
CRAIN'S **CLEVELAND** **BUSINESS**

GOING GREEN

Developers build on trend as tenant interest grows

New projects have eco-friendly components

By **STAN BULLARD**

4:30 am, May 26, 2008

Multiple buildings in the proposed Flats East Bank Neighborhood mixed-use project will have green roofs. Contractors tearing down existing buildings to clear the Old River Road site for the project are required to recycle at least half the debris, from steel to bricks, to keep it from going into landfills.

At the Idea Center, the multimillion-dollar home for tech companies and the ideastream WCPN and WVIZ public broadcasting stations at 1375 Euclid Ave. in Cleveland's Theater District, the roof is white to reduce cooling costs in the summer.

Although the building and design community have had a long- blooming love affair with green environmental practices, rising tenant demand for green measures is spreading the ardor for them to commercial real estate developers and property owners.

"With tenants of any stature and size, green is an issue they care about," said George Hutchinson, CEO of corporate realty consultants Allegro Realty Advisors of Valley View. "Green requirements have increased exponentially."

For example, two local firms that Allegro has as clients require new buildings adhere to green standards anywhere in the nation. Mr. Hutchinson declined to identify the firms beyond saying they are *Fortune* 500 and 1000 ranked.

"It's just what they do," he said. "They will do green."

Concrete examples

As a sign of that growing green determination, there are green aspects to some of the biggest office deals struck or pending downtown this year.

Jim Turley, global chairman and chief executive of Ernst & Young LLP, said meeting green requirements was part of the evaluation that prompted the firm to announce earlier this month it would move its 1,200-person Northeast Ohio practice to an office tower at the Flats East Bank Neighborhood from the Huntington Building.

"We have a major focus on green issues in all of our procurements," Mr. Turley said.

Plans by Wolstein Group of Beachwood and Fairmount Properties of Cleveland call for the 10 buildings in the project north of Main Avenue and west of West Ninth Street to become LEED certified. LEED stands for Leadership in Energy and Environmental Design, a voluntary set of standards for rating buildings on sustainability issues set by the U.S. Green Building Council.

The Flats East Bank is a pilot LEED neighborhood project, which puts it at the forefront as the U.S. Green Building

Coalition sets standards for designing new neighborhoods with green standards.

Flats East Bank Neighborhood developers Wolstein Group and Fairmount Properties of Cleveland are not alone in planning for LEED-certified buildings downtown.

Doug Price, CEO of Willoughby-based K&D Group, said his company is planning the office tower proposed for part of the former Ameritrust headquarters site to meet green standards.

"It's really big, and it's going to get bigger," Mr. Price said of the green trend. "Being green is all my 13-year-old daughter talks about. It's the smart thing to do from the energy standpoint." A spokesman for Robert L. Stark Enterprises of Cleveland said it also plans for its downtown project near Public Square to meet green standards.

Meantime, the largest office lease consummated so far this year downtown is for the Higbee Building, which is undergoing a LEED-registered renovation by Forest City Enterprises Inc. of Cleveland. KeyCorp has leased three floors of the 14-story former department store, 221,000 square feet of office space, for 1,000 employees in its technology, software development and real estate operations now housed at the May Co.

Jon Ratner, Forest City's vice president for sustainability initiatives, said Higbee fits the big developer's guiding values to incorporate green or sustainable practices in its projects and its own operations.

Higbee qualifies for LEED standards because renovating an existing building, Mr. Ratner said, "is the most sustainable thing you can do as opposed to building new." Forest City, he said, is investigating options at Higbee for onsite generation of renewable energy, such as solar electric generation or solar thermal hot water on the roof.

"A win for everybody"

KeyCorp spokesman Bill Murschel said the financial concern is dedicated to making its operations green, as it proved by getting its own technology and operations center on Tiedeman Road in Brooklyn LEED-certified in 2005.

"Green-certified buildings are a win for everybody," said Mr. Murschel, whose company is set to occupy space in the Higbee building in January 2010. "Our employees are assured that their working environment is healthy. Green-certified buildings are less expensive to operate. And they use our resources more efficiently, which conserves natural resources."

Realty owners and operators repeatedly say they pursue LEED because it is the right thing to do, rather than meeting tenant requirements.

"At the end of the day," Mr. Ratner said, "people realize it's not about a gimmick or economic benefit, but about operating in a healthier environment, a more productive environment. These are very real, tangible bottom line decisions any CEO and CFO would have to realize."

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