.
- Perhaps the Board could be structured such that it could allow experimental ideas to move forward without setting precedent.
- It would be helpful if Jayson gets any traction at the City with this idea, because that will dictate how much time the Committee members spend discussing it.

Open Discussion on New Building Issues

A Committee member suggested that an increase in property value due to reduced operating costs could increase the tax base and impact the cost analysis of policy options.

A Committee member asked why the City has a goal of meeting the intent of the 2030 Challenge, when this would not necessarily result in carbon savings. Glenn Atwood, Seattle City Light, explained that Seattle uses fossil fuels, such as natural gas and oil, directly. He also said that while Seattle's electricity is primarily hydropower-based, reductions in electricity use would prevent SCL from having to buy power, including fossil fuel-based energy, on the margin. He said that large reductions in electricity use might mean that Seattle could sell hydro-based energy to other regions, allowing those regions to reduce their use of fossil fuel-based power.

Wrap-Up/Public Comment

There was no public comment at this meeting.

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE - NEW BUILDINGS COMMITTEE
Meeting Summary, October 22, 2008

A list of decisions/action items will be produced and emailed to the Committee in one week. A draft meeting summary will be sent for review and approval by the Committee. Once approved, the meeting summary will be posted to the Green Building Task Force website along with the presentations or support materials. Meeting materials will be provided electronically in advance of Committee meetings. If the total size of the attachments is more than 1 MB, a website link will be provided where Task Force members can access the large documents. Committee members may contact Michael, Ellen Blair, Amanda or Jayson if they wish to receive meeting materials in hard copy.