

Special Salute:

The First 100 Energy Star Buildings

The first 100 recipients of the Energy Star Label for Buildings were honored recently at Four Times Square. The underlying theme? The real estate industry has risen to the challenge of making buildings more energy efficient.

AN E&EM REPORT

The first 100 recipients of the Environmental Protection Agency's (EPA's) Energy Star Label for Buildings were honored at a ceremony at the Real Estate Roundtable, part of "A Celebration of Energy Star," held on March 28, 2000. The event took place at Four Times Square in New York City, home of NASDAQ. **E&EM** joins EPA in saluting these award winners, and here we present excerpts from the event.

The presentation was moderated by Roger Platt, Counsel of the Real Estate Roundtable, which was a co-sponsor of the event together with the Durst Organization, EPA, and the U.S. Department of Energy (DOE). Speakers included:

Robert Larson — Chair, Lazard Freres Real Estate Investors

Douglas Durst — Owner, Four Times Square

T.J. Gauthier — Deputy Secretary of Energy

Carol Browner — Administrator, Environmental Protection Agency (EPA).

LARSON (Lazard Freres Real Estate Investors): Today is a landmark occasion because it's an indication of where we're going as an industry and as a country. As we salute the first 100 buildings to receive the government's highest symbol of excellence for energy and environmental performance, the Energy Star Building Label, there's no ques-



Editor's Note: For a closer look at one of the first 100 buildings honored at this event, see the article by Jim Green, regional manager, engineering services for Hines, which begins on page 22.

For more information about the Energy Star Label for Buildings Program, call 1-888-STAR-YES, or visit www.epa.gov/energystar

tion that the U.S. EPA and DOE have played an important role in encouraging this kind of innovative investment in our buildings. And from my perspective, it's only the beginning of what I believe will continue to be a most productive and most appropriate public-private partnership.

In a number of ways it's particularly fitting that we're here at Four Times Square, a world-recognized green building and the new home of high-tech NASDAQ. With a new generation of technically and technologically sophisticated buildings such as this, I believe the real estate industry is clearly demonstrating that it intends to be just as much a part of the new economy as it has historically been a part of the old.

The design and financial-modeling tools DOE and EPA have developed to assist owners build and manage green buildings are important. They can help users identify the bottom-line implications and return on investment that result from incorporating energy-efficient technology in buildings.

Real estate developers and owners historically thrive on challenges, and it was precisely that kind of challenge we got two years ago. First, the Administration challenged us to find ways to develop and manage buildings that perform at peak energy ef-



From left to right: Carol Browner, Doug Walker, Dale Gustavson, Harry Kauffman, and T.J. Glauthier.

During his presentation at this event, Larson announced a "special guest" in a special category: *E&M* Editorial Advisor Harry Kauffman, worldwide energy manager, Johnson & Johnson (see his article in this issue on p. 46).

Johnson & Johnson was named the 2000 Energy Star Building Partner of the Year in the owner-occupied category of energy-efficient, environmentally-responsible buildings.

Also present were *E&M* Editorial Director Dale Gustavson and Editorial Advisor Doug Walker, Harwood Management Services. Harwood received the first Energy Star Label in the state of Texas in 1999 for its Centex Building project (for more information, see *E&M*, Summer 1999, p. 19).

efficiency and at the same time create healthier indoor air environments. Later that year, then Energy Secretary Federico Pena, at a meeting with a number of industry leaders in Washington, translated that challenge into very specific terms for our industry.

Only two years later, I'm pleased to report the industry has risen to the challenge, thanks in no small part to its ability to leverage the Energy Star initiative. Over 200 buildings have earned the Energy Star Building Label so far. They're owned by some of the most innovative companies in our industry, such as Amerimar, Arden Douglas Emmitt & Company, Equity Office Properties, Harwood, Hines, Mack-Cali Realty, Prentiss, and the Durst Organization.

They're all superb companies, but what's really important is their commitment to this initiative. Not surprisingly, it's indicative of their broader commitment to improving their buildings' financial performance and tenant satisfaction, and as a result, combining environmental responsibility with enhanced asset valuation.

Together, Equity Office and Arden Realty own more than one-third of the first 150 buildings that have qualified for the Energy Star Building Label. Arden is the largest owner of commercial office buildings in

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Southern California, while Equity Office has become the largest office building owner and manager in the country. When companies like Arden and Equity Office get involved in a program like this, you not only know it's for real, but you also know that we're in the process of setting a new competitive standard for the entire industry.

The most important consequence of this historic partnership, in my opinion, is market transformation. I believe that tenants, lenders, investors, and communities will increasingly value, and therefore increasingly demand, the energy-efficient and environmentally sound technologies that characterize the buildings that qualify for the Energy Star Building Label.

DURST (Durst Organization): Everyone at the Durst Organization is especially proud to be a recipient of an Energy Star Building Label for our building at

1133 Avenue of the Americas. This award recognizes our commitment to making our buildings not just energy efficient, but better places for our tenants to work in. It is highly appropriate that this Energy Star Salute is taking place here at Four Times Square, an environmentally-responsible and financially successful office building.

At the same time, I know that there are even greater opportunities for our next pro-

ject to surpass the benchmark set by Four Times Square. I'd like to thank the EPA and the Department of Energy for all the help they gave us in making this building at Four Times Square what it is today.

GLAUTHIER (DOE): DOE and EPA have established the Energy Star program as the symbol of energy efficiency. Working with the private sector in organizations such as the Real Estate Roundtable, we've shown that Energy Star is a winning program. It's good for the environment, good for consumers, and good for investors.

Four Times Square is a special building. It contains the next generation of technologies that save energy and money, as well as increase worker productivity. Importantly, buildings like this are more reliable and less vulnerable to power outages.

Mr. Durst, you've set a good example with this Four Times Square building that contains solar panels on the upper floors, fuel cells on the fourth floor, and a dozen other energy-saving technologies that will reduce your building's energy use 30 to 40% below the standard for other buildings.

DOE is proud to work with the industry in our national laboratories to help sponsor the research and development that spawn these new technologies. And with EPA, we're proud to be partners with you to make this the first green giant standing tall in the canyons of New York City. We look forward to watching it operate for the next year, get the audited energy performance that we expect, and earn the Energy Star Building Label.

For building owners, the Energy Star Building Label is a proud badge of leadership in pollution prevention and fiscal intelligence. To investors, it signals an organization that's capitalizing on an extraordinary opportunity to improve operating income and the bottom line. Savings over the next 15 years for all current Energy Star Buildings has added \$2.5 billion in net present value to those investors! And for people who occupy these buildings, it's the label of a building that is more comfortable, more advanced, and a symbol of the future.

BROWNER (EPA): It's a pleasure to be here among people who are giving new hope to all who believe in a brighter and cleaner tomorrow. Energy Stars are pathfinders, mapping new terrain, showing the rest of us the way. You are constructing more than energy-efficient buildings, you are constructing the future. A future in which respect for the environment shares equal footing with aesthetic demands and fiscal constraints.

The Energy Star Building designation is much more than just a label. It is a badge of honor and a mark of excellence. It is testimony to the power of the public-private partnerships that are flourishing. And above all else, Energy Star recognition is a tribute to people, their commitment, and even more so to their leadership and future work.

More than 5,000 companies and organizations have now signaled their commitment to improve energy efficiency in buildings across this country. These buildings, taken together, account for more than 10 billion square feet of space. In less than two years, energy performance has become an important benchmark in the commercial real estate industry. All of these energy-conserving efforts are *literally* paying off.

Commercial real estate firms that meet the energy-performance benchmarks are adding billions to their value. The numbers help demonstrate that protecting our environment and promoting our economy are goals that are achieved together. Some used to say that Americans had to choose between a safe or healthy economy. In fact, the American people knew better.

When EPA and DOE enter partnerships with more than 5,000 companies, and when these businesses are poised to save billions of dollars on energy bills during the next decade, that's good for the environment, and it is good for the bottom line.

If all building owners followed the example of those who have already achieved the Energy Star Building Label, we would reduce our nation's energy bill more than \$130 billion over just 15 years. In New York alone, investments already made through the Energy Star program will prevent over 38 billion pounds of carbon dioxide.

These are big numbers. What do they mean? That we're not just saving money, we're reducing pollution. We're protecting the environment. We're acting responsibly.

Our nation is learning that investment in energy-efficient technology is an investment in the future. The buildings that have earned the Energy Star Building Label are more than just "buildings." They are *monuments* to efficiency and cost-effectiveness, to public-private collaboration, and to the ideal of shared responsibility. They are monuments above all to the progress that is possible when we pledge ourselves to excellence rather than expediency, and to the public good that comes when committed leaders and inspired entrepreneurs work together. For your work, for your construction of these magnificent monuments, let me congratulate you again, and let me thank you. ■■■