



A Green Building Approach

LEED Certification for **SunTrust** Branch Banking Centers



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GREEN Buildings in our Changing World:

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In the current market environment, growing waves of companies across many sectors are incorporating environmentally safe practices in their daily business activities. SunTrust, as a participant in this growing trend, is realizing gains associated with its proactive and responsible involvement. The banks responsible initiative is taken up a bit more in the following.

The Green design trend, which we're discussing here, covers many bases. It makes a positive impact on public health and the environment, reduces business operating costs, enhances building and organizational marketability, potentially increases occupant productivity, and helps create a sustainable community. Adherence to LEED principles, as established by the U.S. Green Building Council, USGBC for short, is integral to the efficiency effort. These principles establish a system quantitative enough for tracking savings to the building owner for their implementation. That is, we are able to plan and develop the facility using the guidelines, then monitor its performance in a measurable way.

There are many categories for LEED certification for built environments, but our focus is achieving minimum accreditation under LEED-NC, that is, New Construction. We'll have a cursory look herein at individual and portfolio projects, costs, questions and a few case studies. We can subsequently pursue the same level of certification for existing buildings but we're really dealing with the SunTrust prototypes for discussion purposes here. Other certifiable portfolios, (e.g. LEED for Retail or Commercial Interiors) may be deployed at a later date to expand SunTrust LEED exposure but we'll address that at another time.

In an effort to ensure that LEED® is appropriately addressing the rapidly changing market, USGBC is launching its newest version of the rating system – LEED 2009. This new version, Version 3, shall be used to certify future banking centers planned to be constructed in 2009. Another official program expected to be launched in 2009, the USGBC Portfolio Program, grants volume certification for a number of similar buildings on different sites.

So, let's address our basic question first...

Why Certify?

- Be recognized for your commitment to environmental issues in your community, your organization (including stockholders), and your industry.
- Receive third party validation of achievement.
- Qualify for a growing array of state & local government initiatives.
- Receive marketing exposure through USGBC Web site, Greenbuild conference, case studies, and media announcements.
- Lower operating costs and increased asset value.
- Reduce waste sent to landfills.
- Conserve energy and water.
- Provide healthier and safer workspaces for occupants.
- Reduce harmful greenhouse gas emissions.
- Qualify for tax rebates, zoning allowances and other incentives in hundreds of cities.
- Demonstrate an owner's commitment to environmental stewardship and social responsibility.

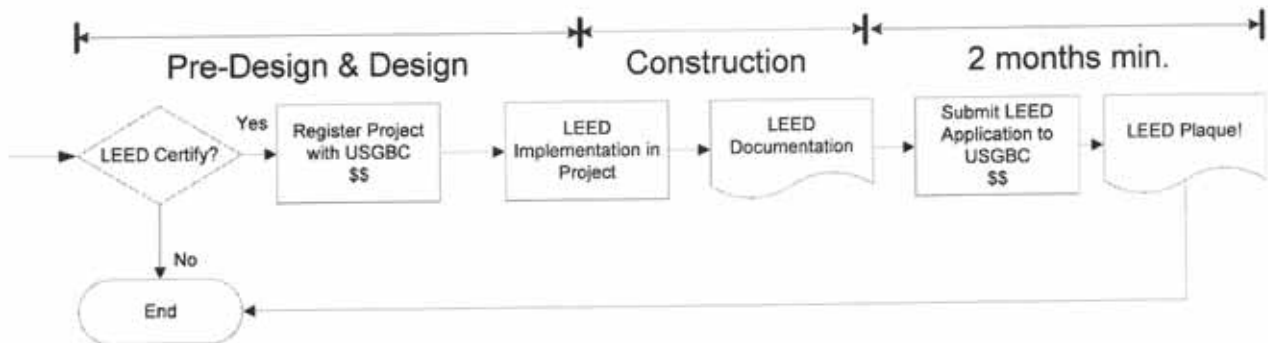
Supporting Case study:

A new study by CoStar Group has found that sustainable "green" buildings outperform their peer non-green assets in key areas such as occupancy, sale price and rental rates, sometimes by wide margins. According to the study, LEED buildings command rent premiums of \$11.24 per square foot over their non-LEED peers and have 3.8 percent higher occupancy. Rental rates in Energy Star buildings represent a \$2.38 per square foot premium over comparable non-Energy Star buildings and have 3.6 percent higher occupancy. And, in a trend that could signal greater attention from institutional investors, Energy Star buildings are selling for an average of \$61 per square foot more than their peers, while LEED buildings command a remarkable \$171 more per square foot.

Certification:

LEED certification provides independent, third-party verification that a building project meets green building and performance measures. All certified projects receive a LEED plaque, which is the nationally recognized symbol demonstrating that a building is environmentally responsible and a healthy place to live and work.

A Diagram of the Certification Process:



Development of a LEED-NC certified facility:

The client will usually be a part of the certification process early on with a site in mind. The considerations of his site selection and project requirements are assessed in light of the LEED point accrual system. The design team, among them architects and engineers, has weighed the potential of points on offer under numerous headings.

There are many considerations here, but a representative few would be the handling of storm water, water efficient landscaping and spillage of site lighting in evening hours. The owner will have been working with the design team on items such as the availability of green power, recycling provisions, commissioning of the building energy system, and refrigerant management. What is ultimately achieved is a facility that meets the LEED requirements. And it's all attained with the co-operation of the client, architect, engineers, contractor and commissioning authority.

USGBC certification fees:

LEED registration is a flat fee paid up front at the time of registration. The rates are as follows:

Members \$450.00

Non-Members \$600.00

LEED certification fees for New Construction for a building less than 50,000 square feet are summarized as follows:

The **Design Review** fee for members is \$1,250.00 and \$1,500.00 for non-members.

The fee to expedite the process under this heading is \$5,000.00.

The **Construction Fee** for members is \$500.00 for members and \$750.00 for non-members.

The fee to expedite the process under this heading is \$5,000.00.

The **Combined Design & Construction Review Fee** for members is \$1,750.00 for members and \$2,250.00 for non-members.

The fee to expedite the process under this heading is \$10,000.00.

A few questions that address Volume Certification:

What is the USGBC portfolio program?

The USGBC Portfolio Program is a pilot program that enables owners to integrate the LEED green building rating system into new and existing buildings in their company's portfolio, and do so in a cost effective way without sacrificing the technical rigor and integrity of LEED. The Portfolio Program recognizes market leaders who have committed to and achieved high levels of LEED certification within their portfolio.

Who is participating?

Participants in the pilot program represent a cross section of market sectors, including institutional investors, financial institutions, hoteliers, retailers, higher education, governments and corporations.

What are the goals of the Portfolio Program?

- Recognize leaders who are creating market transformation through their commitments and achievements in green building.
- Provide cost-effective streamlined certification processes, reducing the documentation requirements wherever possible.
- Offer a volume certification path to enable owners to integrate LEED across the board as a standard feature of their design, construction and operations.
- Provide company-wide education that takes LEED into an organization and helps the organization build on their own best practices.
- Provide a dashboard of environmental performance indicators so that owners can better track the aggregated environmental impact of their real estate portfolios.
- Foster a network of investors, developers, owners, and managers committed to systemically greening their building portfolios, both new and existing.

How will volume LEED certification work?

USGBC is working with pilot participants to develop volume certification submittal documentation, quality control and education plans, policy language, and other resources that will help integrate the adoption of LEED into the design, construction and operations practices of participating organizations.

Is the Portfolio Program just for companies pursuing volume certification?

No, the Portfolio Program is meant to recognize all market leaders striving to integrate LEED into their standard practices. However, since volume certification is a key element of making this possible, during the pilot phase most of the participants and the USGBC are focusing on testing the volume certification processes.

Can my company sign up to be a pilot company in the Portfolio Program?

The pilot is currently closed. The official program is expected to launch in 2009 and companies will be invited to participate at that time. In the meantime, please contact USGBC with a short description of your project and interest and we will alert you to updates in the future.

Volume certification streamlines the documentation and certification process by recognizing standardized and consistently delivered performance throughout a portfolio of new or existing buildings.

For more information, please contact leedinfo@usgbc.org

Relevant projects:

Bank 1

This bank teamed up with a large design firm and set out to build a California prototype that encompassed its green values. Their Adelanto location serves as a test lab, where the design team could explore what works well and what doesn't.

Solar energy is a big part of the new Adelanto design plan—the chevron roof is comprised of 64 photovoltaic solar panels that generate enough power for 60 percent of the site's energy needs. This solar generation facility also exceeds California's already stringent energy codes for commercial buildings by 60 percent. "Owners must recognize a commitment to sophisticated equipment and controls," says the project manager at the design office. "Typically, Bank of America branch banks have rooftop HVAC units that service the buildings. For Adelanto, it was decided to pursue all 10 points for the EAc1 credit - Optimize Energy Performance. This meant that a central plant was installed in lieu of typical rooftop units." High-efficiency clerestory windows allow in natural daylighting. Drip irrigation, low-water landscaping and low-flush plumbing also enable the site to reduce water usage by 40 percent compared to traditional banking centers.

More than 20 percent of construction materials are made from recycled materials, including 100 percent insulation made of old blue jeans. Within the building envelope, the design team substituted 6 inches of recycled blue jeans and rigid foam for traditional fiberglass insulation. Additionally, counters are made of pressed wheat byproducts, including kernels and chaff. Rather than the typical wood frame, the building design specified steel framing and canopies, offering a recyclable and more durable material.

The teller line was designed for individually controlled temperature zones (under the floor) and lighting (above the counter) controls for associates—as comfort also adds LEED credits. Additional LEED points are expected for placement of recycling separation bins in the employee break room, using a green cleaning service and utilizing filtered water rather than buying bottled water.

Bank 2

Bank 2 plans to open more than 300 branches designed and built in accordance with LEED for Retail standards. Their headquarters building, 1.2-million-sq.-ft., is being planned in accordance with LEED Gold standards. By 2009, all of its new financial centers opened throughout the United States will be built to LEED specifications.

Lighting enhancements were a major push in terms of energy reduction to meet the 35 percent energy reduction on all projects. Sensors along the window lines enable interior lighting to dim as exterior light levels increase, and energy-saving bulbs such as compact fluorescents and LEDs were also utilized. Lighting is the second-largest draw for power in a building, with HVAC being the first, so it's a really important place to drop a lot of power consumption by slowly turning down those lights. It does cost more money to buy those kinds of lights with those controls, but that expense is recovered within two to three years in energy expense savings.

The prototype boasts a recycled content label that exceeds 30 percent, and water-use reduction exceeding 40 percent. This bank buys 100 percent green power for all of their buildings across the country. A LEED project typically offsets 50 percent over a two-year contract for green power utilization, so they're getting an innovation credit because they're doing 100 percent.

This bank expects to save up to \$80,000 in construction costs for each new financial center over a traditionally constructed branch, in addition to a reduction in operating costs of about 20 percent in the first year. On a global level, they have made a corporate climate change commitment. They are attempting to reduce their greenhouse gas/CO₂ emissions across the portfolio 10 percent by 2010. The company is also in the exploratory phases of looking at LEED for Existing Buildings (LEED EB).

Bank 3

This western based bank has doubled its commitment to high performance, LEED-certified buildings. They have allocated \$2 billion towards green facilities in the past 19 months. The 45 projects that they have initiated in the past five years have been certified under the Leadership in Energy and Environmental Design standards of the U.S. Green Building Council. As a company, they have been awarded LEED Silver pre-certification for construction of new banking stores that will slash energy use by 20 percent and water consumption by 40 percent.

Twenty percent of this organization's pre-certified prototypes use elements made of post- and pre-consumer recycled content. Seventy-five percent of its wood-based materials will be certified by the Forest Stewardship Council as having come from forests and factories that are managed according to environmentally responsible principles. All wood used must also be council certified as having been domestically harvested.

Bank 3 obtained its pre-certification through the USGBC's Portfolio Pilot Program. The company is one of 40 corporations and institutions participating in the 2-year-old program to help firms green their building portfolios by using a streamlined certification process based on pre-approved designs meeting LEED standards.

Summary: How do we go about it?

- **Set a clear environmental target.** Before you begin the design phase of your project, decide what level of LEED certification you are aiming for and settle on a firm overall budget. Also consider including an optional higher certification target – a "stretch" goal – to stimulate creativity.
- **Set a clear and adequate budget.** Higher levels of LEED certification, such as Platinum, do require additional expenditure and should be budgeted for accordingly.
- **Stick to your budget and your LEED goal.** Throughout the design and building process, be sure your entire project team is focused on meeting your LEED goal budget. Maintain the environmental and economic integrity of your project at every turn.
- **Engineer for Life Cycle Value.** As you value-engineer your project, be sure to examine green investments in terms of how they will affect expenses over the entire life of the building. Before you decide to cut a line item, look first at its relationship to other features to see if keeping it will help you achieve money-saving synergies, as well as LEED credits. Many energy-saving features allow for the resizing or elimination of other equipment, or reduce total capital costs by paying for themselves immediately or within a few months of operation. Prior to beginning, set your goals for "life cycle" value-engineering rather than "first cost" value-engineering.
- **Hire LEED-accredited professionals.** Thousands of architects, consultants, engineers, product marketers, environmentalists and other building industry professionals around the country have a demonstrated knowledge of green building and the LEED rating system and process – and can assist you in meeting your LEED goal. These professionals can suggest ways to earn LEED credits without extra cost, identify means of offsetting certain expenses with savings in other areas and spot opportunities for synergies in your project.

Here are some additional sites for more information in this discussion:

<http://www.usgbc.org/>

<http://www.greenerbuildings.com>

<http://www.ddimagazine.com/>

<http://www.nrdc.org/buildinggreen/leed.asp>