

Green is Green

By Tom O'Mara, Edina Realty, Realtor, MBA

The "greening of American business" is a trend with legs, an idea that has captured the minds and hearts of business leaders from Main Street to Wall Street. It is a trend that can benefit CCIM members and clients who follow Leadership in Energy and Environmental Design (LEED) principles in commercial and residential projects.

According to the The Economist, total investments in all kinds in renewable energy rose to an estimated \$63 billion in 2006, from \$30 billion in 2004. The smart money, they say, is positioning itself toward a new energy paradigm.

"Green is Green" Jeffery Immelt, CEO of GE, told shareholders in May. The company held its annual meeting Greenville, S.C. celebrating a \$250 million investment that 5 years later generated \$5 billion in sales. The business: turbines to operate windmills that generate electricity, a solid part of life in western Minnesota.

IBM announced "Project Big Green", as part of its commitment to help clients reduce \$7.3 billion electric bills generated by running servers and other electronic gear.

The Beard Group of Hopkins, Minnesota was selected as one of six developers by The Sierra Club as a "green" developer. CEO Bill Beard says, "We saved money and finished the project on time by re-using rather than dumping materials in the building that is now our corporate headquarters, as well as in several blocks of town homes in Hopkins."

The Beard Group is now developing "STONES THROW", a 634-acre project with residential and commercial space in Hassan, Minnesota. The residential area will have parks, 14 miles of trails, a central village area and an abundance of open space. It will give people a "rural feel" when they return from the jobs in the cities and will enhance their sense of community on weekends.

Syvantis CEO, Janelle Riley, told those attending the East Central Minnesota Business Development sponsored by the Mille Lacs Band of the Ojibwe, "We built a new office complex following LEED principles in Baxter, MN. We saved money. It was cheaper than conventional building practices."

The CPA/ CEO said, "Local builders balked at changing their building techniques because they knew the costs and benefits of their usual building techniques. We convinced them to take a second look. They did. The result was lower building costs without any loss of quality."

One vendor said, "Let's re-route the air ducts. The heat from the servers was re-routed to heat the rest of the building. We lowered our air conditioning and heating costs."

These two Minnesota firms suggest Mr. Immelt's observation that "green is green" is on the money. Can CCIM clients and members benefit from greater "green consciousness" when building, buying and selling properties? You bet.