



Green Strategies Client Bulletin



Green Strategies Client Bulletin No. 02-03

February 2009

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Green Building Initiatives Taking Root Throughout the Country

Without a doubt, green is the new color of choice in the construction industry. Green building and other sustainable design initiatives are beginning to take root across the country. This charge is being led by public owners and other large, institutional builders.

The United States Green Building Council (or USGBC) has had a major role in encouraging public owners to adopt green strategies in the design, construction, and operation of public facilities. Known mostly for its LEED rating system, the USGBC is a private, not-for-profit agency based out of Washington D.C.

LEED, an acronym for Leadership in Energy and Environmental Design, is a rating system that evaluates both the design and construction of a project against certain green building criteria. Projects can earn points under the LEED system and ultimately garner different certification levels ranging from Certified (26-32 points) up to Platinum (52-69 points). The more points a project earns, the more it is considered a green building.

The USGBC estimates that over 4.2 billion square feet of commercial building space is involved with the LEED certification program. Green building construction is projected to increase to \$60 billion annually by 2010. This is only the tip of the iceberg as public owners are now starting to get into the green business.

In the first five months of 2007, there were more than 100 pieces of green building legislation introduced at the federal, state, and local level around the country. This legislation comes in two basic forms: tax incentives and procurement

code directives. Examples of both can be seen on the federal level.

In 2005 Congress passed an Energy Policy Act which included a commercial building tax deduction. The bill allows building owners to receive a tax deduction for expenses incurred for energy efficient building expenditures. Building owners must obtain certification that the project meets certain energy efficiency requirements laid out in the Act. They are then entitled to a deduction up to \$1.80 per square foot of the property.

Individual federal agencies have added to the green wave by including green building initiatives in their procurement code. For example, the U.S. Department of Agriculture issued an agency-wide policy requiring new construction or major renovation projects to achieve LEED Silver certification. Likewise, the Environmental Protection Agency now requires new construction as well as new building acquisition projects of 20,000 square feet or larger to achieve LEED Gold certification. Even NASA requires new construction and major renovation projects to meet LEED Silver certification (although there is no word on whether this applies to the space station). Similar policies are being implemented in many other federal agencies.

Tax incentives and procurement directives are being implemented here in the Buckeye state also. As reported in the October 2007 issue of BrickerConstructionLaw.com, the Ohio School Facilities Commission now requires state funded public school construction projects to meet LEED Silver certification.

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This is having large impact on the construction industry as the OSFC is charged with providing more than \$4.1 billion in funding to Ohio public school projects. This is also anticipated to have a large impact on the environment as the USGBC estimates that green schools will, on average, use 33% less energy, 32% less water, and reduce solid waste by 74%.

Other Ohio municipalities have also written green building initiatives into their building code. In its annual "Get Green" report, the city of Columbus, Ohio, reports that it has six buildings in design or construction that will be LEED certified.

The city also awards points for green construction practices, giving contractors a 5% credit, up to \$20,000 for having a construction site waste management plan that yields 50% waste recycling. The City estimates that these policies will result in approximate savings of \$60,000 and reduce its atmospheric carbon output by 800 tons annually.

The City of Cincinnati has also unveiled incentives for green building practices. The Queen City offers property tax abatements for commercial and multi-unit residential construction projects that are LEED certified. The abatements are up to 15 years for new construction and 12 years for renovation projects.

With a number of green building incentives already in place and quite a few more on the way, the green building movement is certainly here to stay.

For more information about the LEED standards, please contact Scott Davis at 614.227.4879 or sdavis@bricker.com. Bricker & Eckler LLP congratulates Scott on successfully completing the coursework and examination to become our first LEED certified attorney.

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