



DATE: June 9, 2020

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Municipal Green Building Policy**

RECOMMENDATION

Adopt a Resolution Adopting City Council Policy K-25, Municipal Green Building Policy, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

In 2008, the Santa Clara County Cities Association recommended cities establish LEED (Leadership in Energy and Environmental Design) Silver[®] certification as the standard for all new public facilities and renovations over 5,000 square feet. The City Council considered this topic in March 2008 and referred it to the Environmental Sustainability Task Force for a recommendation. In September 2008, the Task Force recommended the City adopt a standard of LEED Silver certification for new public buildings and renovations over 5,000 square feet, increasing to LEED Gold[®] within five years. On March 24, 2009, the City Council adopted a policy of LEED Silver certification or better for all public new construction and renovation projects over 5,000 square feet.

In September 2016, the City Council adopted Environmental Sustainability Action Plan 3 (ESAP-3) for Fiscal Years 2016-17 through 2018-19, which included an action to: "Adopt LEED Gold as the minimum standard for new City facilities and City building renovations over 10,000 square feet."

Between September 2017 and June 2018, the City convened the Environmental Sustainability Task Force 2 (ESTF-2), an advisory body of appointed community members, to evaluate whether current sustainability plans and goals should be modified. ESTF-2 produced a Final Report with 36 recommendations to reduce the City's greenhouse gas (GHG) emissions through 2030, including a recommendation to require LEED Platinum[®] certification for City-owned new construction and major renovations. Staff conducted an analysis of these recommendations to verify

assumptions and estimates and presented the results to the City Council on December 4, 2018.

The ESTF-2 recommendations, along with the Sustainability Program Assessment and Strategic Plan, served as the basis for Sustainability Action Plan 4 (SAP-4), which was adopted by the City Council on October 22, 2019. The proposed Municipal Green Building Policy (MGBP) is a compilation of the following three SAP-4 actions:

- B4.1: Analyze opportunities for electrification when major systems are upgraded or buildings are renovated;
- B4.5: Develop a policy for new construction and major renovation of City facilities to require: (1) a minimum of LEED Gold certification; and (2) review of incremental costs and benefits of achieving LEED Platinum certification; and
- B4.6: Develop a policy stating a preference for new construction and major renovation of City facilities to include electric equipment and renewable energy or other carbon-free energy systems wherever feasible.

On November 12, 2019, the City Council approved local amendments to the Building Standards Code, including “Reach Codes” that exceed the minimum requirements of the California Energy Code. The City’s Reach Codes require that new construction in Mountain View be all-electric and that nonresidential and multi-family developments install solar photovoltaic panels on 50 percent of their roof area. These requirements apply to City facilities, making the preferences stated in Action B4.6 mandatory for new City buildings.

The proposed Municipal Green Buildings Policy would require LEED® Certification at the Gold level or higher for new construction or major renovation of City facilities. Due to the City Council’s previous direction on the components of the MGBP through ESAP-3, SAP-4, and the adopted Reach Codes, staff is presenting this policy directly to the City Council rather than referring it first to the Council Policy and Procedures Committee.

ANALYSIS

The LEED rating system is the most widely used green building rating system worldwide. Projects pursuing LEED Certification must comply with the system’s minimum program requirements and prerequisites as well as pursue optional credits to earn enough points required for certification. The LEED credit checklist (Attachment 2) outlines the points available for each credit. There are four certification levels attainable

under the LEED rating system, with each successive level requiring more points, as outlined in Table 1.

Table 1: Points Required for LEED Certification

Certification Level	Points Required
Certified	40 to 49
Silver	50 to 59
Gold	60 to 79
Platinum	80 or more

Adopting the LEED Silver certification standard in 2009 was one of many actions taken by the City of Mountain View to establish itself as a leader in sustainability. Since this standard was adopted, the City has built two municipal facilities, Fire Station No. 5 and the new Community Center, both of which exceeded the requirements for LEED Silver and were certified at the Gold level. Given this achievement, staff believes setting Gold as the minimum standard for new City facilities is both reasonable and achievable and was approved by the City Council as part of ESAP-3.

City Leadership

The ESTF-2 Final Report included Recommendation BN6: “Require LEED Platinum certification for City-owned new construction or major renovation.” The ESTF-2’s reasoning for this recommendation was to establish Mountain View as a leader in green building by adopting an ambitious standard for new construction and renovation of municipal buildings and inspire private developers to achieve this standard as well. The North Bayshore Precise Plan includes LEED Platinum certification as one of the criteria for the Floor Area Ratio bonus program, and, as a result, staff expects to see an increase in the number of privately owned buildings achieving Platinum-level certification in Mountain View. In 2008, Greensburg, Kansas became the first jurisdiction in the United States to adopt a LEED Platinum certification requirement for new municipal facilities, and in 2013, King County, Washington adopted a policy requiring county projects to strive for LEED Platinum certification. Currently, most Bay Area cities that have LEED requirements for municipal facilities have a standard of LEED Silver (Attachment 3).

LEED Certification Benefits

The intent of LEED credits aligns with Mountain View’s values and sustainability priorities, including responsible resource management, renewable and carbon-free energy, and access to quality transit and active transportation networks. Additionally,

LEED credits provide health and well-being benefits for building occupants by promoting improved indoor air quality, natural light and views, and reduced noise pollution. Exceeding the proposed Gold certification standard and striving for Platinum certification could confer additional benefits. An analysis of the energy efficiency improvements in LEED Certified™ buildings under both the previous and current versions of LEED (v2009 and v4 respectively) shows an improvement of approximately 11 percent to 12 percent between the Gold and Platinum certification levels, which would result in additional operational savings to the City.

LEED Certification Costs

There are two categories of incremental costs of achieving LEED Certification for a project: (1) costs for designing and constructing the building to achieve the LEED credits necessary for certification, including preparing the necessary documentation; and (2) registration and certification fees. Registration and certification fees are the same across all LEED Certification levels, so these costs will remain the same if the City moves from a Silver to Gold certification standard.

The incremental cost of designing a building to achieve LEED Gold certification compared to LEED Silver is difficult to assess as LEED is not a prescriptive set of building standards. Unlike the building or energy codes, LEED allows project teams to choose which credits to pursue to achieve the required number of points for any given certification level. While pursuing certain credits would likely increase the initial project costs, many credits can be achieved with minimal or no added upfront cost, and many LEED credits (such as energy efficiency or on-site renewable energy) result in operational savings that partially or fully offset additional upfront investment. The actual cost difference between Silver and Gold certification levels will depend greatly on the specifics of any given project and how early these credits are considered in the design process. Due to California's high green building standards, the incremental cost to design to LEED standards in the State is lower than elsewhere.

Studies assessing the incremental cost of LEED Certification note that while many credits can be achieved without a cost impact, certification requires the project team to more closely plan and coordinate throughout design and construction. An industry study of the current LEED v4 suggests that the incremental cost of achieving Gold certification (compared to not certifying at all) is approximately 0.5 percent of the original project cost. However, since the City's current standard for municipal buildings is LEED Silver certification, the incremental cost of moving to the Gold level would be much lower.

The incremental cost of designing a building to achieve Platinum certification is highly variable, depending on the characteristics of each project. Because Platinum requires at least 80 out of 110 possible points, it can require pursuing credits that are more difficult and expensive to achieve. While, in some cases, the added benefits may outweigh the incremental cost, staff recommends maintaining flexibility in the Municipal Green Building Policy rather than requiring LEED Platinum certification. As approved in SAP-4 and outlined in the proposed City Council Policy K-25, the incremental costs and benefits of achieving LEED Platinum certification (compared to Gold) will be analyzed during the design phase of each new construction and major renovation project and presented to the City Council, and staff recommends striving to achieve Platinum certification whenever feasible.

Exceptions to LEED Certification

As outlined in the MGBP, the City Council may approve exceptions to the LEED certification requirement in cases where the project does not meet the Minimum Program Requirements for LEED or the City Council determines that LEED certification would be impractical. Examples of projects that may be considered for exceptions include, but, are not limited to: (1) buildings requiring compliance with historic preservation criteria; (2) additions where achieving compliance for the remainder of the facility or site is impractical; (3) projects requiring joint funding with other jurisdictions; and (4) buildings that are not designed for human occupancy, such as storage facilities or parking structures.

FISCAL IMPACT

Staff anticipates a minimal incremental cost of changing from a LEED Silver to Gold certification requirement, though it will depend on the specifics of each project and which LEED credits the design team chooses to pursue. These costs would only be incurred for new construction or major renovation of City facilities. Achieving the Gold certification level is also expected to result in increased energy and water efficiency compared to the Silver level, yielding ongoing financial savings.

The incremental cost to achieve LEED Platinum certification will be evaluated as part of the design phase of each project, and the feasibility of pursuing this higher level can be considered by the City Council at that time.

Since the recently adopted Reach Codes make all-electric construction and rooftop solar photovoltaic installation mandatory for new nonresidential construction (including City facilities), there is no incremental cost from this part of the policy.

ALTERNATIVES

1. Propose modifications to the proposed policy.
2. Do not adopt the proposed resolution and policy.
3. Provide other direction.

PUBLIC NOTICING

Agenda posting and e-mails sent to community members who signed up to receive updates about the Mountain View Sustainability Program.

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- Attachments:
1. Resolution Adopting Council Policy K-25
 2. LEED Checklist
 3. Municipal Green Building Standards for Select Bay Area Cities