



LOS ANGELES

444 S. Flower Street, Suite 525
Los Angeles, CA 90071

www.usgbc-la.org

LEED for Existing Buildings Subcommittee

Meeting Minutes for Meeting No.02/2009

Date/Place: June 24th, 2009 – 12:00a.m. -1:30pm PT at 725 South Fig @ E&Y Plaza

Prepared by: Daniele Aquino & Kevin Devine

Next Meeting: 4th Quarter / Date/Location – TBD

FOUNDING PLATINUM SPONSORS

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* Please do not use this contact list to solicit members about products & services. This group is targeted at building owners and managers of commercial office buildings that are implementing Green Operational Programs.

EMERGING GREEN BUILDERS

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Meeting Minutes

1. Intro All

Announcements..... Daniele Aquino

The LEED for Existing Buildings is a subcommittee of the USGBC LA Chapter Market Task Forces Committee.

To manage the working relationships between the national organization and its chapters in an environment of rapid evolution, the USGBC adopted a model called "dynamic governance." Dynamic governance allows the chapters to build on their core values of inclusiveness, while providing a mechanism to keep multiple agenda items at all levels of the organization moving in alignment. As we evolve as a subcommittee we will be slowly implementing some of the USGBC dynamic governance concepts at our meetings.

2. LEED EB v3 2009..... Greg Reitz & Scott Selke

Presentation by Greg Reitz and Scott Selke of RETHink Development

REthink Development is a green real estate developer, owner, and consultant. REthink presented two things to the committee: an analysis of the changes between LEED EBOM and the new LEED EBOM 2009 and their perspective as an owner and investor in buildings about the importance of the LEED EBOM in driving improved asset value. REthink created a conversion tool that will convert a LEED EBOM score quickly to a LEED EBOM 2009 score. They shared their analysis that the difference between the new and previous EBOM version was predominantly in the weighting of points.

The near future of commercial real estate, in their opinion, will rest to a much greater extent in the hands of the facilities manager's ability to achieve green measures and LEED EBOM in their buildings. The increasing default rate and other macro-economic forces will favor buildings that have reduced operational costs and better retention. Both factors are achievable through LEED EBOM certification. Those owners that empower their facilities team to move forward quickly and effectively with LEED EBOM certification will reap the rewards.

3. Roundtable Discussion – “Highlights” All

Commercial Real Estate Finance Subcommittee..... James Finlay

The objective of the Commercial RE & Finance subcommittee is to provide information and outreach for professionals involved in commercial real estate sale and lease transactions. It seeks to answer questions that a buyer and seller might have in a deal involving a high-performance (“green”) property. Stakeholders are: Real estate agents, appraisers, bankers, underwriters, mortgage brokers, lawyers, consultants, etc.

The group will focus on two primary content classes: Market value relating market data & Market value impacting public policy. The group mission & goals will be met via a strong web presence for sharing information, professional networking vehicles and events.



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The finance committee is currently looking for new members. If you know someone at your organization that would be interested in joining please contact James Finlay.

AB811..... Dennis Thurman & James Finlay

Dennis & James mentioned the “On-bill” energy financing programs such as AB 811 that allow cities and counties to create loans to individual property owners which are repaid via their property tax bill. Other on-bill programs are repaid via the utility bill. The key components most often attached to these programs are 100% financing, a repayment amount that is lower than the energy savings and that the debt is not “due on sale” like a mortgage. At sale the debt obligation is automatically shifted to the new owner making it much different than a home equity loan or conventional mortgage. Most tax professionals consider the interest on the payments to be tax deductible. The capital pool to fund on-bill financing was envisioned to come from the high grade municipal bonds formed by pooling this debt. However some legal challenges to the on-bill process have surfaced. As the debt is “contractual and consensual” and superior to a bank’s mortgage in default, there are questions on if a borrower is acting legally without getting a bank’s permission first. Boulder County Colorado has just issued the first public bonds backed by on-bill debt and many other cities are in line to see how this and some other legal snags will work out.

New Green Building Underwriting Standards..... Daniele Aquino

Daniele mentioned the new Green Building Underwriting Standards that were recently approved. The standards are now available from the American National Standards Institute ("ANSI"). The Capital Markets Partnership (“CMP”) completed a set of Green Building Investment Underwriting Standards for commercial and residential application. There is significant tangible financial value inherent to buildings that have achieved the USGBC (“LEED”) certification, EPA ENERGY STAR certification, and/or Climate Neutral Certification – these Standards allow for capital market recognition of that positive valuation impact relative to an asset’s conventionally constructed market group.

USGBC New Occupancy Requirements Dennis Thurman

According to Dennis the USGBC is considering changing the minimum occupancy requirements for EB Certification from 75% to 66% due to the current economic environment.

Brokers & Leasing StakeholdersAll

The group discussed the need to educate the brokerage community & tenants on green buildings and green buildings value. According to most of the meeting attendants this is the last group to get on board with the green building movement. The EB & Finance subcommittees discussed joining forces to work on some educational workshops targeted to these stakeholders group.

4. Closing Remarks.....Daniele Aquino

Thank you for Greg Reitz and Scott Selke of RETHink Development for speaking at our meeting and for all the attendants that participated on this meeting. This group would not be as productive and valuable without the experience and expertise that all of you bring to the table.

Also thank you to Brookfield Properties & Kevin Devine for hosting the meeting and for Andy Rhoades from LEEDing Edge for sponsoring the food.



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Between now and our next meeting we will be looking for speakers to address the requested topics of interest and a meeting host. Suggestions are welcome! We are also looking for volunteers for the EB group to help us with meeting minutes and market outreach programs. We will send a calendar request as soon as the next meeting date, location and speakers are established.

5. Topics for Next Meeting – New ASHRAE Label & Water conservation All

According to Dennis Thurman ASHRAE unveiled the design of a new building energy label. The group expressed interest in learning more about the new ASHRAE label and also some of the new water conservation requirements that are on the works to address our increasingly water resource challenges.

**Check out our LEED for Existing Buildings Networking Groups!
Get Involved! Join Now!**

Professional Network Group on LinkedIn:

<http://www.linkedin.com/groups?gid=1933011>

Green Blogs on Twitter:

<http://twitter.com/LEEDEBOM>

Social Networking Groups on Facebook:

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