

**EXECUTIVE ORDER
(Amended)**

EFFECTIVE DATE: **January 19, 2006**

SUBJECT: **REQUIRING ALL PUBLIC BUILDINGS, OWNED AND CONTROLLED BY SALT LAKE CITY CORPORATION, TO BE BUILT OR RENOVATED USING THE U.S. GREEN BUILDING COUNCIL LEADERSHIP IN ENERGY AND ENVIRONMENT DESIGN (LEED) STANDARDS**

DISTRIBUTION: **ALL DEPARTMENTS**

**AUTHORITY
SIGNATURE:**


ROSS C. ANDERSON, MAYOR

1-19-06
DATE

Background:

On July 8, 2005, an Executive Order was executed requiring all public buildings, owned and controlled by Salt Lake City Corporation to be built or renovated using the U.S. Green Building Council Leadership in Energy and Environment Design (LEED) standards at the “Certified” level. Certification at the LEED “Silver” level, at a minimum, would best promote the goals of the Executive Order. Accordingly, the July 8, 2005 Executive Order is amended to read as follows:

Introduction: ‘What is LEED?’

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System is a voluntary, consensus-based, market-driven, high performance building rating system developed by the U.S. Green Building Council (“USGBC”). It was created to provide a national standard for healthy environmental and energy efficient design of buildings. The USGBC is a 700+ membership organization of architects, builders, manufacturers, developers, and federal,

state, and local governments. Salt Lake City (the “City”) became a member of the USGBC in October of 2003.

The LEED rating system is based on existing, proven technology and evaluates environmental performance from a “whole building” perspective. Building projects using LEED seek to achieve a level of Certified, Silver, Gold, or Platinum, based on implementation of a range of activities and achievement of point credits within the following categories: Sustainable Sites (14 total points achievable), Energy and Atmosphere (17 points), Water Efficiency (5 points), Materials and Resources (13 points), and Indoor Environmental Quality (15 points). An additional 5 points could be awarded for Innovation and the Design Process. Award levels are based on the number of points achieved:

LEED Certified: 26-32 points
LEED Silver: 33-38 points
LEED Gold: 39-51 points
LEED Platinum: 52-69 points

LEED certification at any level can increase the initial cost of building from an estimated 1-10% or greater, but can also be accomplished with no additional cost. Over the long-term, LEED certified design saves significant amounts in energy and maintenance costs.

Various stakeholders worked with the City extensively to review the LEED guidelines. The stakeholder group included architects, planners, environmental consultants, professors, political leaders, energy experts, health officials, and City staff members. LEED is widely accepted as the standard for high performance building among these groups. Professionals in our region are familiar with the LEED process and look to the USGBC to maintain the dynamic nature of this process. LEED also provides national recognition for local projects.

Purpose:

The City has determined that building cost-efficient, high performance buildings is in the best interest of the City. The purpose of this Executive Order, therefore, is to adhere to cost-efficient building practices to the extent practicable.

Requirement:

It is the requirement of this Executive Order that, in order to obtain the benefit of reduced operating and maintenance costs and other building efficiencies, as well as cost-saving healthy environmental practices, the City will endeavor to apply the LEED guidelines to City construction to the extent practicable, and will design and construct facilities that will qualify for a LEED rating of at least a “Silver” level. Because LEED certification can provide significant savings beyond any initial incremental construction cost increase, the City finds that endeavoring to achieve LEED certification is in the best interest of the City.

1. LEED Will Promote Overall Economy and Best Use For the Purposes Intended:

Salt Lake City Code Section 3.24.080 requires that the City “promote overall economy and best use for the purposes intended” Salt Lake City Code § 3.24.080(C). Available data support that it is in the City’s best economic interest to adhere to at least the LEED guidelines for “Silver” certification.

For example, a brochure published by the U.S. Green Building Council explains:

· S.C. Johnson’s Worldwide Headquarters in Racine, WI, incorporates green features such as personal environmental systems, a restored natural site and extensive daylighting, at a cost 10 – 15% below the U.S. average for comparable office and laboratory space. Even for projects fully loaded with high-value features, higher first costs are often recovered within the first three to five years through lower operating expenses and utility rebates for energy-saving equipment.

· Pennsylvania government officials projected potential savings of \$843,750 over the life of their new LEED Gold Certified Cambria office building through flexible design technology, such as under-floor air distribution and cable systems that cut average relocation cost by 90%.

· Herman Miller's new MarketPlace provides \$6 million in savings over what the company would have paid in a conventional 100,000-square-foot leased space. Estimated savings over the seven-year lease include a 33% reduction in building costs, a 41% cut in operation costs, and a 66% reduction in churn-related costs, resulting in total estimated operating costs savings of \$1.58 per square foot.

U.S. Green Building Council, "Making the Business Case for High Performance Green Buildings" at 1, 6.

The Nation's Cities Weekly also reports that "[t]he California State and Consumer Services Agency, in a study of 33 green buildings, concluded that their construction costs are slightly more expensive- \$3 to \$5 a square foot, or 2% - than conventional structures. But a big difference emerged when the agency factored in reduced costs for energy, water, and waste-disposal, plus enhanced employee health and productivity. The estimate: \$50 to \$75 per square foot savings over the average 20-year life of a building – more than 10 times the 2% cost premium for green buildings." Nation's Cities Weekly, "'Green' Sounds Great – But is it Affordable?" at 2 (July 12, 2004).

2. Other Cost Savings City Projects Support Adhering to LEED

By way of analogy, the City's annual cost savings as a result of converting interior and exterior light fixtures and bulbs to more energy efficient models at the City and County Building supports adhering to the LEED guidelines. The City's estimated annual savings for implementing these changes is \$33,367.25 (of which \$12,402 is reinvested in wind power).

In addition, engineers for the City's intermodal hub indicate that a LEED certified building averages 20-25% in energy savings over standard construction. In the case of the City's

hub, this would mean a 10-year payback for the extra cost of constructing a LEED certified building.

3. The Overall Picture

Implementing LEED guidelines can increase initial construction costs, but data indicates that the return over time can significantly exceed the initial investment. By endeavoring to apply LEED guidelines, the City is promoting the overall economy and best use for the purposes intended, which is consistent with Section 3.24.080 of the Salt Lake City Code. See id. Accordingly, to the extent explained herein, this Executive Order encourages compliance with the LEED guidelines as set forth by the USGBC, and as may be subsequently revised.

Application:

This Executive Order applies to the following construction projects when the project's design contract is first solicited after the date of this Order, except as exempted or waived under this Order:

All new construction to construct buildings owned and controlled by the City that are larger than 10,000 square feet.

All major renovations of buildings owned and controlled by the City that are larger than 10,000 square feet when the building has a remaining useful life in excess of fifteen years. The term "major renovation" means a construction project affecting more than 25% of the building's square footage.

Exemptions:

This Executive Order will not apply to the following, and City departments will document the reason for the exemption:

Any improvement that is not a building.

Buildings that will not be occupied, or that serve specialized functions (including pump stations, garages, storage buildings, equipment areas, etc.)

Projects where the useful life of an improvement or other factors do not justify whatever additional expense would be incurred to increase a building's long-term efficiency.

Projects where the application of LEED factors will increase construction costs beyond the City's funding capacity for the project.

Projects where the use of LEED factors will create an impediment to construction due to conflicts of laws, building code requirements, federal or state grant funding requirements, or other similar requirements.

Projects where LEED factors are not attainable due to the nature of the facilities or the schedule for construction.

In addition to the exemptions stated above, particular LEED factors shall not prevail over any prohibition in Title 18 of the Salt Lake City Code.

The documentation for any of the above exemptions shall be maintained in the project file of the Department with a copy to the Mayor.

Waivers:

The requirements of this Executive Order may be waived or modified by the Mayor, with the advice of a City Procurement Official, as defined by Section 3.24.030 of the Salt Lake City Code.

Implementation:

Implementation of this Executive Order shall be subject to Chapters 3.24 (Procurement) and 3.25 (City Contracts) of the Salt Lake City Code. This Executive Order was adopted in connection with the recommendation of the City's Chief Procurement Officer and City Engineer dated January 4, 2006.

TO: Mayor Ross C. Anderson

FROM: R. Bryan Hemsley, Chief Procurement Officer *R.B.H.*
Max G. Peterson, City Engineer *MGP*

DATE: January 4, 2005

RE: Revised LEED Building Guidelines Recommendation

On July 7, 2005 we recommended Salt Lake City adopt the guidelines of the U.S. Green Building Council Leadership in Energy Environment (LEED) Design Standards. The executive order issued on July 8, 2005 required City buildings be designed and constructed to the extent practicable that would qualify the facility for a LEED rating of at least a "Certified" level.

At your request and in collaboration with the City Attorney's office, we have considered your recommendation to revise the July 8, 2005 Executive Order from requiring the "Certified" level rating to requiring the "Silver" level rating. While there will be some additional costs, the gain in long term energy savings in obtaining the higher level will benefit the City and it is in the best interest of the City to adopt this revision to the executive order.

Therefore, we agree with your recommendation to revise the current executive order to the LEED "Silver" level pursuant to City Code Section 3.24 and 3.25.