

Getting to Know the Green Scene

Environmentally conscious initiatives could aid clients on the national and state levels

By **Terri Smith**, associate, Environmental Liability Management Inc.

THE INCREASE IN ENERGY COSTS has impacted consumer spending habits. These costs, as well as the current state of the economy, make the evaluation of green-building initiatives and other energy-saving programs in the redevelopment of real estate a more urgent undertaking.

As a commercial mortgage broker, you not only can turn your borrowers on to innovations in the development process, but you also can help show them how long-term energy expenses could impact their wallets positively.

Many programs and initiatives are available for commercial mortgage borrowers who are seeking a loan for a construction project or who are redeveloping a property. Some of these programs provide power savings, and some provide financial incentives for developers who wish to implement energy efficiencies.

One such initiative, the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification process provides criteria that your clients may wish to consider during the redevelopment process. The LEED green-building program considers five key criteria:

1. **Sustainable site design**
2. **Water conservation and quality**
3. **Energy conservation and renewable energy**
4. **Indoor environmental quality**
5. **Materials and resources**

The four levels of LEED certification, based on the number of criteria met, are certified, silver, gold and platinum. Many developers and

companies use their LEED-certification level as a marketing tool.

It is important to note that the USGBC is evaluating LEED standards to streamline processes and to encourage more usage. The potential revisions should encourage growth in the implementation of energy efficiencies and sustainable elements to help offset cost increases. More information is available at usgbc.org.

In addition to this national program, state green-building initiatives also could be worthwhile for your clients. Many states and communities are encouraging the use of green-building initiatives within their borders. In some instances, new ordinances make it mandatory for new redevelopment efforts to include green-focused initiatives. State legislatures also are introducing bills to encourage people to embrace green-building technologies with financial incentives.

New Jersey, for example, passed a tax-exemption law this past fall for the installation and use of certain renewable-energy systems. In Pennsylvania, Gov. Edward G. Rendell established a \$650 million energy fund to support conservation and the development of renewable energy. This fund also provides some financial incentives for the development of energy-efficient green buildings.

Programs such as these are a sign of the times. Green-building initiatives and energy-efficient strategies are important tools that could help your developer clients. Not only do applying green-building and energy-efficient concepts provide energy and overall cost savings, but they also have

an impact on the overall sustainability of the project.

Redeveloping properties using green-building programs, green technologies and energy-efficiency initiatives, as well as additional programs that are available, is a step toward providing our cities with sustainable attributes for those who live, work and play there. They also can be beneficial to refer to your developer clients, who could return the favor. **■**



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