

# Making 'Green' Retail Design Worthwhile

Managing a green center is a delicate operation.

BY JAMES T. VIVIANO



Courtesy of Cooper Carry.



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Top:  
A rendering of the Mercato, Naples, Florida.

Bottom:  
An example of a green roof, taken at The Spectrum, Falls Church, Virginia.

The retail industry, having been for so long in the background of sustainable design initiatives, has recently jumped on the green bandwagon. Now of concern are the tenants, operations and managers of these green retail centers. What challenges lie ahead for them?

Due to development factors the retail industry has been slow to embrace sustainable design when compared to other industries. Finally, after lagging behind their peers who have been developing green offices, schools and government buildings for years, the retail industry has gained significant footing in green design. Still, the retail industry has yet to make the noteworthy progress matched by the other development types, particularly as it relates to retail shell design. A key issue holding retail developers back from pursuing more green design has been the end users of their spaces: tenants and store management — will green principles carry past design and construction?

While developers and architects will work together to build a sustainable building, a heavy burden then rests upon tenants and shopping center managers — green practices should continue, and may be more costly upfront; in tenant interior fit-ups, operations, maintenance, cleaning and the offering of recycling programs and other green waste disposal options. The use of appropriate landscaping and controlling water usage while maintaining costs are other examples of daily challenges. Enforcing these practices, while rewarding in the long term, are perceived to take a toll on operations budgets in the short term, making tenants less likely to partake.

## REASONS FOR CHANGE

According to Dougall McCorkle, senior vice president of commercial properties at Naples, Florida-based The Lutgert Companies, the reason for the retail industry's slow take on green design "has been economically driven primarily, and awareness driven secondarily. Both reasons are rapidly dissipating." He adds that "from an energy consumption standpoint, developers in the past haven't had a great incentive to think about alternative energy and usage, largely because energy costs are typically passed through to tenants as CAM payments, or paid directly by the tenants since tenant electrical costs are typically metered directly to them."

Scott Doksansky of Savannah, Georgia-based Melaver, Inc., agrees. "For the most part, the industry has been formulaic." Not only were certification programs like LEED not easy to adapt to a building shell, but, Doksansky comments, "the customer, whether a retailer or consumer, was not demanding 'green.'"

The recent peak of high energy costs and the anticipation that they will rise again in the near future has changed both tenant and developer outlook. McCorkle adds that "High energy costs have changed these sets of rules, and developers will need to help be part of the solution to keep occupancy costs down. At the same time, ten-

ants must realize that the benefit of say, free solar energy comes at great up-front cost to the developer and that investment must be rewarded in order for it to happen.”

“The wedge that may push landlords and tenants closer together faster on the subject of sustainable design is energy savings since there is an obvious shared benefit in reducing costs on energy consumption for both the landlord and the tenant,” says Jason Westrope, Development Manager at Development Management Associates. “For years, some landlords would opt not to sub-meter water use for dry goods tenants or they would allow only electrical heating for tenants. These assumptions should be evaluated now and with each new project to determine the most energy efficient means of delivering heat, cooling, and light to retail spaces, not just the most expedient.”

Tom Gilkeson, director of operations at Forest City Enterprises, says that a green retail center is actually less of an expense than a traditionally built building, in both the short and long term. “High performance green projects and buildings usually equate with the following: lower operating costs, more effective design and a higher quality of construction leading to operating efficiencies and reduction in operating costs.” Gilkeson goes on to explain other positive elements of green retail, and says that “effective retail facility design features increase customer satisfaction with the overall shopping environment.” He notes that green centers offer “a powerful marketing angle and corporate image attractive to customers, a key differentiation factor from competitors who have not built green, and improved employee productivity — better employee retention and better morale equates with better financial results.” Forest City completed its first LEED certified shopping center near Denver at Northfield Stapleton and has completed several others.

As a tangible statistic, Gilkeson states that “as a general rule of thumb, typical reductions in energy operating costs for a sustainably designed building are 25 to 40% when compared to conventional buildings. Energy efficiency is a cornerstone of any sustainable building project and a major benefit for the owner and merchants.”

Forest City uses energy-efficient lighting, large-scale recycling programs, water management, and parks and open space preservation in many of their building designs. And, because Forest City encourages their tenants to uphold their green principles, the company has established a “greenhouse program,” offering tenants advice on sustainability

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An example of native, low maintenance landscaping.



David Arnold

Image of the Shops 600 at Abercorn Common.

and green practices in retail centers. Forest City has also created the Sustainable Building Reference Guide, providing retail tenants with educational materials on green building practices.

Melaver's Construction and Development Services has just launched a LEED consulting service, which helps clients navigate through LEED data and criteria and the USGBC system, with the ultimate goal of

certification. Sustainable projects are all that Melaver does, and the company has chosen LEED certification as their third-party standard. However, Doksansky feels that "definitions of going green will differ." He adds that "building codes are changing, expectations of retail tenants are changing and consumers are becoming more aware. There will be a time in the very near future when developers will have no choice."

#### MAKING 'GREEN' WORTHWHILE

In order for green design in retail centers to be worthwhile, both in a profit and environmental sense, developers and retailers have to work together. Encouraging Tenants to embrace green building technologies and to address the unique challenges and opportunities is vital to the

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Jim Roof Creative (jimroofcreative.com)

An example of recycled carpeting at the recently renovated Avenues Mall in Jacksonville, Florida.

sustainable building process. "The key again is to move landlord and tenant objectives closer together through education and leadership — not through edict," says Westrope. Developers leave much of the interior fit-up to their tenants, and increased regulation concerning approved finishes and lighting on the part of the developer can cause tension, often putting these two groups at odds.

On the management side of a green retail facility, Gilkeson says that "managing a green center demands that our staffs are knowledgeable in areas that a non green center would not have to be." He adds that "such factors include green cleaning, low VOC paints, landscaping, irrigation and recycling without contamination." As the industry becomes more competitive and consumers become more concerned about the impact to the environment, using green cleaning products is advantageous. "The increased use of green cleaning products is one of the biggest growth areas in the cleaning industry. Green cleaning products are now competitive in price to standard products and in some cases the pricing is cost neutral."

As the demand for energy and natural resources continues to increase, sustainable design and green building principles are tools the development industry will use to satisfy the growing concerns of the communities they help create, and the tenants who use their buildings. By choosing energy efficient, sustainable buildings, retailers not only benefit financially, but also have the added benefit of improving their ecological image. This new, eco-friendly approach is already proving to pay dividends for some retailers and developers who use it in marketing and publicity campaigns to attract high-profile tenants and eco-conscious customers. Additional costs for green cleaning supplies and waste disposal programs may be more upfront, but are offset over time through energy savings and positive exposure to customers. Although it may still take more time before the entire retail world adopts green design, the reasons to take steps toward sustainability are mounting to a point where they can't afford to be ignored any longer. **RFB**

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An example of a green roof at the  
Medical College of Georgia.



Dave Dawson Photography (dawsonphoto.net).

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