

## A Green Building Ordinance for Buffalo

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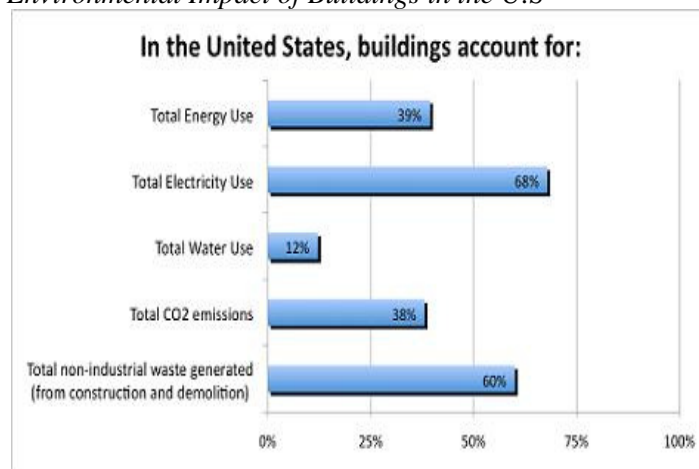
### Brief Summary

All new building projects in the City of Buffalo totaling 5,000 square feet or more, that are city-owned, city-financed, or city/state subsidized should be LEED-Silver certified.

The City of Buffalo should mitigate its contribution to global warming and reduce reliance on energy and natural resources while improving the quality of life of its residents, employees, and visitors.

Multiple federal/state funding incentives and significant tax credits exist for going green.<sup>1</sup> Green building practices are not nebulous, politically correct goals with little visible significance. Nor are they expensive add-ins with little visible return. As many cities have shown, green buildings are valid economic engines that draw people into cities to live and work.

### *Environmental Impact of Buildings in the U.S*



Source: EPA 2004. Note: as of 2006, according to the DOE, total electricity use for buildings is at 74%.<sup>2</sup>

## LEED-Certified Building Projects are a Viable Economic Engine for Buffalo

**In the long run, it's cheaper to go green.** Study after study shows that it's cheaper to build green buildings. Including mechanisms to reduce energy and water consumption into green design offsets most additional costs entailed in achieving LEED certification. The returns for reduced energy use begin immediately and accrue over the life of the building.<sup>3</sup>

**Property values increase.** Green buildings are attractive to those most likely to invest in “move-in” ready building space. According to a recent study in Oregon, green buildings sell more quickly and sell or lease at a higher per square foot rate, even in struggling real estate markets. People most attracted to an urban lifestyle with disposable cash are more likely to seek out not only the practical energy savings of green buildings but the often more aesthetically pleasing features incorporated into green design.<sup>4</sup>

### **Return on investment increases.**

Up-front investments in green design and technology can yield financial paybacks over the life of the building in the form of lower utility bills and reduced operating and maintenance costs. The difference in the value of improvements twenty years later over initial “first costs” can be

significant—even greater than 50%.<sup>5</sup> (See also “Green Building Costs Less Than Conventional Building,” which includes recent data from numerous studies showing that “first costs” for green buildings are not significantly higher than non-green building projects at [http://www.stuartkaplow.com/library3.cfm?article\\_id=173](http://www.stuartkaplow.com/library3.cfm?article_id=173))

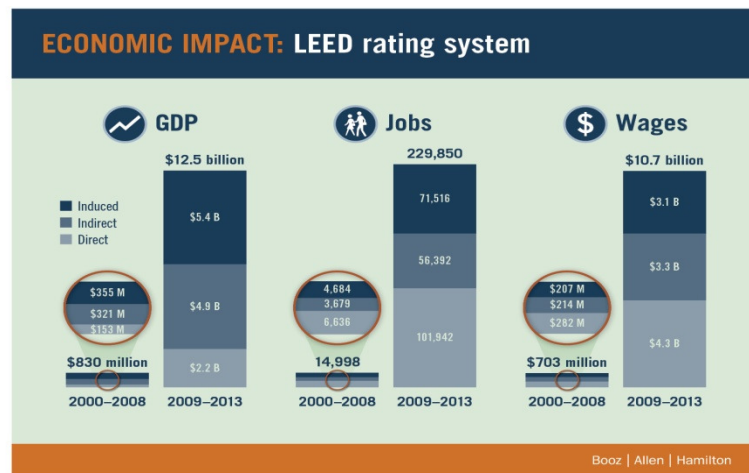
*“All things being equal, if [LEED] is the one thing that you have in addition to what your competition has, you win every time. It's almost like you have another card in your deck.”<sup>1</sup>*

A LEED-developer in Cincinnati on why he chooses to build LEED-certified buildings.)

**Overall health of employees/residents increases.** It's a fact that any improvements in indoor air quality and reductions in indoor toxins result in increases in productivity. Furthermore, improvements in residents' health and satisfaction reduce already

burdened health and litigation systems.<sup>6</sup>

**Overall economic growth.** According to a 2009 study, LEED construction contributed \$703 million in wages, 14,998 jobs, and \$830 million in GDP. From 2009-2013 the projected gains are \$12.5 billion in GDP, 229,850 jobs, and \$10.7 billion in wages.<sup>7</sup> Any gains seen by the City of Buffalo as a result of LEED-construction will in the end result in improved overall quality of life for its citizens and the city itself.



(Slide taken from “Green Building Creates Green Jobs for a Green Economy” at USBG’s website: <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1954>.)

**Rustbelt cities use LEED as an economic engine.**<sup>8</sup> Pittsburgh and Cincinnati are leveraging economic gains from requiring LEED-certified public buildings. Cincinnati city council members unanimously passed all LEED-based building ordinances, a “visionary” act according to some councilmembers and a developer participating in the project. Cincinnati offers significant and long-lasting tax abatement incentive, 75% for 15 years, for those who build LEED-certified buildings; the city only requires the minimum LEED certification to receive the tax abatement. Developers cited that abatement as the primary incentive to build in the city over other areas, but also cited savings in operation and maintenance of LEED buildings as an incentive. Pittsburgh’s city council also unanimously passed its green building ordinance, which stipulates all buildings 10,000 feet and larger and costing \$2 million or more must be LEED

Silver certified.<sup>9</sup>

### **Why LEED Silver?**

LEED Silver certification today is considered a baseline, with many cities choosing Gold or Platinum certification. Many cities choose Silver because it is easier to achieve and less complicated from an administrative point of view.<sup>10</sup> City planners view LEED Silver as an “appropriate means to walk before we start running.”<sup>11</sup>

## **Buffalo Green Building Ordinance**

Sec. 1.0. TITLE: The provisions of Section 1.0 through Section 9.0 shall be known as the “The Buffalo Green Building Ordinance.”

Sec. 2.0. PURPOSE AND INTENT.

- (a) The purpose of this ordinance is to ensure that residents and employees living and working in Buffalo’s city-owned, city-subsidized, and/or publicly funded new buildings of 5,000 square feet or more, shall benefit from pervasive and well-established national and state standards that promote sustainable and environmentally healthy building practices.
- (b) The intent of this ordinance is to mandate green building practices designed to encourage the following: construction of environmentally sustainable municipal buildings; reduction of greenhouse gas emissions to mitigate the impacts of climate change; resource conservation; energy efficiency; and the health and productivity of residents, workers, and visitors to the City of Buffalo.
- (c) The intent of this ordinance is to move Buffalo’s building stock toward practices that improve quality of life, raise the social capital of the city center, and create viable and lasting green jobs.
- (d) Many green jobs will arise within already existing sectors of the building trade. Those jobs require a skilled workforce. The City of Buffalo shall facilitate training pathways in partnership with local unions and contractors so that local residents will more easily gain entrance into a green-skilled workforce.
- (e) A further primary intent of this ordinance is for the owners and occupants of new commercial buildings, offices, mixed-use buildings, and residences to gain the economic benefits of energy and water savings, and the health benefits of good indoor air quality.

(f) The City of Buffalo, through its leadership and appropriate departments, shall commit itself to green building projects and sustainable development and shall through this commitment become a major governmental leader in the region and state in adopting green building mandates that reflect and embrace the unique characteristics of its people and its history, while securing its economic future by actively participating in a well-established, profitable, green economy derived from this initiative.

(g) The city of Buffalo shall secure its future as a regional leader in green building practices and in the creation of a viable green economy derived this initiative.

#### Sec. 3.0. DESIGNATION OF RESPONSIBILITY FOR ADMINISTRATION AND IMPLEMENTATION.

The program shall be administered by the City of Buffalo's Building and Permits and Inspection Services, which shall be responsible for working with all appropriate city departments in the implementation of methods to fund, promote, apply for incentives and for developing any appropriate or necessary application procedures, including but not limited to: the program application form; developing policies and procedures for implementation of the green building program, and providing the certifications for use in the program.

#### Sec. 4.0. GREEN BUILDING STANDARDS.

(a) The program shall require LEED Silver certification standards, developed by the U.S. Green Building Council, for all new city-owned, city-subsidized, or publicly funded buildings that are 5,000 square feet or more.

(b) The City of Buffalo shall adopt and implement year-to-year energy use reduction goals for new government-owned buildings

(c) The City of Buffalo shall develop mechanisms for tracking and reporting its monthly water and energy use for new building projects (potentially this could be done on a public web site) as an incentive to attract and promote the public's support as well as to encourage future green building projects.

(d) This ordinance will apply to any City-owned building and to any building over 5,000 square feet receiving any form of state, local or federal government funding, whether in the form of a grant, loan, tax abatement, or other incentive, which has a value to the recipient of \$100,000 or more.

#### Sec. 5.0. INCENTIVES.

- (a) The program shall include incentives designed to encourage green building projects, including, where feasible and permissible, streamlining and fast-tracking building permit applications based on appropriate site and development plans.
- (b) This program shall develop incentives that reduce fees for certification, building permits, and where possible, contributes funding either through annual rebates or refunds based on each plan's overall contribution to the energy grid and its fulfillment of program goals.
- (c) For example, the City of Buffalo shall provide annual rebates for businesses/building projects that supply 10% or more of their annual energy needs through solar, wind, or other alternative energy means.

#### Sec. 7.0. CERTIFICATION.

LEED certification functions as a qualified third party certification that accounts for meeting benchmarks in energy and water efficiency, indoor air quality, and use of sustainable building materials. For the purpose of this section of the ordinance, "third party" means any person or entity authorized to certify a new building project as LEED Silver according to the requirements of the USGB LEED certification standards.

#### Sec. 8.0. EDUCATION AND TRAINING.

The building inspection department in conjunction with other appropriate departments, and local leaders and experts in green building projects, where possible, shall conduct education and training at least once per year for all interested parties regarding efficient green building practices.

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<sup>1</sup> *Buildings Energy 2009 Databook*, U.S. Department of Energy. Accessed November 17, 2010, at <http://buildingsdatabook.eren.doe.gov/Default.aspx>

<sup>2</sup> *Id.*

<sup>3</sup> *Summary of Government LEED Incentives*, U.S. Green Building Council, March 2009. Accessed Oct. 14, 2010, at <http://www.usgbc.org/ShowFile.aspx?DocumentID=2021>

<sup>4</sup> “According to a study conducted by McGraw-Hill Construction, a building’s value increases by almost 8%, return on investment improves approximately 7% and occupancy ratio and rent ratio increases grow more than 3% when ‘green’ is a part of the equation.

The United States Green Building Council (USGBC) projects that commercial green construction starts will grow approximately 10% in 2010, despite the general decline in construction.” Accessed November 11, 2010, at

<http://www.elephantjournal.com/2009/08/why-lead/>.

<sup>5</sup> “Green Building Creates Green Jobs for a Green Economy.” Accessed Nov. 17, 2010 at <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1954>.

<sup>6</sup> As a guide for the “Policy Rationale” outline I relied heavily on Seattle’s Department of Planning and Development website and article “Why Build Green” at:

<http://www.ci.seattle.wa.us/dpd/GreenBuilding/OurProgram/WhyBuildGreen/default.asp>.

<sup>7</sup> “Green Building Creates Green Jobs for a Green Economy.” Accessed Nov. 17, 2010.

<http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1954>.

<sup>8</sup> *Id.*

<sup>9</sup> “City of Pittsburgh Shows Green Building Leadership Again,” Green Building Alliance, July 21, 2009.

Accessed Nov. 17, 2010, at <http://www.gbapgh.org/Files/PressRelease-SustainableDevelopmentforPubliclyFinancedBuildings.pdf>.

<sup>10</sup> Dennis Boothe, Lori Leonardo, Darren Rowles, “LEED Building Ordinances for Local Governments.” Accessed November 17, 2010, at

<http://www.law.uga.edu/landuseclinic/research/leed.pdf>.

<sup>11</sup> Email exchanges between Donna Budniewski, Will Wright, Director of Government and Public Affairs, American Institute of Architects Los Angeles Chapter, and Deborah Kahen City of Los Angeles, Department of City Planning, Nov. 17-18, 2010.

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