April 2017 Liaison Call
4/25/17

January 24, 2017

ESUS Environmental Stewardship Utilities & Sustainability Community
A Community of IFMA

U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

Agenda

- Justine Burt, *Appraccel*
- Giselle Sebag, *Fitwel*
- Eric Teicholz and Bill Conley, ESUS Community updates

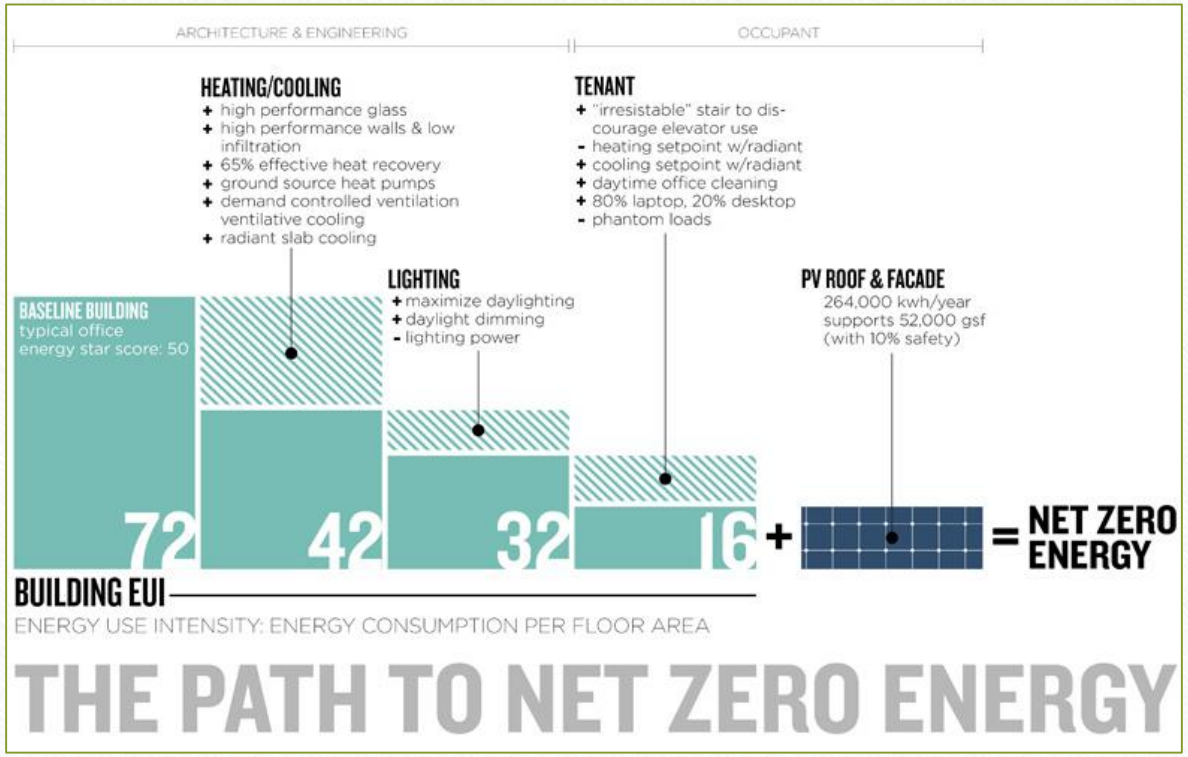
Copyright 2014

Green Leases

Justine Burt

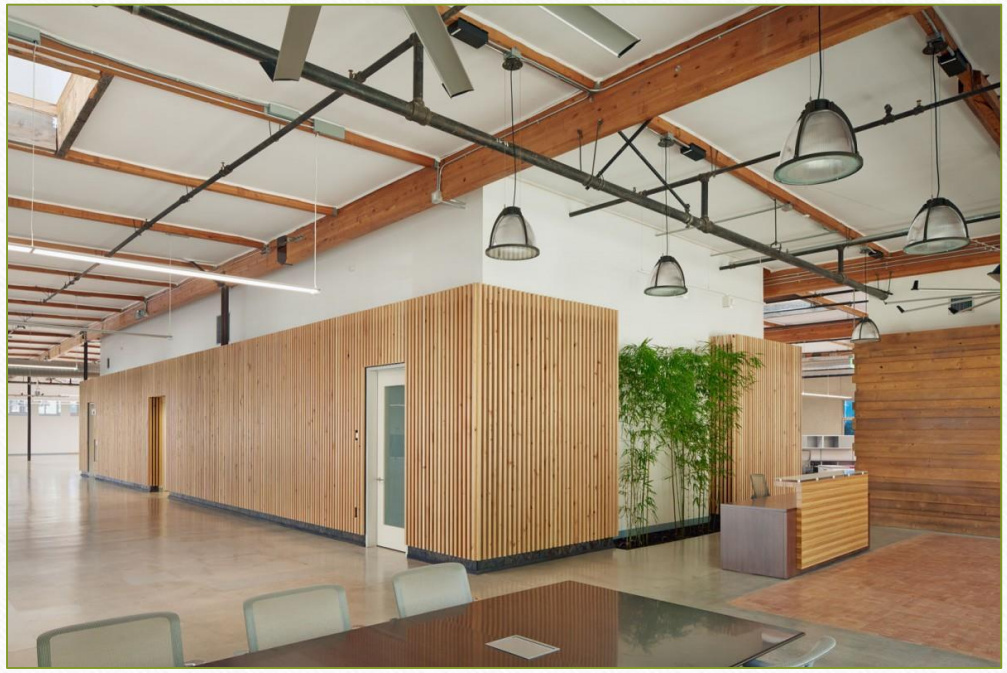
Founder + CEO, Appraccel

Goal: Net Zero Energy buildings



NZE - 435 Indio Way, Sunnyvale, CA

- Up-front investment -$49.84/sf
- Additional value of **+$100.29**/sf
  - Reduced operating costs over 15 years of $83.08/sf
  - Above-market rent over 15 years of $36.92/sf
  - Additional rent received due to early lease-up (3 months to rent out instead of the average market time of 18 months) of $22.81/sf
  - Additional leasable square footage due to 6" of exterior insulation (building grew 326 sf) of $7.32/sf
- Lower reserve requirements of **+$29.85**/sf (HVAC replacement, tenant improvement reserves, etc.)



Challenges

- Tenant
  - Majority rent office space
  - Historic split incentive
    - Will benefit from upgrades
    - Not their building
- Landlord
  - Initial capital outlay needs debt financing
  - Buy-in from real estate investors
  - Uncertainty of tax incentives (investment tax credits)
  - Lien on property - debt financing subordination to prime mortgage

Benefits of Upgrading Building

- Landlord
  - Higher rent (20% higher)
    - Silicon Valley tech office space tight
  - New Class A building
- Tenant
  - Save on energy bill
  - Employee productivity, attraction, retention
  - Green branding

Green Lease Structure

- Gross lease –tenant pays flat rate per square foot (can require tenant to pay utility bills)
- Triple net lease – tenant responsible for ongoing expenses of property (real estate taxes, building insurance, maintenance, utilities) but not 100% of improvements
- Green lease – aligns incentives of parties toward conservation of resources; defines materials, procedures and protocols
  - Energy budget – penalties for exceeding
  - Garbage/recycling
  - Indoor air quality and temperature
  - Green cleaning products

Importance of Negotiating Green Lease

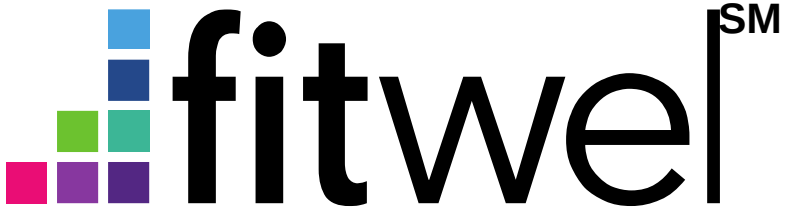
- Better than pulling 3 paragraphs from BOMA form lease
- Creating an understanding
  - Goals and benefits of NZE upgrades
  - Energy budget
  - Strengthens relationship between landlord and tenant

Justine@appraccel.com

Introduction to Fitwel

© Center for Active Design, 2017

* The Fitwel service marks (word and logos) are owned by the U.S. Department of Health and Human Services. Participation by the Center for Active Design does not imply endorsement by HHS.



Fitwel is a high impact building certification designed to support healthier workplace environments and improve occupant health and productivity.

The Center for Active Design is the leading non-profit organization that advances design strategies to foster healthy and engaged communities.

BlueCross BlueShield of Tennessee. Architect: Duda/Paine Architects.

Agenda

1. Why do buildings matter for health?
2. Why do we focus on health in workplaces?
3. How does it work?
4. How do you use it?

Why do we focus on health in workplaces?

Because there is a growing amount of evidence linking the built environment to individual choices that promote health.

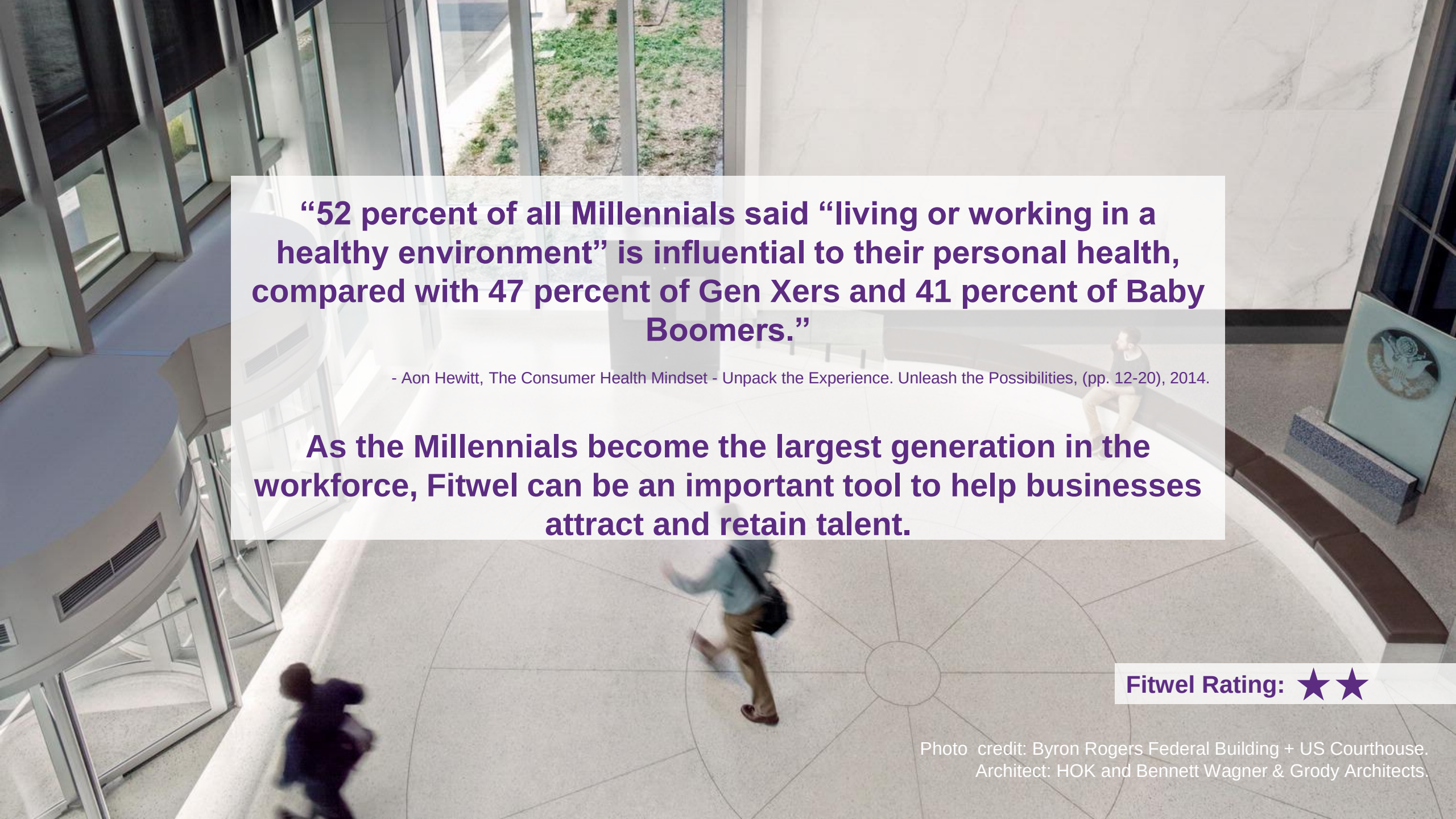
Google New York. Architect: HLW International LLP.

Because workplaces combine multiple pathways for health risks.

Nixon Peabody LLC (Washington, DC.) Architect: Perkins+Will.

Because healthy employees can result in lower healthcare costs, lower rates of absenteeism, and increased revenue.

SRAM Corporation (Chicago, IL). Architect: Perkins+Will.



“52 percent of all Millennials said “living or working in a healthy environment” is influential to their personal health, compared with 47 percent of Gen Xers and 41 percent of Baby Boomers.”

- Aon Hewitt, The Consumer Health Mindset - Unpack the Experience. Unleash the Possibilities, (pp. 12-20), 2014.

As the Millennials become the largest generation in the workforce, Fitwel can be an important tool to help businesses attract and retain talent.

Fitwel Rating: ★★

Photo credit: Byron Rogers Federal Building + US Courthouse.
Architect: HOK and Bennett Wagner & Grody Architects.

How does Fitwel support a healthier workplace?

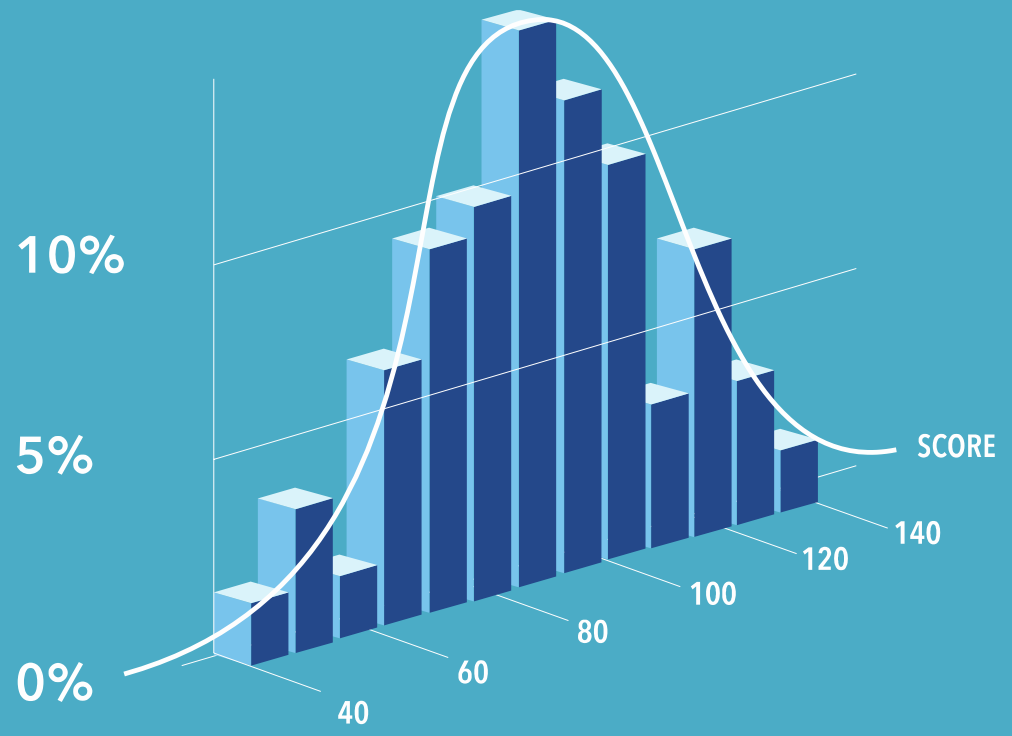
US Centers for Disease Control and Prevention (CDC) and General Services Administration (GSA) led the development and pilot phase of Fitwel.

The Center for Active Design (CfAD) is the operator of Fitwel and responsible for third party certification.

Photo credit: Centers for Disease Control and Prevention (National Center for Environmental Health). Architect: Perkins + Will.

Fitwel Pilot Phase

Fitwel was piloted in a total of 89 GSA, CDC, and NYC buildings including urban, suburban, and rural areas across the U.S. to test and refine the scorecard.



Pilot Phase Score Distribution

Fitwel Certification

Fitwel provides 63, cost-effective, design and operational strategies for enhancing building environments to improve occupant health and productivity.

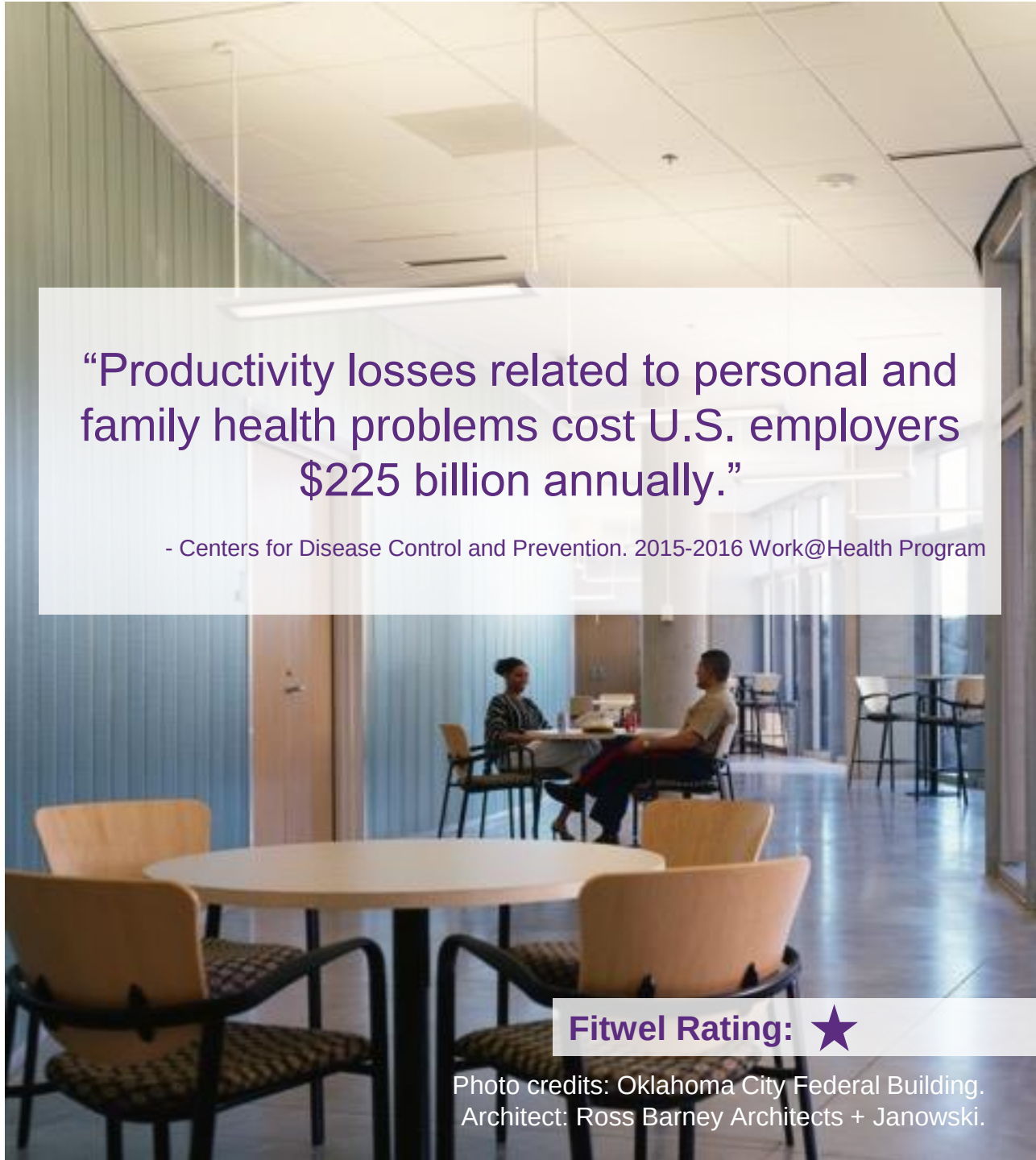


Photo credits: Oklahoma City Federal Building. Architect: Ross Barney Architects + Janowski.

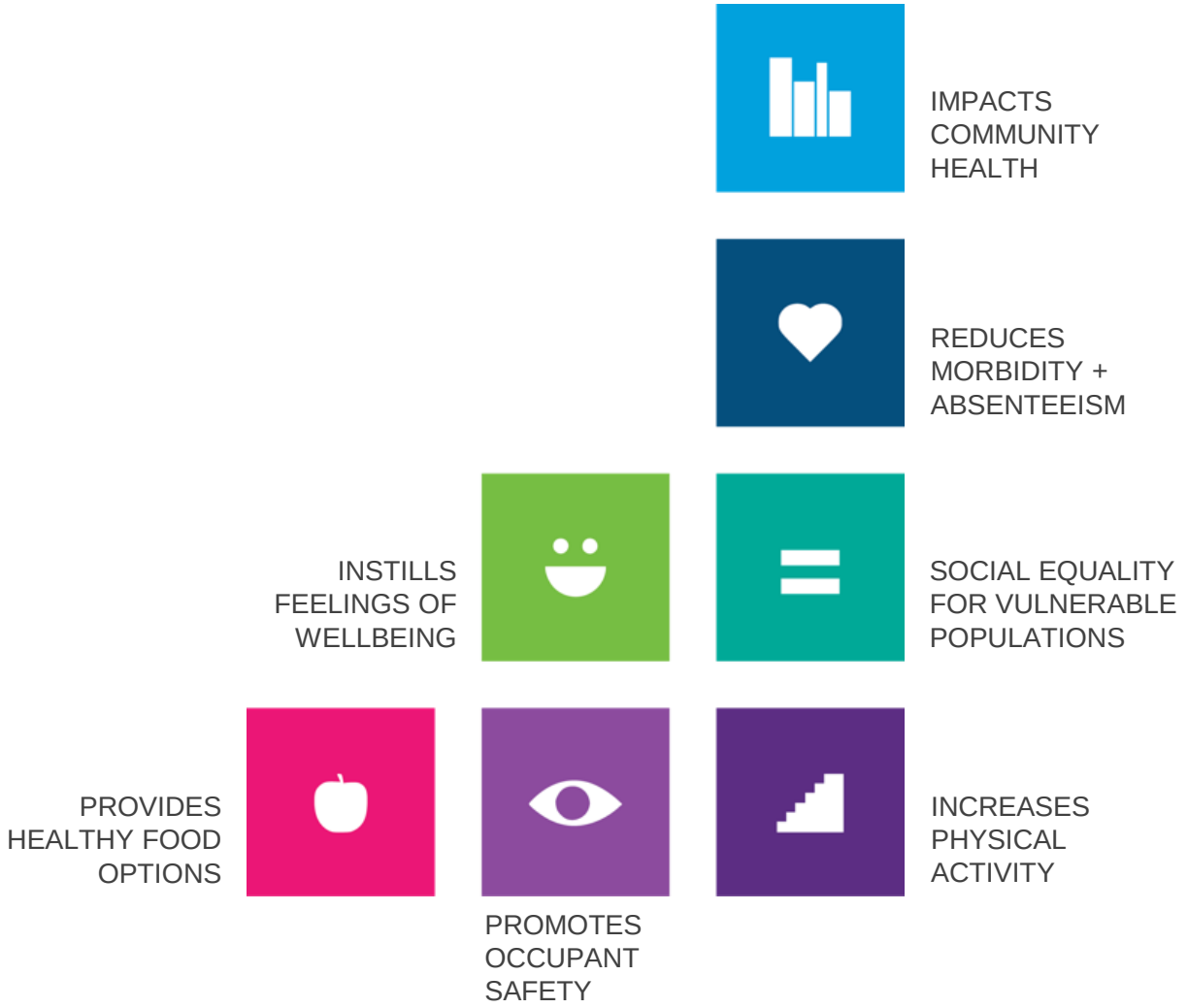
Fitwel's chosen strategies have the strongest evidence base and potential to make the highest impact for businesses.

Gensler Newport Beach. Architect: Gensler.

Health Impact Categories

Each Fitwel strategy is linked by scientific evidence, to one of the seven health impact categories. Strategies with stronger, multi-faceted impacts get more points. The strength of evidence is also factored in.

This robust framework enables for change, over time, as the scientific evidence evolves.



How does it work?

Fitwel uses a simple, web-based scorecard that anyone can access through the Fitwel web portal.

- Strategies are weighted according to the strength of evidence and health impact.
- All strategies are voluntary—no prerequisites or must-have strategies that could be cost-prohibitive.

Location

1.3 Transit stop located within ½ mi of the building entrance

Byron Rogers Federal Building + US Courthouse, Architect: HOK and Bennett Wagner & Grody Architects.

Building Access

2.1 Provide a direct, accessible pedestrian route between a building entrance and transit

Bishop Henry Whipple Federal Building. Architect: HGA.

Outdoor Spaces

3.2 Provide a walking trail within the building site/campus

Oklahoma City Federal Building. Architect: Ross Barney Architects + Janowski.

Entrances + Ground Floor

4.3 Locate the main entrance oriented to pedestrian traffic and transit

Byron Rogers Federal Building + US Courthouse. Architect: HOK and Bennett Wagner & Grody Architects.

Stairwells

5.5 Make stairs clearly visible with code-compliant glass or through prominent location

Bishop Henry Whipple Federal Building. Architect: HGA.

Indoor Environments

5.5 Adopt and implement a smoke-free policy for the building

Staten Island University Hospital.

Workspaces

7.1 Provide natural daylight for majority of workspaces

Centers for Disease Control and Prevention (Building 106). Architect: Perkins+Will.

Shared Spaces

8.3 Provide break areas that can accommodate lunch time activity

Oklahoma City Federal Building. Architect: Ross Barney Architects + Janowski.

Water Supply

8.3 Provide water bottle refilling ability at water supply

Cafeterias + Prepared Food Retail

10.2 Incentivize healthy food selection with choice architecture practices

BlueCross BlueShield of Tennessee. Architect: Duda/Paine Architects.

Vending Machines + Snack Bars

10.2 Encourage healthy food choices through pricing incentives

Emergency Procedures

12.2 Install an Automated External Defibrillator (AED) and adopt a testing schedule

How do you use it?

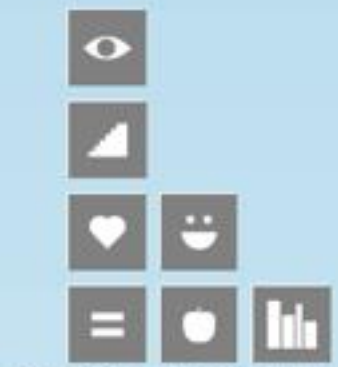
app.fitwel.org

fitwel

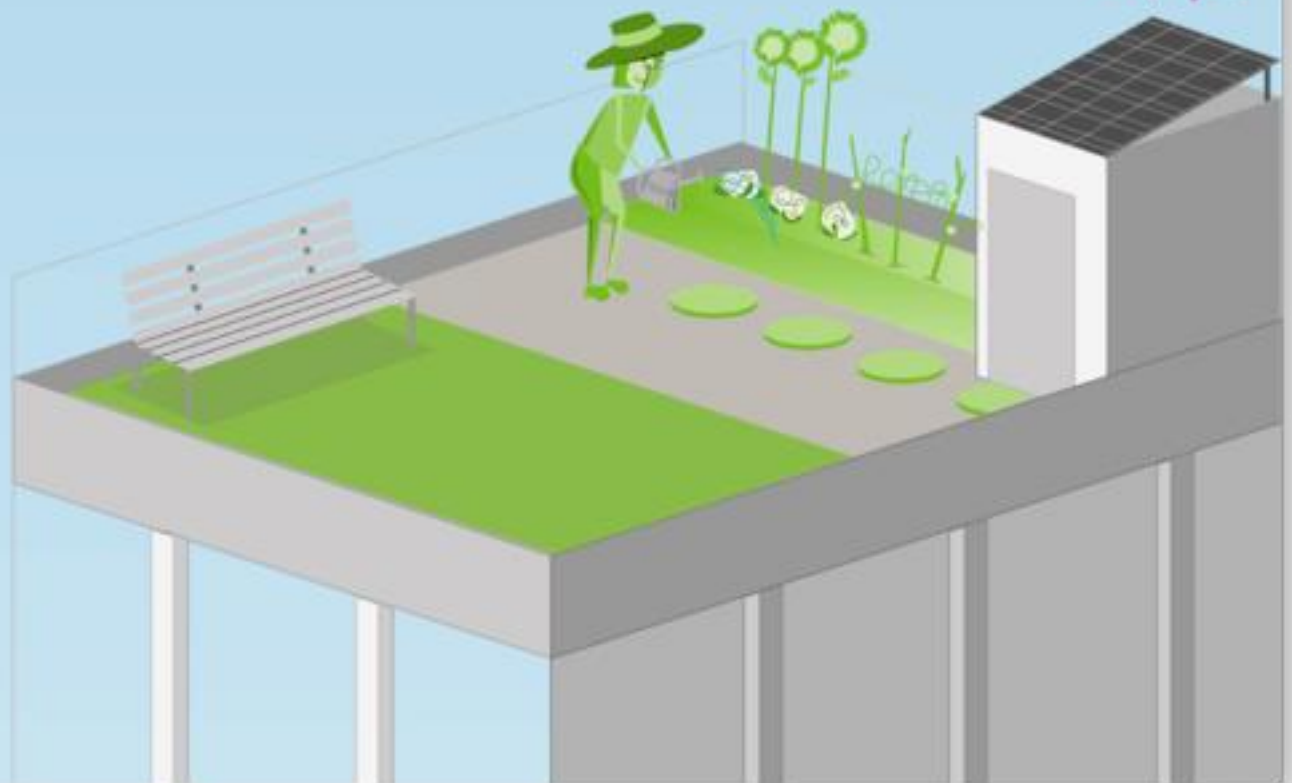
SIGN IN

How well does your building support user health? Be part of the Fitwel revolution: find out about your building's Fitwel score today .

144



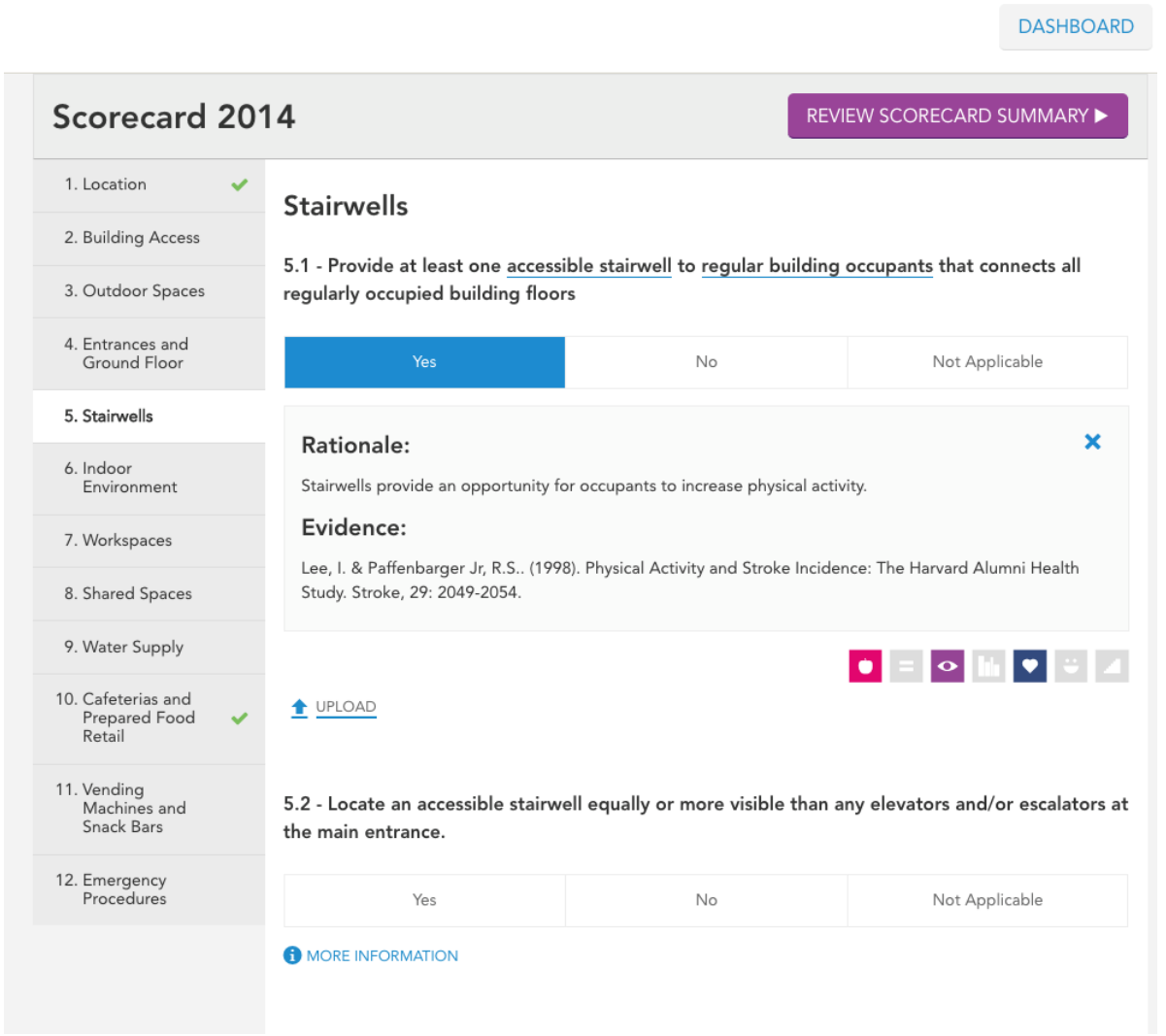
Health factors affected by Fitwel strategy



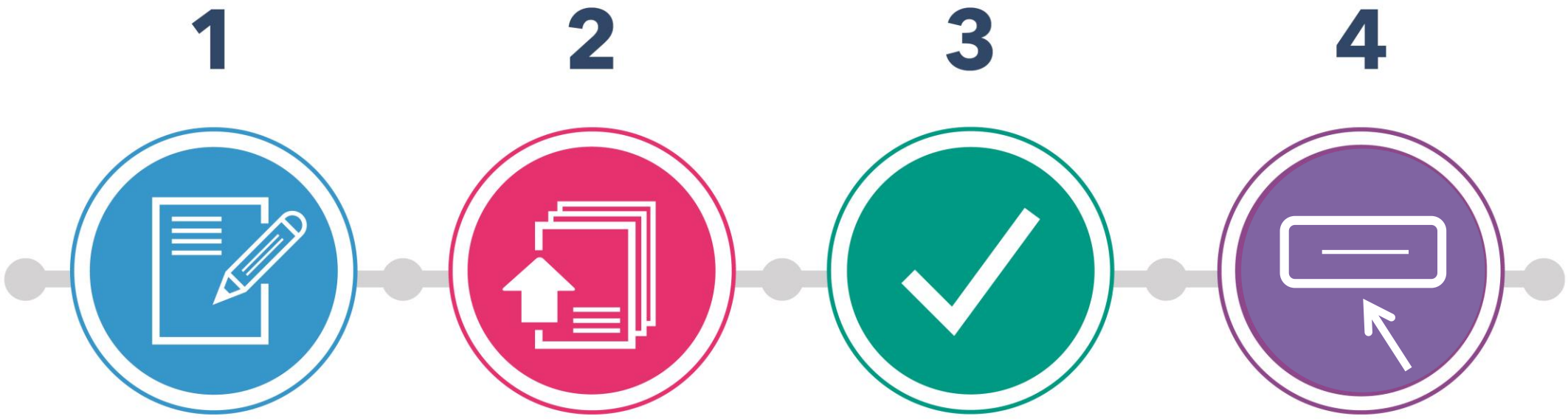
Level of Certification	Points	Certification Intent
A minimum of 90 points is required for certification		
Fitwel ★	90-104	Facility has achieved a basic level of health promotion.
Fitwel ★★	105-124	Facility has achieved an intermediate level of health promotion.
Fitwel ★★★	125 and above	Facility provides an exceptional level of support for health-promoting designs and programs identified by Fitwel. They exemplify best practices that have achieved the highest possible level of support for healthy behaviors.

Fitwel Digital Tool

Fitwel uses a web-based scorecard, featuring each strategy and its associated health impact categories, rationale, and evidence.



Fitwel Certification Process



REGISTER

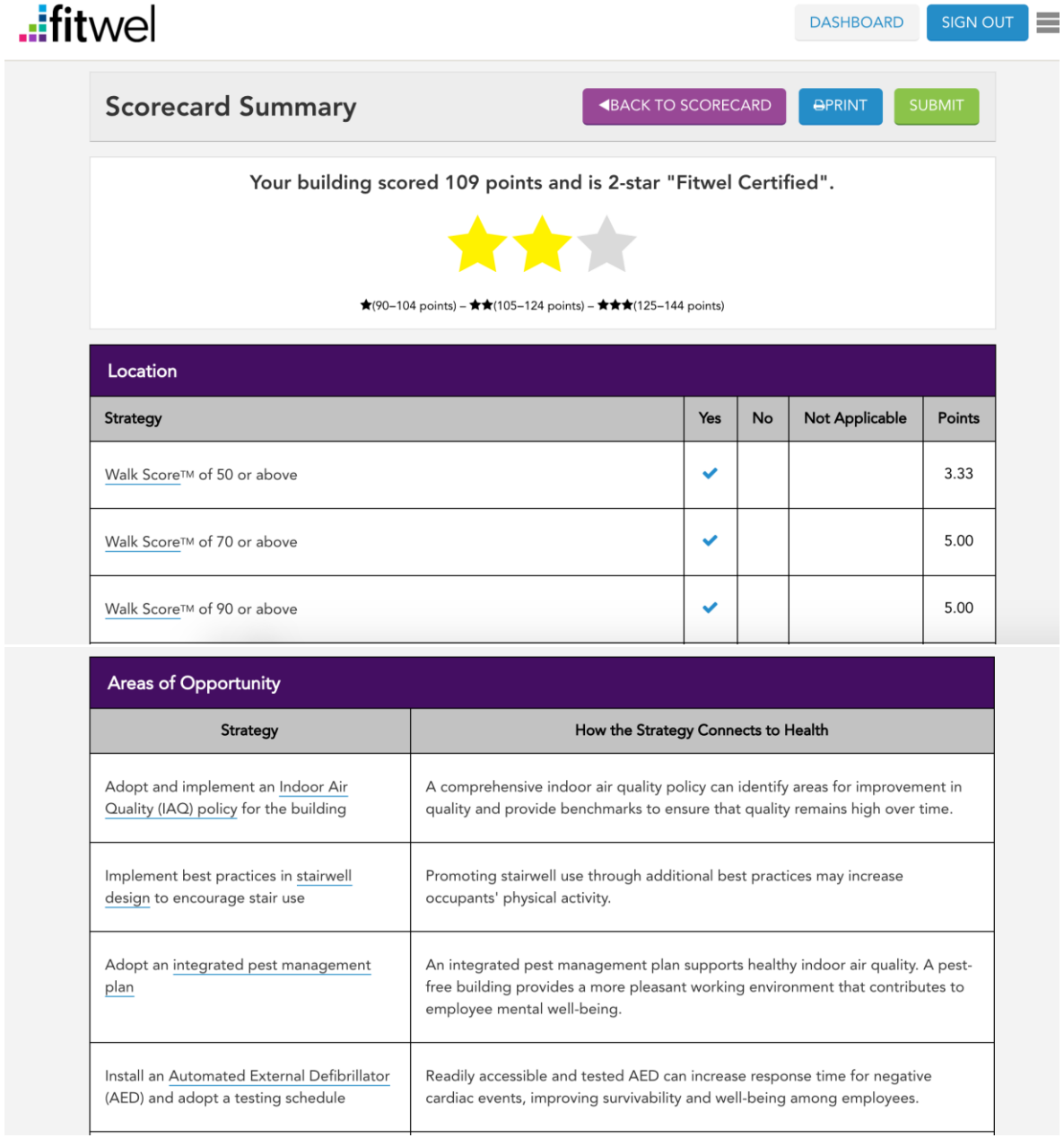
INPUT BUILDING INFORMATION

COMPLETE SCORECARD + UPLOAD VERIFICATION DOCUMENTS

SUBMIT FOR VERIFICATION

Fitwel Digital Tool

The web-based scorecard provides an anticipated Fitwel score, rating, and areas of opportunity for further improvements.



fitwel

DASHBOARD SIGN OUT

Scorecard Summary

◀BACK TO SCORECARD PRINT SUBMIT

Your building scored 109 points and is 2-star "Fitwel Certified".

★(90–104 points) – ★★(105–124 points) – ★★★(125–144 points)

Location

Strategy	Yes	No	Not Applicable	Points
Walk Score™ of 50 or above	✔			3.33
Walk Score™ of 70 or above	✔			5.00
Walk Score™ of 90 or above	✔			5.00

Areas of Opportunity

Strategy	How the Strategy Connects to Health
Adopt and implement an Indoor Air Quality (IAQ) policy for the building	A comprehensive indoor air quality policy can identify areas for improvement in quality and provide benchmarks to ensure that quality remains high over time.
Implement best practices in stairwell design to encourage stair use	Promoting stairwell use through additional best practices may increase occupants' physical activity.
Adopt an integrated pest management plan	An integrated pest management plan supports healthy indoor air quality. A pest-free building provides a more pleasant working environment that contributes to employee mental well-being.
Install an Automated External Defibrillator (AED) and adopt a testing schedule	Readily accessible and tested AED can increase response time for negative cardiac events, improving survivability and well-being among employees.

Fitwel is paving the way by encouraging employers, building owners, and facility managers to prioritize health in their facility investments.

Fitwel Rating: ★★★

Photo credits: Centers for Disease Control and Prevention (Building 106).
Architect: Perkins+Will.

Questions?

Update: News

1. S. SAG \ Council relationships – 1 hour webinars, Working with Electric Utilities on April 27 @ 1 PM Central, (John McGee and Barbara Luna (ex-pres. of utility council) are presenters.
2. How-To Guides (Sr./Emerging author program that Trevor discussed)-listing in EDF publication in March. A new How-to Guide update entitled Global Green Cleaning is now available, free of charge, in IFMA's knowledge library. Click here to download a copy.
3. New IT/Sustainability SAG How-to Guide on IoT. Need potential authors and SMEs.
4. EPA/CEP ENERGY STAR Train-the-Trainer Program scheduled for May on hold until April 26 (new EPA budget on 4/26)
5. IoT Portal Status (Sustainability Channel): The IoT portal grew from 103 to 127 members (currently 143) in March (18.9%). Survey (over 1000 responses) currently being analyzed – will report on in portal (IoT@ifma.org) , eFMJ and in newsletter (sustainability@ifma.org)

Copyright 2014

eFMJ Ed Calendar

Proposed eFMJ Article	2017	FMJ Issue Theme
Work on the Move2: Adding Sustainability to the Transformation of the Workplace (Sanquist)	Jan Feb 2017	Workspace as a Tool
no article	Mar Apr	Optimizing Operations
A Winning Formula: IFMA + CEP Partnership = Energy Efficient Buildings + Healthier Cities (McGee, Zullo)	May/Jun	FM and the Environment
Safety, Security and Risk - #2 Indoor Environment - Employee focus especially in the area of safety	Jul/Aug	Safety, Security and Risk
Wellness Benchmarking and certification systems symphony.chau@centerforactivedesign.org, Ravi Bajaj, rbajaj@healthybuildings.com	Sep/Oct	People, Process, Place -Fitwel/Well
IoT, Analytics, AI and Cloud: Implications Means for CRE/FM and Sustainability (Teicholz/Jaspers)	Nov/Dec	Technology and Next-Generation FM

Ideas for other topics of interest? Potential authors?
(sustainability@ifma.org)

Copyright 2014

Webinar Ed Calendar

2017		
Energy and Water Benchmarking – Bringing financial and sustainability value to your building (Laughman/Zullo)	1/11/2017	64 registrants + Downloads
Working with Electric Utilities: (McGee, Bob and Luna)	Feb	POSTPONED
COUNCIL - Utilities: Working with Electric Utilities	Apr	Barbara Luna, John McGee, Rob Mason
Life Cycle Cost Optimation/S. Purchasing or Train the Trainter (ENERGY STAR) with EPA	May	
COUNCIL - CRE	Jun	
Safety Security Risk: Indoor Environment	Jul	
COUNCIL Corp. Facilities	Aug	
Wellness Benchmarking and certification -Ravi Bajaj, rbajaj@healthybuildings.com	Sep	
COUNCIL - Healthcare Institute	Oct	Fitwel and WELL
IoT, Analytics, Big Data, IFMA Portal	Nov	
COUNCIL - Information Technology	Dec	

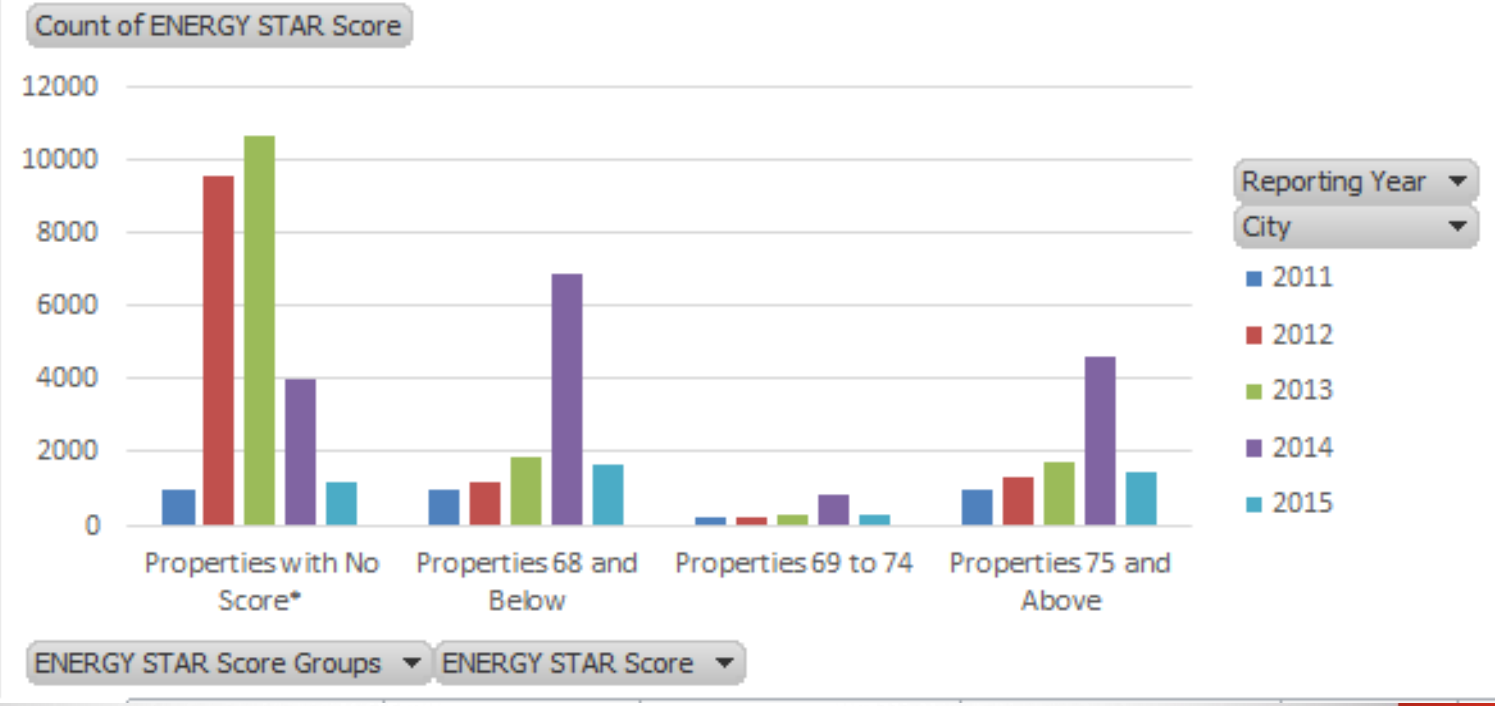
Copyright 2014

CEP/IFMA MOU

original table

Jurisdiction (2014)	Chicago	Philade	Boston	DC	NYC		Total Count	Percentage
Total # of Properties	**243**	**1,152**	**1,347**	**1,498**	**11,804**		**16,044**	
Properties with No Score*	43	453	636	297	5,468		6,897	43
Properties 68 and Below	67	419	300	609	5,140		6,535	41
Properties 69 to 74	31	48	43	89	572		783	5
Properties 75 and Above	102	239	393	503	2,794		4,031	25

*Not applicable, not reported under the law, or building score associated with another property report (e.g. campus)



- Lines c
  data fc
  Intens
- If the E
  entere

Copyright 2014

Upcoming SAG Liaison Calls

- Tuesday, June 27th @ 12 PM CST

ESUS Environmental Stewardship Utilities & Sustainability Community A Community of IFMA
U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

Thank you for joining us today.

Questions? Comments?
Want to get more involved? Email us at sustainability@ifma.org or visit esus.ifma.org.

Contact: Jaclyn Lee
Jaclyn.lee@ifma.org

ESUS Environmental Stewardship Utilities & Sustainability Community
A Community of IFMA

U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy