

CITY OF SEATTLE MAYOR'S GREEN BUILDING TASK FORCE
New Buildings Committee Meeting
Thursday, November 13, 2008, 2:00 pm – 5:30 pm
 Seattle Municipal Tower, 700 5th Avenue, Room 1650

MEETING SUMMARY
Prepared by Triangle Associates, Inc.

Attendance

Green Building Task Force				
Last	First	Organization	Committee	In Attendance?
Adelstein	Aaron	Master Builders Association/Built Green	New	✓
Chase	Patricia	International Sustainable Solutions	New	✓
Dinndorf	Jerry	Associated General Contractors	New	<input type="checkbox"/>
Dolwick	Carrie	NW Energy Coalition	New	✓
Drummond	Susan	Foster Pepper, PLLC	New	✓
Dunn	Liz	Dunn+Hobbs	New	telephone
Elwell	Chris	Building Construction Trades Council (BCTC)	New	<input type="checkbox"/>
Frank	Kari-Lynn	NAIOP	New	✓
Frankel	Mark	New Buildings Institute	New	✓
Gregory	Bert	Mithun	New	Rich Franko
Horn	Don	US General Services Administration	New	✓
Howe	Douglas	Touchstone Corporation	New	✓
Jonlin	Duane	NBBJ	New	✓
Lowe	Marco	Triad Development	New	<input type="checkbox"/>
Mann	Kelly	Urban Land Institute - Seattle	New	<input type="checkbox"/>
Marseille	Tom	Stantec Consulting	New	✓
McCumber	Mary	Futurewise	New	<input type="checkbox"/>
McLennan	Jason	Cascadia GBC	New	<input type="checkbox"/>
Mitra	Anindita	American Planning Association	New	<input type="checkbox"/>
Powers	John	Colliers International	New	✓
Pryde	Curt	Pryde-Johnson	New	✓
Purcell	Paul	Beacon Development Group	New	✓
Richmond	Lisa	AIA Seattle	New	<input type="checkbox"/>
Schuster	Mark	The Schuster Group	New	<input type="checkbox"/>
Southard	Patti	King County GreenTools	New	✓
Stolarski	Bob	Puget Sound Energy	New	<input type="checkbox"/>

City of Seattle & Presenters			
Last	First	Department	In Attendance?
Antonoff	Jayson	Seattle DPD	✓
Atwood	Glenn	Seattle City Light	✓
Dobrovolny	Peter	Seattle DPD	✓
Eichel	Amanda	Seattle OSE	✓

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City of Seattle & Presenters			
Last	First	Department	In Attendance?
Gastil	Ray	Seattle DPD	✓
Howard	Sandy	Seattle DPD	✓
Indig	Harry	Seattle DPD	✓
Lail	Jennifer	Seattle DPD	✓
Traxler	Maureen	Seattle DPD	✓

Consultants			
Last	First	Organization	In Attendance?
Blair	Ellen	Triangle Associates	✓
Bonham-Carter	Claire	EDAW	telephone
Kern	Michael	Triangle Associates	✓

General Public (<i>several in attendance, none signed up to speak</i>)			
Last	First	Organization	In Attendance?
Allen	Ellen	University of Washington	✓
Balderston	Tom	Conservation Services Group	✓

Meeting Purpose

The purpose of this meeting was to review all of the policy options that have been presented to the Committee and to get the Committee members' input on preferred packages of policy options.

Welcome and Updates

Facilitator Michael Kern of Triangle Associates reviewed the agenda and noted that there would be time available at the end of the meeting for public comment.

Amanda Eichel, City of Seattle Office of Sustainability and Environment (OSE), distributed a summary of the policy options that the Existing Building Committee had discussed at its meetings. She said that Committee would provide input on preferred packages of policy options at its November 18, 2008 meeting.

Review of Additional Topics and Information Requests

Jayson Antonoff, City of Seattle Department of Planning and Development (DPD), reviewed the four topics that the New Buildings Committee asked to add to its work plan. These topics are as follows:

- Alignment Between City Goals and Existing Codes, Processes/Alternative Technology Review Board
- Continuous Monitoring of Building Performance
- "Beyond the Building Envelope"/District Energy
- Raising Energy Rates Above a Threshold to Encourage Efficiency

Jayson said that City staff will consider how these topics might function as supporting policies in the staff recommendation to the Mayor. He said that these topics will not be considered for recommendation as primary policies for reaching the Mayor's energy efficiency goals.

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Jayson provided the following updates about information requests from the Committee:

- Seattle City Light will provide information by the January 13, 2009 Green Building Task Force meeting about power bought and sold by Seattle City Light and about Seattle City Light rate structures.
- The City will present information at the December 2, 2008 Green Building Task Force meeting about how the City is synchronizing its activities with the Western Climate Initiative, the Governor's Climate Action Team, and Priorities for a Healthy Washington.
- The City will bring to the Committee an idea of what it would cost to have DPD administer green building standards versus the cost of third party certification.
- The City will provide information to the Committee about the volume of permit activity for different sizes of projects (perhaps an estimate based on permit fees).

Review of Policy Options Discussed

Jayson provided a brief review of the four financing and incentive policy options and the three mandate policy options that the City has presented to the Committee. He summarized the input he had heard from the Committee about each policy option as follows:

Green Investment Fund

The Committee said it would take more money than is feasible for this policy option to have a major impact on energy efficiency, although a Green Investment Fund could serve to reward and encourage especially innovative projects.

Green Building Feebate

The Committee liked the reward aspect of a feebate but not the prospect of raising fees for developers. There was discussion of how to craft a revenue-neutral mechanism, but no resolution was reached.

Density Bonus

The Committee was interested in the land use reform aspect of this policy option. The Committee was concerned that a density bonus policy can be applied only in select areas of the City and therefore may not have the reach of other policies. The Committee was also concerned that since the density bonus is already used to support several policy goals, it may not be able to absorb energy efficiency as an additional goal.

"Priority Green" Permitting

The Committee said that expedited permitting with schedule assurances would encourage a great deal of participation in a priority green permitting program.

Green Building Performance Standards

The Committee said that a variety of third party standards would need to be accepted to avoid creating a monopoly for a single third party standard.

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Building Code Updates

The Committee expressed support for building codes that would, in the long term, promote broader sustainability goals rather than focusing exclusively on energy efficiency. However, they cautioned that this as a very significant undertaking, and is probably not the most effective way of meeting the energy goals of this Committee.

Energy Code Updates

The Committee indicated that the current economic downturn is not a good time for Seattle to pursue an energy code model that is fundamentally different than that of the State. The Committee felt Seattle can still take a leadership role while aligning its energy code with that of the State and other regional communities. The Committee does not think it is appropriate to include embodied energy in the energy code at this time. Confirming actual building performance is important to the Committee, but developers should not be held responsible for the behavior of building tenants. Performance based code compliance based on energy modeling should be encouraged to provide developers with flexibility; this could be phased in as a requirement beginning with larger, more complex projects where the cost is not as large a factor.

Discussion - Energy Efficiency Package/Ease of Implementation Package

Jayson presented an analysis of the compatibility of the various policy options with one another and of the costs and potential energy savings of each policy option. He presented a package of policy options that would be easiest to implement and a package of policy options that have the most potential for energy savings. Jayson's PowerPoint presentation is available on the Green Building Task Force website.

Jayson noted that the policy consultant's analysis shows that the City cannot meet its energy efficiency goal with incentives alone.

Committee members commented that there seems to be a linear relationship between cost and potential energy savings that indicates more investment will result in more energy savings. They said this indicates that cost effectiveness is similar for all of the policy options, and they wondered why the policies are rated differently on cost effectiveness.

Committee members expressed interest in gaining a better understanding of anticipated energy efficiency improvements if the City takes no action. They noted that developers are already improving energy efficiency without new policy and despite low energy prices. The Committee felt it would be difficult to identify appropriate policies without understanding current energy efficiency trends.

Committee members said that their preferred policies might differ among single-family residential, smaller commercial, and larger non-residential buildings.

The City asked the Committee to consider the following questions:

1. Do you agree with the aggregate ratings provided for these packages? Should any of the ratings be higher or lower?
2. What about these packages appeals to you and/or the constituencies you represent?

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3. What about these packages does not appeal to you and/or the constituencies you represent?
4. Are there special cases, sectors and/or circumstances that would need to be taken into account in implementing the elements of these packages?
5. What other thoughts, comments and ideas do you have on these packages?

1. Do you agree with the aggregate ratings provided for these packages? Should any of the ratings be higher or lower?

The Committee had several questions about the assumptions underlying each policy option. Claire Bonham-Carter reminded the Committee that the assumptions are spelled out in the policy option scorecards.

Committee members noted that there seems to be inconsistency between the star ratings of cost of policy implementation and the chart showing total cost and energy savings.

Committee members thought substantial funding might become available for a Green Investment Fund from the incoming federal administration. Thus they thought perhaps that policy should be rated higher for potential energy savings.

A Committee member suggested that priority green permitting should be rated higher for economic impact and potential energy savings.

2. What about these packages appeals to you and/or the constituencies you represent?

Maximum energy savings potential options

The Committee is comfortable with the City of Seattle continuing to use ASHRAE standards as a benchmark for its energy code, perhaps pursuing a specific percentage below ASHRAE standards. If the current Washington Climate Action Team's target recommendation of 30% below ASHRAE standards is adopted, this could mean that Seattle's code is in line with state code rather than ahead.

Committee members said a feebate would be useful for encouraging innovation beyond a more stringent energy code.

For smaller developers, Committee members said it is important to have a standardized industry for modeling and to make resources available for measuring actual building performance. They said creating an Alternative Technology Innovation Board would be important to allow useful deviations from code, and that commissioning buildings would be important.

Easiest to implement policies

Committee members felt that the City should implement these easiest policies as soon as possible, especially since policies like energy code updates that might achieve greater energy savings will take longer to implement. They felt that the easier to implement incentives could be viewed as "priming the pump" for more stringent codes in the future.

3. What about these packages does not appeal to you and/or the constituencies you represent?

Easiest to implement policies

As more and more developers are able to take advantage of the easier to implement incentives, Committee members thought the policies would no longer act as incentives. The Committee felt that these policies may be useful for only a few years.

4. Are there special cases, sectors and/or circumstances that would need to be taken into account in implementing the elements of these packages?

Maximum potential energy savings policies

Several Committee members suggested a two tiered code, which would provide the consistency of code but allow for developers who comply with the more stringent code to be rewarded. The stringency of the code could be ratcheted up over time, and the higher tier of code would help developers understand what to expect in the future.

5. What other thoughts, comments and ideas do you have on these packages?

A Committee member wondered how much a code update would cost per dwelling unit and how much it would cost home buyers. The Committee member noted that lower utility costs are important for low income residents but are irrelevant if the purchase price or the rent is prohibitive.

A Committee member pointed out that current analysis shows that codes can achieve only a 30-50% improvement in energy efficiency, at which point energy savings must be captured in building operation. This implies that policies will need to address building operation as well as building design.

The Committee discussed whether it is important to make sure buildings are operated properly. Some Committee members felt that the majority of building owners operate their buildings properly and that it is not worth the effort to improve building operation by the remaining owners. Other Committee member expressed interest in implementing performance metrics and building labeling so owners can understand how efficient their buildings are compared to others. This would provide a starting point for increasing stringency. Jayson said that the Existing Buildings Committee had discussed this topic and that it would be revisited at the December 2, 2008 Green Building Task Force meeting.

Several Committee members commented that any changes that create increases in costs should include a subsidy mechanism for seniors and low income housing, rather than an exemption from compliance with mandates. Reducing operating costs is even more important for low income housing, so these projects should be encouraged to achieve the highest levels of energy efficiency.

A Committee member voiced support for incentives because of their ability to amplify existing trends toward energy efficiency. This member said that mandates and codes can usurp industry momentum, while incentives can potentially get the building community to the energy efficiency goal faster than code or a mandate.

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Dot Exercise/Discussion - Preferred Package

The Committee split into two groups to discuss the policy options and identify preferred policies. Committee members placed dot stickers on large sheets of paper next to their preferred alternatives. The City asked the groups to consider the following questions:

- Which elements from each of these packages would you recommend including in a preferred package, to strike a balance between energy efficiency and ease of implementation (place dots next to preferred policy options)?
- What do the votes indicate about what should be included in a preferred package?
- How likely is it that the preferred package would meet the 2030 Challenge goals?
- If additional policy options are needed to meet the goals, what would you recommend?
- Should policy phasing be part of the preferred package? If so, what should be phased in and when?

Each group reported out on its discussion and on the preferred alternatives its members had identified.

Group 1

Density bonus, priority green permitting, and energy code updates received the most votes in Group 1. The spokesperson for Group 1 said the group was most interested in energy code updates and also thought the City should pursue an Alternative Technology Review Board and alignment of codes and processes with the City's goals. The group agreed that codes should address only the initial design of the building, not how it is operated or maintained. Two group members commented that they would support a Green Investment Fund under certain conditions that they had noted on the sheets of paper.

The group discussed whether it is desirable to adjust energy rates to encourage modification of building operations and the behavior of a building's occupants. This could take the form of either 1) a steeper slope above a threshold (potentially revenue neutral to SCL), to encourage energy conservation, or 2) higher overall rates, to encourage energy conservation and provide funding for other green or energy efficiency programs. Some thought it was the simplest, most straightforward tool for encouraging energy conservation while others expressed concern about the cost to ratepayers.

Group 2

The Group 2 spokesperson said that the group's primary preferred policy was an energy code update that provides performance and prescriptive options. The group recommended a green building feebate to support the energy code and to provide an incentive for particularly innovative projects. The group discussed a feebate system in which only developers who choose to perform below code pay a fee. The group thought that a density bonus would be useful for focusing construction in limited areas and for addressing carbon emissions from transportation.

Group 2 supported creation of an Alternative Technology Review Board to encourage innovation and supported aligning the City of Seattle's code with other cities and region to make it easier for builders to operate in Seattle. Group 2 debated whether it is appropriate to require building commissioning or post occupancy evaluation. One Committee member said that some kind of building commissioning

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would be necessary with a green building feebate policy to prove that the City's investment was justified.

Regarding phasing, Committee members said that phasing would make sense for a performance-based policy but not for a prescriptive policy. Group 1 and Group 2 agreed that it is desirable to include a "reach" concept in the phasing timeline, with incentives designed to pave the way for the next anticipated update of the energy code or other mandates. Both groups were also in agreement regarding the importance of continuously monitoring building performance, starting with reporting and eventually moving toward an enforcement mechanism, if necessary.

Wrap-Up

Public Comment

There was no public comment.

Open Discussion on New Building Issues

There was no discussion of additional new building issues.