

Consolidation of Working Group Meetings – June 26th to August 28th, 2008.
City of Alexandria Department of Planning and Zoning
Green Building and Sustainable Development Policy Initiative
Wednesday 10th September, 2008.

**Department of Planning and Zoning, City of Alexandria, VA.
Green Building and Sustainable Development Working Group
Meeting No. 1 – 8.30am to 10.00am Thursday June 26th, 2008
Sister Cities Conference Room, City Hall, Alexandria, VA.**

Meeting Notes:

In Attendance:

Erica Bannerman
Geoffrey Booth
Casey Callahan
Al Cox
Eric N. Dobson
Bob (Robert) J. Elliott, Jr
Jeremy McPike
Martin O'Brien Johnson
Rich Josephson
Frederick W. Rothmeijer
Kenneth W. Wire

Apologies:

Jeffery Farner
Faroll Hamer
Robert Phinney

Purpose of this Working Group—what we are setting out to achieve?

- Geoffrey Booth gave a brief synopsis of the distributed research (see in Appendix 1 of these notes). He explained that this Working Group is designed as a collaboration between the development industry experts and the City of Alexandria for the purpose of establishing the policy foundation, priorities and specific content of the City's implementation tools to affect Green Building and more Sustainable Development. Rather than just deal with matters of philosophy it is expected to "get down in the weeds" to identify practical solutions we can all endorse and work resolutely to implement. Our focus is on the instruments for which the Department of Planning and Zoning are responsible.
- Regulation alone will not create a sustainable green building program. Promotion, Education and Incentives are important components for success with this program. Collaboration between industry and the City is essential to create and implement a successful and sustainable development and green building program for the City. This program should offer economic returns for all; a more livable city; and a reduced financial demand arising from urban infrastructure expansion otherwise required by less sustainable and non-Green Building development. Much of the City of Alexandria's building stock will either be renovated or replaced in the next 30 years. Decisions we make now will determine the quality of this investment and the future cost in operating these assets.

- Rich Josephson, Deputy Director of Planning and Zoning described what information the City hopes to gain through this working group:
 - Gather information that will directly impact the development of policy to bring to larger group and City Council by the end of the calendar year.
 - Gather experiences from working group. What has and has not worked. Where does market see the advantage? Where can we move quickly?
 - Industry thoughts regarding incentives
 - What it would take for members of the industry to become working partners in implementing this sustainable green building program
 - Interested in what industry does now regarding green building, what are they willing to consider doing, and what would be out of the question (regarding green building).
- The Eco-City Charter should be the framework that guides the working group. The Green Building Program is an integral part of the Charter. The working group needs to work within the Charter and do nothing to undermine the concepts set forth in the Charter. Phase one of the Charter is tackling climate change and green building therefore the working group should move quickly to address these issues.
- Kenneth Wire stated that the industry is looking forward to crafting a policy that works for everyone. The policy should be flexible so that it can meet the needs (for both the City and for industry) over time. There is a need to combine the interests of both groups in order to create an effective and sustainable green building program.
- In the next 30 years the City of Alexandria will see an enormous amount of growth, in both population and employment. This growth will bring significant development pressure and potential to implement a sensible and sustainable green building program.
- Geoffrey Booth outlined the concept of “The Sustainability Dividend” and directed the group to the article provided in the meeting materials under tab “E” (see Appendix 1 hereof).
- Moving forward, the working group meetings will focus on new construction and renovation as related to the following Performance Areas (“food groups”):
 - Location of facilities and uses to promote efficient transportation;
 - Community and site design;
 - Increased tree and vegetative cover;
 - Energy efficiency;
 - Water conservation;
 - Indoor environmental air quality;
 - Resource efficient material selection;
 - Environmentally sound construction management;
 - High standards of building and site maintenance;
 - Government incentives, education and programs to encourage and effect the above; and
 - Standards applicable to historic buildings.

What the Working Group thought important:

- Regulatory solutions need to be solutions, not an obstacle to green development.

- Remember that the City is also a developer and has a rich portfolio of public building projects.
- Residential and commercial – understand the difference in certification requirements between these two.
- The industry is looking for some predictability in regulation/policy but would like to see policy and regulation that is flexible enough to change with new technology and research in this field as it evolves over time.
- There is a need to look at certification of multi-family residential development versus townhomes versus single family detached houses. Hotel standards need a separate focus.
- Industry would like to see the City come up with flexible policies that will guide current and future development and evolve with technology and development over time. It should be relatively easy to modify policies and regulations over time.
- Keep focus eye on the pragmatic. There is currently a leasing benefit in the market attaching to LEED certified buildings (at least with respect to office buildings).
- A key question is whether or not the City should police the process and requirements or have the market decide what is good for industry and the buyer. Previously there was no benefit in market, but this has changed dramatically. Tenants/buyers now look for LEED certification.
- Policy makes sense, but how do we make sure we don't shoot ourselves in the foot. The goal should be to create flexibility and not a one size fits all policy and regulatory result.
- It is important to industry that policy/standards do not slow industry down or get in the way.
- The Green Building Program must look to "incentivize" quality development projects.
- Martin Johnson noted that the working group needs to come up with a process that promotes sustainable design by being itself sustainable.
- Green building should look towards developing property assets that perform well for owners, tenants and the city (reducing the claim on infrastructure provision). This will reduce fiscal claims, tax increases and enhance the quality of life in the City.
- Green building policies and regulations can and should help create a high standard of development and protect and reward project income stream. Regulation is not always negative. It can work to advantage industry if well conceived and not unduly onerous. It can ensure that innovative developers are rewarded while lower than the lowest common denominator developers take much greater risks when they do the wrong thing and/or seek to game the system. Done properly regulation/policy can provide certainty with flexibility to meet changing circumstances.
- Washington, D.C.'s phased approach to green building requirements was correct, however using LEED certification standardization across residential and commercial and retail was ill conceived. Our working group should consider the possibility of using different certifications for different building types (commercial, residential). We should not just pick one certification system and apply it to all building types. We should look at each instance to determine which certification process works best.
- The working group needs to also look at building size. Alexandria is different than DC. Unlike DC, many buildings in Alexandria are less than 50,000 square feet.
- Look into different existing buildings standards in Old Town versus the remainder of the City of Alexandria.

- Major issue is that of how green building can best be incorporated into development in Old Town?
- Incentivizing is an important discussion topic. DC offers no incentives and that's a mistake. Incentives are important to industry.
- There will be sites that cannot become certified and policies/regulations must recognize that.
- Case studies are the best example of lessons learned and best practices to guide our deliberations.
- During this process we must think about developers and others who are not familiar with green building and the certification process. There is a learning curve and regulation/policy must acknowledge that.
- An Educational component is a key part of this process. There are things people can do every day to make their City greener and more sustainable that would not be the subject of policy or regulation.
- It is important to remember that Old Town is just a tiny percentage of Alexandria. Most of Alexandria is the West End, multi-family housing. New development is small part of Old Town. Tenant turnover may have larger impact on amount of carbon emitted in city as opposed to new commercial development.
- The working group should be guided by the Eco-City initiative. Whatever work this group does should fit within and advance this charter. The public wants to know what the City is doing and they want to know what they can do to reduce their footprint. Alexandria is inhabited by a large group of the "creative class". Tenants in residential buildings are those people and they are in tune with this eco-city.
- Need a discussion of 3rd party verification. We should look to Arlington for guidance on what they are doing. One more agency or layer of bureaucratic compliance is something industry does not need. We need something that makes people discharge certain obligations. Industry is worried it will become just an extra layer of control and cost.
- Industry would prefer to agree on the end goal but have the flexibility to work out the most cost-effective solution to achieve the goal. Policy/Regulations should be phased in—like the Fairfax Comprehensive Plan which specifies "LEED or similar certification that provides the opportunity to meet green building objectives".
- Our City architects are becoming LEED certified. They do not want to master more than one certification process.
- The City of Alexandria must remain competitive with Fairfax and Arlington counties.

**Department of Planning and Zoning, City of Alexandria, VA.
Green Building and Sustainable Development Working Group
Meeting No. 2 – 8.30am to 10.00am Thursday July 16th, 2008
Sister Cities Conference Room, City Hall, Alexandria, VA.**

Meeting Notes:

In Attendance:

Geoffrey Booth
Al Cox

Bob (Robert) J. Elliott, Jr
 Jeffrey Farner
 Brian M. Gordon
 Judy R. Guse-Noritake
 Martin O'Brien Johnson
 Rich Josephson
 Jeremy McPike
 Robert Phinney
 Frederick W. Rothmeijer
 Greg Ruff
 Lou Sagatov
 Kenneth W. Wire

Apologies:

Erica Bannerman
 Casey Callahan
 Eric N. Dobson
 Faroll Hamer

New Members

- Robert Phinney, Greg Ruff, Judy Guse-Noritake, Brian Gordon and Lou Sagatov joined this meeting of the working group.

Experience in Building Certified Green Buildings to Rating Systems

- Jeremy explained the City of Alexandria's experience in developing city projects to the LEED Silver standard since 2002. The initial low hanging fruit in terms of pre-requisite LEED points has now been augmented by emphasis on green roofs; solar energy; indoor air quality and the challenges of adapting LEED to existing buildings.
- Bob referred to his company's experience with commercial buildings and explained how the LEED Energy points 1 to 4 were relatively easy to meet but beyond that to achieve the LEED Gold and Platinum involved significant cost and time to a project. He understood the focus on low hanging fruit and then went on to explain that in respect to **Water Conservation**, their focus was on dual flush toilets, automated toilets, waterless urinals, and stormwater discharge management. He understood how improved **Indoor Air Quality** was attractive to potential tenants, and on the issue of site location and design explained that his company had a focus on sites in close proximity to Metro and other transit. He felt that LEED was not yet up to speed on matters related to carbon footprints. Bob said he was keen to hear what the City's Goals were so that the working group could align the City's goals with industry's commitment to green building. He concluded by saying that it would be a mistake to make LEED Gold or Platinum the mandatory standard at this stage.
- Geoffrey explained that the City's Goals were set out in its Eco-City Charter 2008 which had been circulated to all working group members and that setting the regulatory bar at LEED Gold or Platinum for all commercial buildings henceforth entitled in the City of Alexandria would be self defeating.
- Jeffrey said that the example of Water was a very good example of a win-win position both for the City and Industry as the City was faced with the financial expense of expanding its water sanitation plant and to the extent that the load imposed by future building construction and renovation could be managed down, then there would be less need to raise tax income to fund the additional infrastructure that would otherwise be required.

- Judy referred to a German Case Study that proved this point and referred to a “rain tax” the Germans had imposed. Judy felt we had to pay more attention to on-site design and referred to the TC Williams High School gray water system and watering of the ball fields. She expressed serious concern about the mandatory imposition of green roofs saying that blindly advocating favored solutions was a poor substitute for clearly stating green building performance standards and then allowing designers and industry to develop integrated designs that met these standards.
- Robert referred to the stormwater performance criteria relating to Washington, DC that he had shared with Casey Callahan which he explained had made a great deal of sense from the City’s point of view and had not slowed down development.
- Fred explained that their company was finding that the market with respect to commercial buildings was showing more and more interest in LEED certified product. There was significant expense getting up to speed on this subject and it would be very helpful if the nexus between decreased building operating costs/lower capitalization rates/accelerated lease up program/premium lease rates could be quantified for commercial buildings. He explained that he had sought this information from property managers and leasing agents but they either did not have the information or were reluctant to provide it.
- Robert explained that it was very important to make sure you were comparing “apples with apples”—what he termed “comparable equals”. He gave the example of the green cleaning program where if the building is properly designed and then managed using green cleaning products, significant savings can be made for the building owner/occupier.
- Ken expressed concern with tying building approval to LEED certification. He felt it would be better for the city to articulate its own policies and regulations.
- Bob said he would prefer one standard to be adopted across the Washington Metro region as having to comply with multiple authority centric regulations and policies would constitute a major cost to the development industry. His preference was for a performance standard to be set and industry allowed to innovate in achieving those standards.
- Jeffrey said that he understood Bob’s point as the City was keen to comply with an accepted region-wide green building standard which was also cost-effective for industry. Like Fred, Jeffrey said that LEED seemed to be the standard being adopted in the market place.
- Bob took up Fred’s point about measurable financial enhancement of development projects through green building. He said building orientation had a huge impact on natural light penetration and energy impacts. He said that water consumption was also some thing that was measurable.
- Robert said the big measurable at present was energy consumption given the rapid escalation in electricity costs.
- Jeremy explained that the uses made of the building and the management practices of the building users accounted for variances in cost of green building operation.
- Judy explained that many green building practices were plain common sense and used the example of a building she had designed last year where at the end of the process the client asked that she obtain LEED certification of the building. Although you really have to embark on the project with the objective of certification in mind the building she delivered was within just two points of obtaining LEED certification.
- Al explained that if you complied with the City’s current codes you were well on the way to green building although we are not there yet.

- Jeremy explained that that the Washington Council of Governments had recommended LEED certification as the standard for commercial buildings with particular additional focus on the issues of Building Energy efficiency and Water consumption and discharge.
- Robert explained that LEED was being used as the base with some emphasis for specific regional requirements.
- Both Jeremy and Jeffrey explained that this made sense to the City both with respect to public projects and the entitlement of commercial developments.
- Greg urged the working group to not just adopt LEED but rather to allow the use of other standards like Green Globes
- Jeremy explained that the issue of LEED v Green Globe had been the subject of extensive study (see Green Building White Paper previously circulated). The problem is training staff in multiple systems and trying to design project delivery systems that work for multiple certification regimes. For the City of Alexandria projects the LEED Silver certification is within the City's level of achievement.
- Judy agreed that it was difficult to find people trained and certified in Green Globes.
- Robert explained that he was certified in Green Globes but that LEED and Green Globes were not really comparable.
- Fred confirmed that LEED certification was the system adopted by the marketplace with respect to commercial buildings—DC and Arlington were cited as examples.
- Bob said that Energy Star was also used to compliment LEED with respect to the energy performance of commercial buildings.
- Brian and Ken said that it was better if the compliance regime allowed LEED or equivalent and thereby provided some flexibility.
- Al Cox pointed out that the development industry would not be best served by asking the City of Alexandria to develop its own green building code separate to LEED.
- Bob agreed but pointed toward an emerging problem with USGBC acting bureaucratically. He said that the development industry wanted to build greener buildings in a cost-effective manner and not get trapped in a whole new regulatory process that would be unnecessarily expensive in terms of time and cost of the process.
- Rich asked about which LEED code should be used and what was the appropriate threshold in project size with which industry would need to comply?
- Bob and Fred said that it should be Core and Shell/New Development and not extend to tenant improvements.
- Judy agreed with Bob and Fred.
- Bob then went on to add that incentives were vital to accelerate the industry's transition to green building—in the short term accelerated permit issue could play an extremely beneficial role. In essence Bob said that for commercial buildings, LEED with certain incentives was what was needed along with a timeframe or benchmark year when it would take effect so the industry had time to gear up and prepare for implementation. Finally Bob explained that the use of bonds to ensure developers went on to secure LEED certification put too much power in the hands of USGBC. Bob added that up to LEED Silver, like Jeremy, he always kept a point or two in reserve to ensure he cleared the bar, but once you got beyond Silver then it became quite problematic.

- Jeffrey commented that what he was hearing was that while LEED had some problems, the industry standard for commercial building certification was LEED and that industry was looking for a region wide performance standard to be set and industry allowed to innovate in achieving those standards and be incentivized to do so.
- Jeremy explained that the Washington Council of Governments had recommended adoption of LEED as the standard for commercial buildings and certain emphasis be placed on matters energy and water.
- Greg asked that LEED certification be stated as the goal but not be mandatory.
- Bob said the risk was that if it was just stated as a goal then not everyone will be playing to the same rules.

**Department of Planning and Zoning, City of Alexandria, VA
Green Building and Sustainable Development Working Group
Meeting No. 3 – 8.30am to 10.00am Thursday, July 31, 2008
Sister Cities Conference Room, City Hall, Alexandria, VA**

Meeting Notes:

In Attendance:

Erica Bannerman
Geoffrey Booth
Casey Callahan
Al Cox
Jeffrey Farner
Brian M. Gordon
Rich Josephson
Martin O'Brien Johnson
Robert Phinney
Jeremy McPike
Frederick W. Rothmeijer
Greg Ruff
Bill (William) Skrabak
Kenneth W. Wire

Apologies:

Eric N. Dobson
Bob (Robert) J. Elliot, Jr.
Farroll Hamer
Judy R. Guse-Noritake
Lou Sagatov

Progress to Date

- Geoffrey recapped on progress made at the July 17th working group meeting—the group had reached a consensus that the LEED rating system should be used for

commercial buildings. He noted the concerns expressed at the last meeting with respect to LEED being an evolving standard and thus the City of Alexandria regulations must have some flexibility in application so that DSUP applicants don't get caught by USGBC bureaucratic interpretations, delays, or being forced to comply with a new requirement made following lodgment of the DSUP application.

The Special Needs of the City of Alexandria with respect to Green Building

- Jeff advised that City staff would be meeting to focus on the special needs of City of Alexandria with respect to green building and sustainable development policy priority areas. These would then be brought to the working group for discussion. He was hoping to have these resolved by the August 28th working group meeting.
- Jeff also explained that builders might be given a certain timeframe (he suggested 2 years perhaps) after their Certificate of Occupancy was granted to achieve LEED certification. He suggested using wording such as “subject to satisfaction of the Director of Planning and Zoning” to give some needed flexibility, if for some reason LEED certification was narrowly missed due to USGBC discrepancy over points or USGBC bureaucratic complications.
- Jeff wondered how the group might feel about incentives for higher levels of LEED certification. The major question is, “what can the City do to help builders achieve higher levels of LEED?” He mentioned the possible reduction of tap fees to encourage advanced measures to reduce the development's water consumption. He noted that City staff would have to figure out what, if any, incentives would be feasible. He noted that the kit bag of potential incentives was severely limited but he was working to bring staff's ideas to the group at the meeting on August 28th 2008.
- Bill confirmed the City's understanding that developers and builders need flexibility in order to accomplish green building standards. He agreed with Jeff that the City needed to settle on its priorities—those policy areas on which the City placed a premium in the LEED certification process. Bill explained the current Council's policy preference for green roofs. He mentioned the possibility of placing a development size threshold for green roofs as a way to push ahead with one example of the City's priorities. He acknowledged that flexibility in the process is important, but the City did wish to target certain areas of green building (i.e., green roofs, water efficiency).
- Fred explained that green roofs are a significant cost to the builder. He intimated that the City would have to seriously look at subsidies/incentives if it were going to make green roofs mandatory.
- Bill commented that the Environmental Commission was moving toward green roofs because of their benefits in heat island reduction, on-site stormwater capture and attenuation and building cooling. The City sees major value added by green roofs from environmental and from a development efficiency prospective.
- Greg said that one of his perceived problems with LEED is that in some instances LEED offers only a few points toward certification for big ticket items such as green roofs. The LEED point system, in regards to green roofs at least, does not coincide with the City's priorities.

- Al reinforced a point well made at the last meeting re: the false economy of the City developing its own green building code separate to LEED and then hiring staff to enforce it. Using the LEED certification would be more cost effective for all concerned. It has a third party certification mechanism, is being adopted by the governments throughout the Washington metro region, and does not strain the City's already stretched staff resources.
- Jeremy reminded the group that the COG report recommended LEED plus priorities which are relevant to the Washington area.
- Fred suggested that the group should settle on using LEED for commercial buildings. If there are additional priorities of the City, the City should have carrots/incentives to help developers cover these additional costs.
- Robert explained the benefits/commercial incentives arising from green buildings. For example, green roofs help reduce the HVAC system size by 20% and a green roof diverts 50% of stormwater. Therefore the question arose as to how far the City would need to go to incentivize green building with taxpayer money? He explained how developers are securing these benefits. He introduced the concept of balance between the responsibility of the city, citizens and developers in matters green building and sustainable development.
- Ken pointed out that these benefits depended on the type and scale of each individual project.
- Robert noted that a weakness of LEED is that it is a national not regional standard. It therefore made sense for the City to define its priorities and discuss these with the working group together with any prerequisite points to the certification.
- Erica mentioned that LEED for New Development version 3.0 proposed to incorporate a regional component to address this issue.
- Jeff explained that Council had advised city staff that green roofs are a priority. He reinforced the point that City staff would attempt to settle these priorities and then bring this to the working group for discussion. He mentioned that Council has recommended that LEED Silver should be the minimum certification for commercial buildings.
- Fred brought up the point that the market is adjusting toward the green movement and that the market knows better what works and doesn't work in certain cases. He agreed with having green buildings as a requirement, but then having additional prerequisites (outside of those already established in LEED) is a flawed concept. Developers should have total flexibility as to how they achieve LEED certification. If the City has specific priorities they need to propose an incentive structure. Developers don't want to be further bound to additional prerequisites.
- Jeff referred to the City's known policy goals, i.e., water, stormwater, urban heat effect. He understands that within the City's goals there will be instances where it won't make sense for some projects. Staff will then have to explain to Council on a case-by-case basis what is practical in these circumstances. It was agreed by all that the City does need to make known earlier rather than later its policy priorities.

Incentives

- Fred reinforced the need for incentives to achieve the City stated priorities. Short term investors don't care about long term benefits, focusing instead on the premium in sales price that can be achieved over total development cost. Developers need a clear understanding of what they are required to achieve before they start a project—prior to development conceptualization and site acquisition. Builders/developers must know at the very outset of a project what other pre-requisites will apply.
- Greg explained that if Council apply too onerous pre-requisites, development projects will become exorbitantly expensive to develop in Alexandria, developers will move elsewhere and the city will lose any competitive advantage, lower rents, ample supply of stock, etc, etc..
- Jeff identified that the City has a limited amount of money and resources and so there was not a deep pool from which to fund incentives. He explained that staff is trying to figure out how to use the money they do have most efficiently. Staff will be setting out some ideas for discussion at a future working group meeting. Jeff invited working group members to advise what incentives they were looking to Council to provide.
- Fred brought up the tap fee reduction. If a developer builds with water efficiency in mind, he said it was only fair to reduce tap fees in line with reduced water demand. This would be an incentive he would support.
- Bill noted that if current developers don't address water issues, development on the west end of the City may be limited due to lack of capacity at the current plant, resulting in a development moratorium.
- Ken mentioned that City staff may want to look at a range of incentive types: zoning incentives (density) and process incentives.
- Jeff reiterated Al's previous point that the City does not want to increase the administrative staff costs to administer the Green Building certification process as these increases would have to be passed on to developers. We are not wishing to hire more people to regulate and administer green building certification.
- Rich mentioned that the City as well as developers needs to determine where development is best located.
- Ken asked if density could be considered in the incentive package.
- Fred stated that as long as he knew what he had to achieve UP FRONT he would be in agreement. It is too expensive once a project has started to go back and retrofit green standards.
- Jeff noted that he is not opposed to density incentives but it was important to understand their limitations and constraints in the City. One of the challenges is in historic neighborhoods where community/districts don't support density. Some land in the City has room for density bonuses, but not all areas. There are strategic areas in the City where density could be achieved, but the possibility of developers double dipping (affordable housing, LEED, parking) remains problematic.
- Rich said it was very important to realize that density may not work in certain areas.

- Jeff went on to say that, “density is a tough sell in this town”. He explained citizens perceive LEED as mechanical considerations taking place inside buildings, because the community cannot see the benefit it is not always obvious or immediate to them. Therefore they are less likely to support density bonuses as an incentive. However, green roofs, etc., are benefits citizens can actually see and understand. In this regard education is absolutely vital.
- Geoffrey explained that developers want to build in any extra cost of LEED at the initial pricing/feasibility phase of development. Any incentives should flow to the developer and not to the land owner as any consequent increase in the land purchase price to developers will act as a disincentive to green building and sustainable development. He said that differential property taxes had the potential to incentivize green building and sustainable development and that the COG could work with Congress to grant accelerated plant, equipment and building depreciation rates for green buildings.
- Fred agreed with Geoffrey’s point and stated that developers want to have a clear regulatory goal to strive for at the outset. Having a set target upfront and understanding how to accomplish the goal allows the developer to manage the cost base of the project and steer it toward profitability. The risk of a developer being told part way through the process that there are additional hurdles to clear in terms of development requirements creates huge risks that flow through to higher interest charges and severe pressure on development feasibility.
- Al noted that a good thing about LEED is that once you register your project you only have to comply with the standard that existed at the time of registration not any subsequent changes or upgrades.
- Fred cautioned that green building regulation should not become a political tool. He wants to know up front what he has to do to secure LEED certification for his development project within a certain time frame. Incentives should be on the table and known at the development conceptualization and site acquisition stage and be dependable from outset.
- Geoffrey explained that it is vital to align costs with benefits. If all the cost of green building was loaded on the developer and none of the financial benefit then a major hurdle to green building would be created. A federal government program which offered an accelerated depreciation rate for green buildings could provide significant benefit to the investment value of green building projects. The COG really needs to get moving on tax policy.

Performance Bonds and Certainty with respect to City Policy Requirements

- Geoffrey pointed out that bonding a green building would increase the cost of the LEED process and consequent financial risk. In these circumstances Jeff’s proposal that developers be given two years to obtain certification following issue of the Certificate of Occupancy made great sense. If then on the off chance, USGBC doesn’t give certification for some reason, but the building is to satisfaction of planning director, the building could still be considered in compliance. This flexibility provides the developer with a safety net. The City clearly was prepared to be flexible. But if

industry tried to game this flexibility then it would invite the introduction of performance bonds.

- Rich noted that if buildings fail to be certified on a regular basis, the City might have to come up with another way, which will likely be less flexible.
- Erica suggested that the standards set by this working group and the City should be reviewed on a five year interval to ensure that green building and sustainable development objectives were being satisfactorily met. It would be important to track policy implementation and performance in the interim.
- Geoffrey recapped that City staff will work out the City's priorities and will bring these back to the group for discussion at a subsequent working group meeting.
- Robert suggested that the City provide the priorities ahead of the meeting in order for all working group members to think these through and respond on the basis of reflection and analysis.
- Jeff agreed to send around this information to the working document well ahead of the meeting at which it was scheduled for discussion.

Threshold Project Size for Commercial Building LEED Certification

- Geoffrey advised that the August 14th meeting will concentrate on residential buildings. He then moved to the discussion of thresholds for green building assessment of commercial buildings, by asking the working group what they thought was the appropriate threshold for commercial buildings. He noted that there was no national standard with the examples in each of the White Paper being "all over the shop". However the consensus fell between 10,000 to 20,000 square feet
- Fred explained that although he does not generally do small buildings, he believes that the cost for going through LEED would be quite expensive for buildings under 20,000 square feet.
- Robert noted that he generally hasn't found that to be so.
- Brian thought that the 10,000 to 20,000 square foot range as a threshold seemed appropriate.
- Rich is looking for the greatest coverage with the least pain to the applicant. He would like to get as many developers to participate in green building as possible. His preference was therefore a 10,000 square foot threshold.
- Robert suggested a different level of incentives depending on the size of a building.
- Fred referred to economies of scale and the concern that too small a threshold would make small projects more expensive, but then again he didn't wish such projects to have a commercial advantage over the larger projects that would have to be LEED certified.
- Jeremy said that generally he will not pursue LEED certification on any building under 5,000 square feet. He thought that a threshold of 10,000 square feet was reasonable.
- Erica wondered how mixed use might integrate into this process.

- Rich noted that mixed use might best be included in the threshold size.
- Martin suggested starting with a larger threshold initially and if it works, then reduce the threshold as time goes by.
- Jeff noted that based on the applications he has seen over the past nine years, a threshold of 20,000 square feet would likely capture 99% of the applications the City receives.
- Rich explained that it would be more difficult to start at a high threshold and then move lower. General consensus settled around a 10,000 square feet threshold for commercial building LEED certification.

For Next Meeting

- Geoffrey brought the meeting to a close by explaining that the next meeting would be held on Thursday, August 14, 2008. The meeting will focus on all types of residential building. He reminded the group that the White Paper analyzes the rating standards for residential buildings and that the group should review these before the next meeting. Geoffrey said that we would try to get someone from LEED and EarthCraft to speak to the group next meeting.
- Greg mentioned that he may be able to get someone from Green Globes.
- Erica mentioned a George Washington University graduate student who had written a report analyzing of all residential building green building rating standards. Erica undertook to send this report to Casey for distribution to the working group.

**Department of Planning and Zoning, City of Alexandria, VA
Green Building and Sustainable Development Working Group
Meeting No. 4 – 8.30am to 10.00am Thursday, August 14, 2008
Sister Cities Conference Room, City Hall, Alexandria, VA**

Meeting Notes:

In Attendance:

Geoffrey Booth
Casey Callahan
Al Cox
Shane Cochran
Bill Cromley
Bob (Robert) J. Elliott, Jr
Jeffrey Farner
Martin O'Brien Johnson, PE
Richard Josephson
Roger Limoges
Jeremy McPike, PMP, LEED AP
Carlos Martin
Judy Noritake
Annette Osso

Peter Pennington
 Robert Phinney
 Greg Ruff
 Lou Sagatov
 William (Bill) Skrabak
 Alex Strong

Apologies:

Erica Bannerman
 Frederick W. Rothmeijer
 Kenneth W. Wire, JD

Residential Green Building Rating and Certification Systems

- Geoffrey Booth welcomed the new members and recapped on progress of the working group to date – the group had reached a consensus that the LEED rating system should be used for commercial buildings. The meeting then focused on green building standards and rating systems for residential buildings. Unlike commercial buildings where LEED was the presumptive nominee, the primaries were still in full swing for residential buildings but with most pundits agreeing that when NAHB version 2 comes out in final form, the two lead candidates narrow to NAHB version 2 and LEED for Homes.
- Annette Osso, President of the Virginia Sustainable Building Network mentioned to the group that Fairfax County, Virginia had just completed research on incentives for green building. She will send this report to Geoffrey who undertook to disseminate it to the group.
- Carlos Martin explained the difference between NAHB Green Building Guidelines and the new ICC-NAHB National Green Building Standard™ Version 2 (NGBSv2). NGBSv2 is a collaboration with ICC to establish a national standard. NAHB had worked with ICC to develop this standard conducting an exhaustively rigorous and transparent consensus process to formulate this new standard. NGBSv2 has a different scope to the Guidelines as it is a standard which encompasses multi-family, rehabs, and single family. The standard is not necessarily geared toward hotels. The current version of the standard is not available to the public because ANSI is currently reviewing it. The last public version is available on their website. The new standard has built in third-party verification.
- Carlos Martin also made the point that by adopting a rating system a City does not necessarily have to adopt the program, they do not have to require certification for example. Some cities require that a building meet the rating system but do not require a building to be certified under that rating system. If a city chooses to adopt a rating system but not require certification through that system, onerous/verification falls on the city inspectors.
- Lou Sagatov mentioned that there are many other rating systems out there besides LEED, NAHB, and EarthCraft. American Lung house (Health House) was another example he referred to. Lou suggested that as code language gets written, it should

encompass and allow for the right program to be applied for the right individual and circumstance. Whatever is adopted should be the best thing for the consumer, community at large, and builder.

- Carlos Martin agreed with Lou saying the City should think of adopting a variety of different rating systems and certification systems if the City was going to require certification.
- Richard Josephson told the group that the City is looking for an external, private rating system that has built in third party certification. The City is looking at a variety of systems to determine what best meets the City's policy priorities.
- Robert Phinney agreed that flexibility is great, however that would require the City to have expertise in multiple rating and certification systems. He also mentioned that by adopting various rating systems, there would not be true equality, as not everyone would have to meet the same standard. Who then would determine what rating system should be applied? Robert made the point that no one would benefit by making the solution too complicated.
- Geoffrey Booth said it would be important to dance a fine line. The City doesn't want to lock itself into a system that down the road won't be cutting edge and innovative. Hence it will be vital for the City to get a firm handle on what is actually covered in each of the ratings system. It will then be important to determine how that aligns with city priorities, consumer wants, and the needs of the development industry. All three will need to be in sync if our green building and sustainable development solution is to be successful.
- Annette Osso discussed the success of EarthCraft as a voluntary program in Charlottesville and other parts of southern Virginia. She mentioned that even in this market, the EarthCraft builders are busier than ever. EarthCraft as it operates in Virginia she explained, is not mandatory, but voluntary and operates privately.
- Annette Osso supported the need for third-party certification. She also mentioned that programs such as LEED, EarthCraft and NGBSv2 need to make sure inspectors are properly trained. It is a complex effort to train these professionals and she agreed that the city wouldn't want to waste time/money in training internal certifiers. She suggests raising the bar on basic standards in the City's building code as a first step toward encouraging green building.
- Lou Sagatov explained to the group that the NGBSv2 will be a national standard. He said that builders in the Northern Virginia region have aligned with the new NGBSv2 and not EarthCraft because there is no EarthCraft support in this area (certifiers, etc.). Part of the NGBSv2 includes educating reviewers and inspectors. Lou reiterated that the City needs to look at ratings systems from the stand point of "does it meet the City's criteria"? Then the builder can come before the review board to answer the fundamental question as to whether or not their design meets the City's criteria.
- Peter Pennington asked the group if this conversation points to the City's building code having minimum standards. He mentioned that the European Union just passed a law requiring all new buildings by 2016 to be carbon zero. He put the view that whole focus should be on carbon/climate change. He indicated that the City's

Environmental Policy Commission (EPC) would be looking for minimum requirements. He believed that the missing element from standards was control over how the property was used by the owner. Consumer use was of priority to the EPC—we need to look at how people control equipment and use energy, water, etc.

- Bill Cromley said that from his experience as a builder the City should NOT manage this as an all or nothing approach. The City should focus on the low hanging fruit. Things that builders would do anyway, things that are easy, which includes insulation for example. We should have the building industry decide what is easiest and add that to code then have carrots for builders to go to the next level. There are so many easy things, we should pick them and do them first. The City's goal should be to have as many builders participate as possible. In his experience, LEED for homes was much easier than LEED NC.

Education and Outreach

- Judy Noritake added that education of existing residents is of utmost importance. She also asserted that we need to refocus our energy. Currently we are focusing on single family residential, but we need to refocus to multi-family residential. She believed this to be the majority of residential building in Alexandria. She asked City staff, “What is ratio between multi-family and single residences?”
- Jeffrey Farner responded to Judy's question by telling the group that 80% of all development in the City is residential. Of that percentage, about 70-80% of the total square footage is multi-family and the remainder is townhomes. He went on to explain that the best solution should involve a multi pronged approach: codes, incentives, standards, education, etc. The City, Jeff explained was working on a phased approach to achieve these goals.

City Policy Priorities

- Judy Noritake thought the discussion needed also to address the benefit of green building to homeowners and the broader community. Is the City's goal to become carbon neutral? The City needs to look at broader community goals outside building envelope. The City needed in her view to refocus on those goals.
- Geoffrey Booth informed the group that the City staff is going to meet on Wednesday, August 20th, 2008 to work on their priority policy areas. In this way we can come in from the top with the eco-charter and up from the bottom with building rating and certification systems to effectively implement this program.
- Carlos Martin mentioned that part of the NGBSv2 deals with site development. Applications and standards for single family buildings are applied to multi-family.
- Robert Phinney told the group he has experienced no problems transitioning mid- and high-rise multi family to LEED NC. He sees this development as having strong commonality with commercial side therefore LEED NC should capture these residential use types.
- Jeffrey Farner told the group that he wants to hear about the topics of flexibility and certainty of various rating and certification systems. He explained how we had heard from the group before that it is very important for the process to be flexible, but it is

equally, if not more important to the builders to know what they have to do at the outset of a project. He asked the group to address and elaborate on this point.

- Bill Cromley mentioned that most architectural firms, at least in the Alexandria area, have a LEED AP on staff. If that is the case, the LEED AP has a clear understanding of what the builder is getting into.
- Lou Sagatov wondered if the group was getting bogged down in too much minutia. As a builder, he wants a global concept of what he has to achieve. The City shouldn't worry about how the builder gets there as long as the priorities and the goals of the City are achieved. It is important to focus on achieving the goal. Allow the builder the latitude to be innovative and creative in achieving the City's clearly articulated goal/s.
- Commenting on Lou's suggestion of letting a builder reach the City's ultimate goals and priorities as they choose, Jeff wanted to know who would evaluate what the builder achieves if there is no set rating system with third party verification.
- Lou Sagatov also mentioned the importance of public outreach and education. For example, Arlington promotes energy efficiency in such ways as handing out light bulbs and providing educational pamphlets for the public.
- Annette Osso noted that all of the programs and rating systems we have discussed are good. By using any one of them it will push the marketplace forward. It is vital for the City to think through how they will reach their goals and priorities once they are set. She mentioned that providing numbers and using numbers as goals (to be carbon neutral for example) are strong tools.

Market Demand and Conditions

- Bill Cromley spoke of his experience with green building. When he started building his green condos, green building wasn't even on the radar. However when they were ready to be sold, green building was all over the news. However, he was shocked to find that there still was not a strong market for it. He found that green is not in demand, at least in the condo market. On the commercial side he recognizes that there is a huge market for it because there are sizable savings to the building owners on utilities because of the sheer size of their building. Because there is a lack of a market on the residential side, carrots are important in order to get builders to build green.
- Carlos Martin believes that all things being equal a buyer would choose green building over a more wasteful existing product, but all things are never equal.
- Lou Sagatov said he thought there needs to be incentives, especially for "by right" builders, to go green.

Threshold Size

- Richard Josephson broached the subject of threshold size. He was interested to know what the group thought the threshold might be for applying a residential green standard.

- Responding to Rich, Judy Noritake said it is important to capture the bulk of residential development occurring in the City. What is the size of the bulk of residential?
- Al Cox said the City is working on pulling the permits in order to figure that out. His sense is that renovation, refits, etc constitute most of the issued permits. He noted that while Alexandria is not yet built out, it's close.

Mandatory –v- Voluntary

- Lou Sagatov mentioned that California has just recently adopted a statewide green building standard. Although he knows this won't fly in Alexandria because property rights are such a big thing, he thought it important that the group know where other parts of the Country are going with green building.
- Bill Cromley suggested that if people only knew the true benefits of green building what California has done wouldn't be such a stretch.
- Annette Osso noted that for the City to make green building standards mandatory amendments to enabling legislation it would have to be passed at a State level first.
- Robert Phinney told the group that volunteerism (voluntarily participating in green building) may begin to move too slowly for the movement around the world in terms of carbon neutrality and energy efficiency. When looking at different green building ratings systems we need to consider the long-term viability of the programs. Incentives need to be a part of the City's response.
- Geoffrey Booth asked the group for ideas as to how they would go about devising a green building program if they were the City.
- Lou Sagatov responded by saying he would look at all programs. They cover the essential points that the City should be focusing on. Site and lot location considerations will not play as big a factor in the Alexandria area. The City should look to put emphasis on ENERGY STAR requirements (insulation, windows, mechanical, ducts, third party testing, etc) energy efficiency of products in the home, and indoor air quality (EPA has an indoor air package the outlines parameters concerning moisture, radon, fresh air exchange, etc.).
- Carlos Martin said that it all depends on what was the ultimate goal of the City. If they are only looking for new construction requirements than Lou's idea would work. However, if they are looking for carbon efficiency, the City needs to look at existing housing stock. If the City wants to be holistic they have to look beyond just new construction to renovation and performance upgrading of existing buildings in the City.
- Peter Pennington pointed out that whatever the City chooses; it will have to fit in with policies already accepted/adopted in the EcoCharter.

Finance and Incentives

- Geoffrey Booth asked Carlos his thoughts on energy efficient mortgages.
- Carlos Martin told the group that there has been a poor pickup on this at the congressional level and also at the lending level. Mortgage bankers concerns are that

there is not an explicitly demonstrative effect that buying a green house will lower your utility expenses significantly, therefore they have not accepted the energy efficiency mortgage concept.

- Robert Phinney wondered if there was a way for the City to encourage local banks toward energy efficient mortgages. That would be a clear incentive to the buyer; and therefore the market expansion of the green building. While he understood there were there limitations to what the City can offer as incentives, there must be a realistic incentive package that the City can develop.
- Judy Noritake referred to the one percent houses in Germany. These homes ran on solar energy. In addition to providing energy to the home, each home produced an extra 1% of energy that was supplied back into the grid. This constituted a significant contribution of renewable electricity generation to the system.
- Geoffrey Booth commented that green buildings allow homeowners to spend less of their disposable income on maintaining, operating and servicing their home. Therefore, they have more of their limited family budget to pay their mortgage. In the post sub-prime mortgage market this was a significant contribution to risk minimization, particularly with respect to mortgage default.
- Bill Cromley responded to Geoffrey's comment by saying that bankers hadn't got this memo and even if they had they hadn't read it.
- Peter Pennington said that the City would need to offer lower property tax rates as an incentive for buildings that achieved the highest green building standards and thereby served to implement the City's recently adopted ECO Charter.
- Bill Cromley ended the discussion by noting that the City should try to make its green building system as painless as possible for all involved. The City should determine what green building categories/components lower the overall cost to the City (both monetarily and environmentally). Once that is determined, the City should correlate those categories/components with their code and establish tradeoffs from there.

**Department of Planning and Zoning, City of Alexandria, VA
Green Building and Sustainable Development Working Group
Meeting No. 5 – 8.30am to 10.30am Thursday, August 28, 2008
Sister Cities Conference Room, City Hall, Alexandria, VA**

Meeting Notes:

In Attendance:

Erica Bannerman
Geoffrey Booth
Casey Callahan
Al Cox
Bill Cromley
Bob (Robert) J. Elliott, Jr
Jeff Farner

Brian M. Gordon
Patrick Hagan
Martin O'Brien Johnson, PE
Rich Josephson
Jeremy McPike, PMP, LEED AP
Judy Noritake
Robert Phinney
Greg Ruff
Lou Sagatov
Alex Strong
Kenneth W. Wire, JD

Apologies:

William (Bill) Skrabak

City Policy Priorities

- Geoffrey Booth welcomed the group and invited Rich Josephson to share with the members the outcomes of the city staff meeting held on August 20th, 2008.
- Rich Josephson explained to the working group that the meeting discussed the City's priorities with regard to green building standards and also to determine the feasible options available with respect to incentives. City staff identified three main priority areas: energy conservation; water conservation; and, climate change/reduction of carbon footprint.

Urban Infrastructure Thresholds

- Geoffrey Booth explained that issues of capacity and the threshold and time horizon for new investment in major urban infrastructure had been discussed. A good example was the increasing load on wastewater transport and treatment facilities and how these investments could benefit from a well conceived and executed green building and sustainable development policy. The City was clearly looking to make these asset investment programs as cost effective as possible and thereby serve the needs of both Alexandria residents and community builders without significant or premature increases in revenue to finance infrastructure upgrades.
- Rich Josephson pointed out that water conservation benefits not only the City but also the user (citizens) and the developer. The City was exploring ways to translate savings as a tool in incentivizing the highest standard of green building and sustainable development in the City going forward. The issue of potential future tax incentives being targeted to those developments which most decreased the load on city infrastructure was discussed.

Limited Capacity for Incentives

- Geoffrey Booth explained that the City had a very limited range and capacity to incentivize green building and sustainable development and then asked Casey

Callahan to brief the working group on the potential to align the various rating systems with the three main policy priority areas identified by the City.

Alignment of City Priorities with Existing Rating Systems

- Casey Callahan explained the excel spreadsheet matrix and word.doc summary distributed to working group members prior to the meeting. The matrix presented a summary of the five residential green building rating systems. Casey identified those areas where the systems directly addressed issues the City had pointed out as their top priorities (carbon footprint, energy efficiency, and water conservation).
- Robert Phinney pointed out that climate change issues are typically tied up in the energy efficiency category. He was interested to know what other climate change priorities the city staff considered important.
- Erica Bannerman agreed that most climate change/carbon footprint issues are covered in energy efficiency. She explained that the City is working on completing a greenhouse gas emission inventory from which targets will be established for the City. Most of the targets would likely be reached by energy efficiency but it will also be important to look at transportation and heat island effect as well.
- Geoffrey Booth pointed out that in order to move forward the City must clearly work out what it wants to achieve, must establish priorities, rather than getting “stuck in the groove” of favored solutions (i.e., green roofs). The danger with going for favored solutions was that they had the potential to derail the discussion and divert the focus from the goals and benchmarks in improved development quality that the City’s green building and sustainable development sought to deliver for the City of Alexandria.
- Bill Cromley reiterated a point he had made at the previous working group meeting: that the City should focus on low-hanging fruit. If the City makes it easy to meet their priorities then many builders will participate and that should be the main goal.

Education and Outreach

- Geoffrey Booth explained that a vital component to the policy implementation process that has not yet been discussed in detail is the outreach and education component. The lessons learned by the developers around the table are very important and it is hoped is that the developers will be willing to share those lessons and participate in public outreach exercises as we move forward.
- Gregg Ruff gave kudos to the City of Alexandria on they way they promote certain things, such as recycling, through methods such as mass mailings and postings on their website. The City should employ these same tactics to promote green ideas and educate its citizens on the importance of green building and resource efficiency.
- Lou Sagatov told the group that he has done some research looking at all of the rating systems and has come to the conclusion that the programs are all very similar, with similar benefits to the homeowner and the community. His question to the City was, how will the City craft their goals and then how will they create a policy that will allow developers to operate flexibly under the general goals of the City’s policy? He said the City has to have a bigger vision and as long as a developer operates under

that bigger vision and meets the City's priorities, it shouldn't matter what program/rating system the developer uses.

City Goals

- Bill Cromley suggested the City should set their goals first. Then they need to determine which rating system meets the goals the City has set. Finally, if a developer can become certified under any of the systems that have been identified as meeting City goals, they are then in compliance with the City's policy.
- Robert Phinney explained that there are inherent differences among the rating systems and it is vital for the City to determine what those differences are and which system really gets to the priorities and goals the City sets. He also asked the City if they really wanted to be in a position where they would have to evaluate development plans against more than one rating system. He went on to say that it is important for the City to focus on its priorities, to find out what program meets these priorities. If the City can do that, then it will be easy to certify that particular buildings comply with the adopted third party certified rating system that meets the City's priorities.
- Lou Sagatov noted the importance of the City taking a holistic approach to green building. The City should consider employing someone as a green coordinator to oversee its green building and sustainable development program. He pointed out that in order for any green program to be successful, the City must have a good outreach program.
- Greg Ruff strongly supported Lou Sagatov's idea and added the City should look at someone who can be their "green czar" or their "green guru".
- Bill Cromley added that since approximately 99% of the housing stock in Alexandria already exists educational programs which address energy and water conservation are vital to an overall greening of the City.
- Judy Noritake told the group incentives should be spread between new construction and remodeling and rehabilitation of existing building stock. In this working group a discussion of residential buildings should center on not only multi-family residential but also existing buildings. That is where the City would be able to capture the benefit of this green building policy.
- Rich Josephson agreed that opportunities to promote the greening of existing buildings are huge. Education of current residents is part and parcel of the overall green building policy the City is seeking to include in its program.
- Jeffrey Farner told the group that it is important to think of this process in phases. Let's capture new development now as the focus of Phase 1. Phase 2 could then include such things as developing programs for existing buildings and tenants. There is currently so much development in the pipeline that it is vital for the City to act now to establish a policy for new development or else that development will be entitled without the benefit of a green building and sustainable development dividend accruing to both the projects and the city.
- Bob Elliott explained that the City has to determine its list of ideals/priorities/goals. This list should then be reduced to the lowest common denominator of all of the relevant green building rating systems. The City must understand how its objectives jive with the baseline of all relevant rating systems. Then the City can determine

which rating systems actually capture the City's goals and objectives. The City must make sure to choose a rating system which, even at its lowest threshold, meets all of the City's priorities. Once the City can truly establish its objectives then it will be easier to figure out which systems actually meet the baseline criteria the City has set.

- Judy Noritake reiterated the need to apply higher standards for larger number of units. The group agreed that development with a large quantity of residential units would fall under LEED for New Development and would relate to commercial development more than residential.
- Al Cox in responding to Judy Noritake's comment suggested that "concrete construction" would fall under LEED ND where as systems such as LEED for Homes, NGBSv2, and/or EarthCraft would apply to "stick built" construction.
- Rich Josephson replied to Judy Noritake's question by noting that the triggers for green building requirements would be if a development must submit a site plan and/or be part of the DSUP process. If a project does not fall within these qualifiers it is unlikely that in the Phase 1 implementation it would require certification under a rating system. In Phase 2 of the implementation program education and outreach was likely to extend the benefits of green building and sustainable development to all forms of development including new and existing single family houses.
- Geoffrey Booth again explained to the group that the incentives the City can offer are minimal. Therefore, it would be a mistake to squander incentives on anyone other than the developer/builder who is actually conceptualizing and creating the building and real estate assets. He strongly recommended that this limited capacity to provide incentives should be focused so as to reward those that achieve certification at the highest standards. It is not prudent to reward those who simply meet the minimum requirements.

Adoption of Standards and Rating Systems

- Geoffrey Booth went on to say that while it seems as though the group has settled on LEED as the standard for commercial building, it seems as though it is coming down to either LEED for Homes or NGBSv2 for the residential rating system. The reasons for this are that EarthCraft does not have the manpower to provide third party certification in the Alexandria area and Green Communities is a system designed to qualify applicants for affordable housing finance and grants. Geoffrey took up Kenneth Wire's point from a previous working group meeting; saying it is important to allow some sort of flexibility in the wording of the City's eventual policy in order to allow for the rating system(s) that is chosen to evolve over time and pick up inevitable improvements based on technological innovation. Right now we are trying to drill down to what the City wants to do, what priorities it wants to set, what the rating systems provide, and where they align and choose the path that will take us to best outcome for all concerned as cost-effectively and quickly as possible.
- Lou Sagatov was interested to know what would happen if a developer wanted to come in and build a home under a different program (an American Lung home for example) which is stricter than what the City might eventually choose as their rating system. He wanted to know how the City might handle that situation.

- Robert Phinney told the group it all boiled down to finding common goals whether that's water conservation and energy reductions or others. If a system meets the goals set by the City and can achieve third party verification then maybe it should not be a matter of which rating system the builder uses.
- Greg Ruff agreed with Robert Phinney and added that it should be during the DSUP process where the developer/builder would have to prove that the system they plan to certify under meets the City's goals/priorities.
- Robert Phinney continued by saying the City wouldn't have to employ/train someone who is knowledgeable in all rating systems, but would have to be able to look at all rating systems in regard to how they satisfy the goals/priorities set by the City in a timely manner.
- Bill Cromley offered the idea that it is important for the builder to meet the spirit of what City is setting out to accomplish but not the letter of the law.
- Judy Noritake agreed that it might be best to shy away from picking just one rating system to certify residential buildings under since it is inevitable that there will be other certification systems in the future based on technology and advances in science.
- Bob Elliott said the City should evaluate all programs and determine which ones to include based on their components. The City should allow for the builder to do something new and innovative. A rating system shouldn't be tossed out because it only hits 10 out of 12 of the City's priorities (for example) if it does something else great. It is important to evaluate systems based on the criteria the City has set forth.
- Alex Strong said that around the country he has seen cities establishing baselines and then welcoming all programs if they meet the baseline and in addition giving incentives to developers to certify beyond the set baseline.
- Geoffrey Booth told the group if they knew of other rating systems/programs the City should consider, please provide us with appropriate information to research them further.
- Bob Elliott cautioned the City to be prepared to defend why they have not chosen a certain rating system/program. The City should document the reasons behind not including a program so it is on record and available to anyone interested.
- Judy Noritake believes that by not including rating systems that fall short of the City's priorities, the City will force failing systems as well as current systems to raise their bar.
- Geoffrey assured the group that the City is not looking to endorse any one system. The City wants to determine which system(s) work best for the City and the developer and meet the priorities and the goals of the City in respect to green building and sustainable development. The City has made it clear that it does not want to write its own development code. They want to utilize existing systems with third party verification. The City does not want to restrict innovation, either on the part of the rating system or the developer, but the City also does not want a policy that is so complicated it becomes unmanageable for all involved.
- Kenneth Wire suggested that all applicants that apply for a DSUP should also have to submit a report detailing how they have met the priorities set by the City.
- Lou Sagatov agreed, saying the City should put forth what they expect and it should be up to the developer to figure out how to get there.

- Kenneth Wire said he is looking forward to seeing a working list of the City's goals and priorities.
- Geoffrey Booth assured Kenneth that the City is working toward this exposition. They are currently drilling down to the things that matter most to them (carbon, water, energy).
- Kenneth offered to look through the Commonwealth of Virginia legislation governing incentives.
- Martin O'Brien suggested that if the City's goal is to implement something quickly, they may want to roll out two systems for Phase 1. He believes the phrase "at the discretion of director" creates more uncertainty for the developer.
- Bob Elliott said that while the phrase "at the discretion of the director" is subjective, it also allows for a developer who has a great reason why they cannot certify under a program to still be approved by the City. He also mentioned that "breaking rank" should involve some sort of proffer system. Therefore a developer would have to evaluate which makes more economic sense, break rank or conform, and proceed from there.
- Bill Cromley wondered how the group flipped the table from making green building a requirement to a proffer system whereby a developer can buy out of the requirement.
- Bob Elliott commented that the City needs to be rational when thinking about this. The whole thing is a dance, back and forth between the development community and the City.
- Jeffrey Farner assured the group that there will be performance standards to be met; however there will be room to fairly assess variances if and when they arise. Staff will be held accountable by the Council and the Commission, and it will be vital that staff and the developer can justify why a certain performance standard could not be met.
- Bill Cromley was under the impression that this process would include carrots and sticks and now it seems as though the group and the City is talking about very high standards/baselines that must be met, with no real talk about the incentives to get there. He said the process should be about basic fairness. If a developer gives something to the City they should get something in reward.
- Geoffrey Booth reminded the group that the City doesn't have a lot of incentives to give. Therefore incentives should be given to the people that go the extra mile with their green building (gold or platinum certification for instance).
- Bill Cromley wondered if the group either has or is going to make the recommendation that the baseline for new commercial buildings should be LEED Silver. Geoffrey Booth confirmed that the goal was to require all new commercial buildings to certify at LEED Silver.
- After Geoffrey Booth's comment, Bob Elliott said he did not know the group had decided the baseline for new commercial buildings would be LEED Silver. He was under the impression the City was going to go and brainstorm about what the working group had discussed thus far and come back to the group with ideas on rating systems, priorities, baselines, and potential incentives and give the group a chance to respond.

- Greg Ruff seconded Bob Elliott's comment by saying he thought the group had decided that LEED would be the rating system for commercial buildings but not necessarily at the Silver level.
- Jeremy McPike reminded the group that the COG report requires Silver certification as the standard.
- Bob Elliott pointed out that Washington, D.C had set a time frame in which everyone must work toward these certification standards. He asked the City if they had a timeframe they were shooting for. If the City was trying to get there in the next six months he would imagine they would get push back from the development community. If the City put the goal in the out years, Bob believes the market would get there eventually without push back. If the City can incentivize the process then the timeframe could potentially be accelerated. The City should be prepared to either give the developers time to achieve the standard or incentives to get there.
- Bill Cromley reminded the group of the importance of the City remaining competitive. The City does not want to get into a situation where their requirements and timeframe are so unreasonable that development will go elsewhere.
- Judy Noritake told the group that if the City puts out a timeframe (especially for residential development) incentives would not be needed because the market will have gotten there anyway.
- Bob Elliott agreed that the market will eventually go green, however if the developer is given a timeframe, it gives them time to adjust.
- Bill Cromley suggested that incentives will help entice builders to constantly push the envelope for the reward.
- Lou Sagatov brought up that the group hadn't yet discussed where the building code was going. He was under the impression that the baseline building code was moving toward green building standards anyway.
- Robert Phinney suggested that if something that once qualified for an incentive becomes a baseline code requirement it should no longer qualify for the incentive.
- Jeffrey Farner moved the discussion back to the timing piece. If the City delays on its green building and sustainable development policy then it will ensure that the development projects seeking entitlement in the next couple of years will be denied the sustainability dividend. The City would be losing thousands of square feet of potential green building if they wait to require green building at some specified year in the future. Jeffrey therefore favored setting a fair performance standard to be required now and incentivize certification at the levels above and beyond that baseline.
- Rich Josephson explained that the working group and the City must work toward establishing a meaningful baseline that will be accepted by the Commission and Council
- Jeffrey Farner explained to the group that the City has limited infrastructure. By instituting a green building policy it is hoped that the strain on urban infrastructure would be lessened. If not, there may come a time when the City will have to limit development in order to preserve what infrastructure capacity is available. If the City does nothing, the cost of upgrading infrastructure would be enormous. The green building policy is one step toward deferring otherwise necessary major infrastructure investment in the future.

- Bob Elliott appreciates the City's desire to be at the forefront of green development, however he believed that they were behind the curve compared to jurisdictions like Montgomery County and D.C. and now they are trying to jump ahead of them. The City must be careful not to force development away from Alexandria.
- Erica Bannerman explained to the group that LEED certification for commercial buildings is now equivalent to the existing building code. If the City only sets LEED certified (and not LEED Silver) as the standard they are in effect setting the building code as the standard. For this reason the City should really look to set LEED Silver as the standard for commercial buildings.
- Bill Cromley suggested that rather than calling them incentives, let's start calling them savings to the City, or trade-offs. Look at it as the developer is saving the City a certain amount. What is that worth to the City?
- Jeremy McPike told the group that Alexandria is interested in attracting developers that are committed to reaching higher than the baseline. A developer building just to the current codes is not worth rewarding with incentives. He said that LEED Silver is not asking too much of the development community, given that the City has set and is achieving this standard for its own projects. Alexandria is a great location (transit, proximity to D.C.). The City should therefore really look to limit incentives to developers willing to go Platinum, maybe Gold. At these levels there is a direct benefit to the City therefore incentives should be considered.

Potential to align Incentives with Infrastructure Fees

- Kenneth Wire said it might be useful to consider lining up incentives with infrastructure fees. What would it cost to upgrade infrastructure to support build out if a developer did not go Platinum? That should be directly correlated to the incentive.
- Geoffrey Booth rounded out the discussion by explaining to the working group that it was now the City's job to go away and reflect on the working group's advice, focus its policy priorities and then put pen to paper and bring back a something which the group could respond to.
- Bob Elliott asked that rather than go away and come back once the City has made a firm decision, the City should come back to the group at different intervals during the drafting process rather than only at the very end of the process.
- Rich Josephson mentioned his desire to have a public meeting to share with the Commission, Council and citizens what the working group has been discussing over the past few weeks. He introduced the idea of a roundtable discussion with the public invited.
- Bob Elliott said he would be happy to attend and participate from the audience, but did not want to sit at the head table during the discussion. Bob also mentioned that he believes the City and ERM should manage the process. He would gladly attend and participate, but thought it would be inappropriate and counterproductive if perceived as a development industry initiative. It is the responsibility of the City to manage the public discussion process.

Future Working Group Meetings, Reporting and Outreach

- Geoffrey Booth told the group that before the next meeting is scheduled the City would be further developing its policy focus. The City and ERM would be condensing everything gained from the meetings. He concluded by saying that while it was important not to lose momentum, it is also important not to waste people's time if there is no new material to discuss and resolve.
- Bob Elliott said that once the City clarifies what it really wants, what its priorities really are, the working group can then have an intelligent discussion about trade offs. If there is a public meeting the City needs to present the platform and the developers can be there to support the decision, but the developers should not be the ones presenting the platform. Bob Elliott explained that while he had no problems with the notes of the meetings of the working group being circulated to working group members and their organizations and affiliates he would not support the meeting notes being posted on the City's website.
- Jeffrey Farner told the group that part of the discussion moving forward is establishing a framework for the entire process. The process will involve phasing, priorities and a discussion as to why the development community has been involved from the ground up.
- Geoffrey Booth concluded the meeting by informing the group that the City and ERM will digest the information gained over the past weeks and come back to the group. He said that he was confident the members of the working group were interested in staying involved and helping this process move forward. He asked members to send along any information they had on other systems they would like the City to evaluate. All members should feel free to email at anytime with anything they would like to discuss.

The Meeting concluded at 10.45am with future meetings times and dates to be advised.