

November, 2008



**Steeple Hill Retail Centre** in Pickering, Ontario is a retail project heading for LEED certification.

## Selling Green

Traditionally, retail facilities don't rank among the most green or energy efficient buildings. Because of this, retail projects provide challenges as well as significant opportunities for those looking to go green. As in other building sectors, retail developers are showing more interest in sustainability – but it is especially difficult to sell the long-term benefits of energy and resource efficiency in buildings that are often not designed for the long term.

However, as more tenants look for green features in the buildings they lease, progressive retail developers are realizing the benefits of sustainability and LEED. "It's an unfortunate truth that typical retail developments live up to their reputation for being the lowest of the low in terms of design and construction quality," says Braden Kurczak, manager of Enermodal's retail group. For example, typical retail spaces use 25% more energy than the national energy code and do not comply with the most recent version of ASHRAE 90.1 for lighting. "The happy truth is, with off the shelf lighting and HVAC equipment, best practice design, and good communication, creating a building that is at least 25% better than the energy code (a 50% increase) is very achievable."

There are two key challenges to greening retail: constraints in design quality and economics. Because retail areas are traditionally considered first generation development that will be replaced or reworked within half a generation, there is little motivation to invest significant resources to develop buildings that last. The economic challenge lies in the fact that the tenants, not the developers, realize the operational savings that result from the developer's additional investment in a better building.

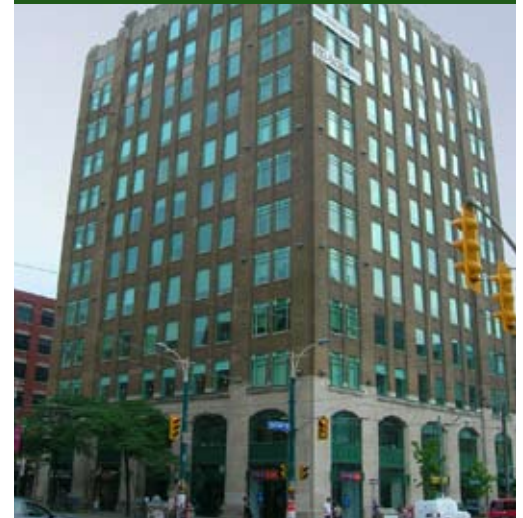
But every challenge also represents an opportunity. Eco-conscious developers are starting to understand the benefits of greener buildings. These developers are making green retail economically viable by transferring higher development costs to the tenant through higher lease rates or common expenses. In theory, a landlord may be able to obtain a higher short term lease or common expense fee from the tenants while the tenants realize lower longer-term costs, if a building is operated properly.

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## Enermodal opens Toronto office

To keep pace with the increasing market for green buildings, Enermodal has opened a Toronto office. Enermodal Toronto is located on the 9th floor of the historic Balfour Building at 119 Spadina (corner of Spadina and Adelaide). The space is expected to achieve LEED-CI (Commercial Interiors) Platinum.

The Enermodal team now working at the Toronto office is already busy on local projects, including 23 buildings that are part of the much-anticipated refurbishment of Toronto's waterfront and downtown core.  
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For example, on a square foot basis, if a traditional lease calls for \$28 (lease + common expenses), and the utility costs are \$4, the total cost to the tenant is \$32, annually. If the energy use is cut in half, the tenant saves \$2, while the landlord may be able to justify a rent increase of \$2 (to \$30). The total cost to the tenant is \$32 per year. In addition, some tenants may be willing to pay more for a building that positions their store favourably with green-conscious consumers.

A common reason tenants give for not complying with LEED requirements is their "corporate image" dictates their store design – and alternative lighting technologies or different flooring systems don't meet those image requirements. "Unless you're trying to portray an image of wastefulness and irresponsibility, that's not a valid argument," says Mr. Kurczak. Progressive retailers understand the value of greening their brand. For example, on a recent "corporate" retail project, Enermodal worked with the owners and design team to keep the traditional look associated with the brand while incorporating key sustainable improvements. This meant revisions to lighting and layout, heat recovery, and radiant floor heating in cashier stations (which also increases employee comfort). This store is set to achieve almost 50% energy savings compared with the energy code.

While the extra cost of creating a green building is always an issue that's flagged as a difficulty by developers, Mr. Kurczak points out that most retail corporations create a prototype design that can be revised and reused for several projects. Working green strategies into the first prototype takes the brunt of the effort and expense – ideally any additional expenses are reduced for subsequent buildings.

Mr. Kurczak provides a final thought, "There are some real opportunities for greening retail, so we really enjoy working with an industry sector that is quickly starting to realize that building green makes sense."

## LEED-EBOM

Although LEED-NC (New Construction) projects are the most common form of LEED certification, there is a growing market for LEED-EBOM (Existing Buildings: Operations and Maintenance). So far only a handful of projects are pursuing the LEED-EBOM designation, but that number will increase as building owners learn of the value of greening building operations.

LEED-EBOM provides a set of uniform, consistent standards that enable the facility manager to know exactly how well their performing. This type of certification provides a performance benchmark that allows the facility manager to track how well their doing over time and set concrete goals for improvement over time.

The path to LEED-EBOM certification has four steps:

1. Feasibility Study: The LEED consultant works with building management to evaluate the most applicable LEED points and to outline the measures required to achieve certification.
2. Implementation: LEED-EBOM policies are implemented and building renovations incorporated.



**Westney Mall**  
Ajax, Ontario  
LEED-Certified candidate



**Morningside Mall**  
Toronto, Ontario  
LEED-Certified candidate

3. Performance Period: To achieve certification, proof of ongoing compliance with LEED is necessary. The LEED consultant should assist in the first 15 months of the performance period, and by the end of this period, certification is usually attained.
4. Certification: Sufficient documentation of compliance with LEED must be submitted to the appropriate Green Building Council. (The CaGBC will roll out the Canadian version of LEED-EBOM in 2009.) The LEED consultant prepares and submits the certification materials.

One example of a LEED-EBOM candidate is the McMichael Canadian Art Collection in Kleinburg, Ontario. To complement the surrounding forested environment, the McMichael is intent on reducing the environmental impacts associated with facility operations and maintenance – this mission led to LEED-EBOM.



**McMichael Canadian Art Collection**  
Kleinburg, Ontario  
LEED-EBOM Silver candidate

Specific temperatures and relative humidity are required to preserve artwork, which made a well-optimized mechanical system a necessity. The mechanical design reduced the Collection's energy use by 45% relative to similar facilities and the project is aiming to achieve 15 energy points. The additional 19 points required for LEED-EBOM certification are the result of improved operational practices, such as site maintenance, waste management, and purchasing. Indoor air quality, waste diversion, and housekeeping effectiveness were used to benchmark the facility's ongoing performance. Lastly, renovations upgraded the existing washrooms, building automation system, and outdoor air capacity. The project plans to apply for certification through the USGBC by the end of 2008.

## Niagara Recognized

The Niagara Region Headquarters Building addition received an Award of Merit as part of the Building Excellence Awards from the Grand Valley Construction Association.

## Enermodal Named a Best Practices Employer

Chantal MacIntyre, Enermodal's human resources manager, recently accepted the Best Practices Employer of Choice award from the Waterloo Region Immigration Employment Network.

Some of the aspects of Enermodal's work environment that resulted in this award are a six-week orientation program (including instruction in the Ontario Building Code and LEED), 80 hours of employee-directed paid professional development in the first year of employment and 40 hours of professional development each year thereafter, and company sponsorship of LEED AP exams and P.Eng fees.

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