



1800 MASSACHUSETTS AVENUE, NW

## Property Sustainability Plans

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 BUILDING  
SUSTAINABILITY

**Akridge**

## Agenda



- 1. Background**
- 2. Sustainability Strategy**
- 3. Property Implementation Plans**
- 4. Cost of Waste Management**

# Akridge



1. Development
2. Property Management
3. Leasing
4. Acquisitions
5. Finance and Asset Management
6. Construction Management



1200 New York Avenue, NW



601 Thirteenth Street, NW



700 Sixth Street, NW



7550 Wisconsin Avenue



1200 Seventeenth Street, NW

# Agenda




1. Background
- 2. Sustainability Strategy**
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# Sustainability Strategy



## Goals


*Why are we doing this?*



1. Increase value
2. Reduce environmental impact
3. Increase competitive advantage


## Goals

*Why are we doing this?*



INVESTMENT (Project Cost)	POTENTIAL ANNUAL SAVINGS <i>kWh</i>	POTENTIAL ANNUAL SAVINGS	ROI	Payback Period Years	TOTAL REBATE	ADJUSTED ROI	ADJUSTED Payback Period Years
\$12,260	45,222	\$7,358	60%	1.67	\$6,130	120%	.083

- DC SEU (Sustainable Energy Utility) energy conservation financial incentives
- LED lighting upgrade project
- Replaced nearly (500) 30-Watt PAR20 bulbs with 9-Watt LED bulbs
- Saves 45,222 kWh annually
- With the rebate, the anticipated payback is just under a year



## Benefits

*What do we hope to gain?*



- 1. Attract and retain tenants**
- 2. Attract and retain employees**
- 3. Enhance brand / reputation**
- 4. Secure goodwill in the community**

## Challenges

*It's not easy!*



- 1. Owner, investor, client, and potential tenant interest**
- 2. Legacy infrastructure**
- 3. Employee bandwidth**
- 4. Data management**
- 5. Training and consistent practices**
- 6. Availability of capital**

## Sustainability Strategy



### Where do the ideas come from?

1. Sustainability Team
2. Building Team
3. Management
4. Clients – Owners and Tenants
5. Business Partners and Service Providers
6. Other Real Estate Companies

## Sustainability Strategy



### How do we replicate best practices / avoid pitfalls?


**Spring 2012:** Establish a baseline

**Summer 2012:** Develop a budget checklist

**Fall 2012:** Create 2013 building plans

**Winter 2013:** Track progress using a scorecard

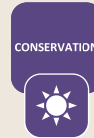


- ## Portfolio-Wide
- 
- What else does Akridge benchmark internally?**
1. Energy Consumption
  2. Scope 2 Carbon Footprint
  3. Energy Star
  4. Water Consumption
  5. LEED Certifications
  6. Building Green Teams
  7. Recycling Diversion Rates
  8. Ecycling Stats
  9. Etc.

# Agenda



1. Introduction
2. Sustainability Strategy
3. **Property Implementation Plans**
  - *Conservation Strategies*
  - *Green Building Strategies*
  - *Waste Management Strategies*
4. Cost of Waste Management



# Conservation Strategies



1. **Looking backward**
  - pursued **Energy Star** benchmarking and ratings
  - created an internal **utility bill analysis** tool
  - employed **MACH** Energy real-time energy management monitoring software
2. **Looking forward**
  - conducted Level I and II **energy audits** and **retro-commissioning** activities
3. **Cap Ex Projects**
  - retrofit **light bulbs** to energy-efficient compact fluorescents and LEDs
  - installed **VFDs** and occupancy sensors
  - upgraded **building systems** and elevator motors
  - scheduled **infrared testing** regularly to identify any areas of energy escape from the building





## Green Building Strategies



1. LEED EB: O+M certification
2. Annual air quality testing
3. Green cleaning – GS-42
4. Integrated pest management



## Waste Management Strategies



1. Recycling programs and events
  - **Mixed Paper/Cardboard**
  - **Metal, Plastic, Glass**
  - **Bulbs, Batteries, Electronics**
  - **Building Materials**
  - **Denim, Sneakers, Cell Phones**
  - **Furniture Donation, Etc.**
2. Pull optimization
3. Waste audits and improvement plans
4. Communication and education



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# Background



On average, trash removal and recycling represents roughly **1%** of the total annual operating expenses.



## Background



**Even though recycling more won't save a huge amount of money, it is important because:**

- 1. Recycling is always a top concern of tenants each year**
- 2. Recycling is one of the only commercial sustainability initiatives that Clients participate in and practice personally, at home**



## Goals



**Summer 2013**

**Simply, we wanted to confirm that recycling is cheaper than hauling waste to the landfill.**

**And by doing so, we were also able to...**



## Goals



1. Confirm that waste management expenses are comparable from property to property (i.e. each property is getting charged similar rates)
2. Obtain a better understanding of waste management
3. Confirm equipment, program details, and pickup schedules
4. Share 2013 YTD progress on eCycling and bulb recycling
5. Share information about other types of recycling, such as composting and construction recycling

## Findings



- **Waste Removal**                      **\$0.07/lb**
- **Recycling Removal**                **\$0.03/lb**  
*Plastic/Metal/Glass/Paper/Cardboard only*  
*Does not include eCycling, bulbs, batteries, etc.*

Generally, waste removal costs

**2.5** times as much as recycling on a per pound basis.

## Findings



- Recycling is **2.5** x cheaper on a per **pound** basis
- Recycling is **3** x cheaper on a per **pull** basis
- Recycling is **3** x cheaper on a per **sq ft** basis

Waste and Recycling fees are NOT charged consistently between properties on a per pound, per pull, or per SF basis!



## Findings



- |                                       |                         |
|---------------------------------------|-------------------------|
| • <b>Waste</b>                        | <b>\$0.07/lb</b>        |
| • <b>Recycling</b>                    | <b>\$0.03/lb</b>        |
| • <i>Composting</i>                   | <i>\$0.05 - 0.08/lb</i> |
| • <i>Construction Waste Recycling</i> | <i>\$0.04/lb</i>        |

## 2013 YTD eCycling



2013 Pounds of Electronics Recycled	
<i>lbs</i>	
AKRIDGE PORTFOLIO	55,007
Akridge Property 1	9,453
Akridge Property 2	7,006
Akridge Property 3	6,863
Akridge Property 4	5,225
Akridge Property 5	4,147
Akridge Property 6	2,728
Akridge Property 7	2,705
Akridge Property 8	2,647
Akridge Property 9	2,487
Akridge Property 10	2,402
Akridge Property 11	2,013
Akridge Property 12	1,957
Akridge Property 13	1,951
Akridge Property 14	1,763
Akridge Property 15	1,487
Akridge Property 16	173



## Final Thoughts



- **Commercial Owners:**  
Robust recycling programs exist at the commercial office level and participation rates are adequate.
- **Haulers:**  
Diversion rate potential is limited without:
  1. physical infrastructure to supplement the separation process
  2. accurate reporting mechanisms



Thank You!

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