

Tenants negotiate green upgrades into lease agreement

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The Beaverton offices of Welch Allyn, a New York-based firm, received multiple energy-saving upgrades after company leaders insisted on them during negotiations for a lease renewal in 2009. (Photo by Sam Tenney/DJC)

A company leasing space in a relatively typical suburban office building in Beaverton is taking advantage of the recent economic downturn to leverage sustainable construction.

New York-based Welch Allyn, a manufacturer and distributor of medical supplies, has leased approximately 100,000 square feet in Beaverton since it acquired Protocol Systems in 2000. When the lease came up for renewal in 2009, company leaders knew

that the weak economy put them in a unique position for negotiation. So they insisted that upgrades worthy of a Leadership in Energy and Environmental Design rating for existing buildings be negotiated into the new lease agreement. PS Business Parks, which owns more than 27 million square feet of office and industrial space throughout the country, even footed the bill.

Now, after nearly \$1 million in building upgrades and months of energy-use monitoring, the team is almost ready to submit its paperwork to the U.S. Green Building Council. It may even exceed its original goal for a silver rating in the Existing Buildings – Operations and Maintenance category.

"It was the worst business climate possible (in 2009), so building owners everywhere had to be as receptive to the terms in a long-term lease as they would ever be," said Peter Murray, vice president of operations at Welch Allyn and site executive for the Beaverton location. "They knew they'd have to make these investments, even though getting a client to stick around for a certain price level is not a straightforward (return on investment)."

After Welch Allyn built a LEED-certified addition to its New York headquarters in 2008, Murray teamed up with Len Harjala, facilities supervisor in Beaverton, to see if they could follow the corporate example. In 2009, they hired consultants from Bainbridge, an interior design firm with LEED expertise to conduct a feasibility study of the main building.



Andrea Bainbridge, Bainbridge founder

"In Portland, people might be tired to death of hearing about sustainability and LEED; frankly, every project we do is LEED now," said Andrea Bainbridge, who founded the interior design firm in 1983. "But this project is different because it was tenant-based; they normally don't care or can't do much about it."

Major upgrades included replacement of a 28-year-old HVAC system, an overhaul of lighting systems, and bathroom remodels that will save approximately 465,000 gallons of water per year.

The team also worked to convince employees to change their behavior in order to reduce energy consumption.

"It's easy to assume that everyone knows how to recycle in the Portland-metro area, but there are apathetic people everywhere, and we had to get after them," Harjala said.

The team installed kilowatt meters and monitored the use of everyday office supplies, and then presented the information to employees. Harjala was most surprised by the amount of energy-drain caused by personal space heaters, which added nearly \$20,000 to electricity bills each year.

"Money was just flowing out the door," Murray said.

Now a "green team" helps monitor the utility bills, come up with project ideas and encourage behavior changes.

The Welch Allyn project benefitted from a cooperative building owner and a favorable economic climate, but other companies may be able to achieve a similar outcome, according to Sermin Yesilada, a senior designer at Bainbridge and a LEED accredited professional.

"In Oregon, what people are already doing may comply in a lot of cases," she said.

For example, Yesilada cited the landscaping at Welch Allyn's Beaverton facility, which earned points in the rating system without any changes.

"That project will provide a good example that it's possible to achieve LEED as a tenant-driven project."