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A carrot-and-stick approach

Charlotte Business Journal - by [Bea Quirk](#) Contributing writer

Mecklenburg County has offered rebates since December on building permits for projects that comply with Leadership in Energy and Environmental Design standards. That's local government's carrot to encourage green construction. The stick may be coming one day soon, too.

Some cities across the country are taking steps to integrate green standards into their building codes. Washington, Boston, Los Angeles and Dallas have introduced programs during the last two years that require buildings to meet LEED standards, although they don't require certification.

These programs put a burden on the cities to inspect the structures to determine compliance. That has made the review process more complicated and created financial challenges as well.

Those problems are limiting wider acceptance of LEED standards in building codes. Jim Bartl, Mecklenburg's director of code enforcement, says many municipalities are waiting for the creation of national standards, a project the [American Institute of Architects](#) is addressing. Bartl, an AIA member, serves on a committee developing minimal standards that would be written into the International Building Code. That's the set of standards used by most enforcement agencies across the country. That's where he is focusing his energy, rather than trying to change state and local codes.

"Architects are concerned that if we don't do something on the national level, we'll have a big alphabet soup, with every community doing something different and with a wide array of different sets of criteria," Bartl says.

Other requirements are standardized through the International Building Code, which allows architects to design and engineer buildings the same way across the nation.

Bartl estimates it will be mid-2010 before the AIA committee's work is completed and even longer until the standards are adopted at the state level. But once developed at the national level, local agencies have the freedom to enforce code changes even before states adopt them.

The prospects of mandatory compliance with green standards has some developers worried.

Chris Daly, a partner at [Childress Klein Properties](#) who oversees industrial development, is concerned the new regulations could lack clarity. "Developers already have hair-pulling experiences getting through the permitting process because the regs are wide open to interpretation," he says. "I would want an agreement on what constitutes compliance upfront instead of going into a black hole of interpretations."

Daly has earned accredited-professional status under the LEED program. But he doesn't want to see mandated compliance with the standards.

"If the goal is to make buildings carbon-neutral, don't punish developers of new buildings by putting it all on their shoulders," he says. "The people who drive to the building are culpable, too. If the country thinks carbon neutrality is important, it should offer tax incentives."

Meanwhile, Mecklenburg's carrot — the rebates on permit costs for LEED buildings — is not seeing as much use as anticipated. When the Mecklenburg Board of County Commissioners approved the plan in December, the county was the first in the state to offer such a program.

The rebates range from 10% to 25%, depending on the level of LEED certification a building achieves.

An owner gets 10% of the permit fees refunded for basic certification, 15% for silver, 20% for gold and 25% for platinum, with maximum amounts ranging from \$50,000 to \$100,000. The Green Globes, a Canadian program also used in the United States, also has four certification levels; the rebates under its guidelines are the same as for LEED.

County code enforcement officials, who administer the program, point with pride to the cutting-edge approach. But by late October, there were just nine applications for the rebates, and no one had received a check. Code enforcement had budgeted \$1.15 million for the program for its first year.

A review of the [U.S. Green Building Council](#) Web site in late October showed 65 projects in Charlotte registered for LEED certification. Most appear eligible for the rebate.

"We're still learning," says Heidi Pruess, the county's environmental policy administrator. "We got industry input during the public-comment phase and did a press release when the rebate went into effect. Apparently, we need to reach out more."

The slow start may be inherent in the program's rules. An owner may apply for the rebate at any time during construction as long as the request is made before the county issues a certificate of occupancy. Pruess says the rules prevent owners of completed buildings from qualifying. So there is no way of knowing whether — or when — owners of projects under way will apply.

The county will award a rebate only after a building has been certified. The rebate ordinance has been written to include other certification programs as

they are developed, but it currently covers only those from LEED and Green Globes. Pruess says when national certifications are developed for residential buildings, they will be included.

Getting LEED certification through the U.S. Green Building Council can be a slow process. [Bissell Development](#) expects about a one-year wait for gold-level certification for three office buildings in its Ballantyne Corporate Park.

“Then we’ll see how quickly the rebate gets turned around — that’ll be key,” says Clifton Coble, Bissell Development president.

So far, he says, the county’s process has been easy to follow, adding, “The application form was a piece of cake.”

Coble learned of the program through a blast e-mail from code enforcement early this year. He attended a meeting where local officials explained the rebate process and answered questions.

The county had to make it clear that only owners — not contractors — can apply for the rebate. Owners make the investment in LEED construction, so they should be the ones to benefit from the rebate, Pruess says.

The county chose an optional rebate program because “the less regulations the better,” she says. “We want to get folks to understand the efficiencies of green and to increase their awareness. We wanted to make the rebates significant enough so they would change their minds about building sustainability.”

Says Coble: “It’s absolutely an incentive. LEED does cost extra — more than people think — and so any savings is nice. It definitely helps.”

Childress Klein’s Daly says the program might not be generous enough to encourage participation. “If I have to spend \$20,000 for a LEED consultant to get back a \$3,000 rebate, it’s not much of an incentive. I’d prefer something along the lines of getting an expedited review process for building green or LEED,” he says.

Bartl says the review process runs efficiently enough so that an expedited process wouldn’t work as an incentive. He knows LEED certification imposes administrative costs for developers. But by using certification as a basis for the rebate, the county doesn’t face the expense of doing its own verification. “And we were looking for a program with no administrative costs,” he adds.

The rebate program required legislation from the General Assembly. Initially, it was worded to just give Mecklenburg the authority, but was expanded to include any city or county in the state. Bartl isn’t aware of any other N.C. municipality pursuing it.

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