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developer were veteran brownfield redevelopment players, and each sought guidance on environmental insurance matters. Zurich was asked to help determine the appropriate coverage, especially since it involved the sensitive issue of turning a prior, unregulated landfill into residential use. Not only did the developer need to be protected from potential risks, but contracts also required that the city (as the prior owner), the lender, and the contractors and subcontractors working on the remediation and removal of the contaminated soil be protected as well. Because of prior experience as an environmental consultant, Zurich's underwriter was able to effectively communicate with the stakeholders, making them aware of certain technical issues in regards to the soil contamination, which included polycyclic aromatic hydrocarbons, lead, arsenic and pesticides, and how they could be managed. Both the broker and developer were impressed with the flexible nature of Zurich's ZChoice Pollution Liability policy that allowed coverages for onsite and offsite cleanup of both known and unknown pre-existing and new pollution events; third-party bodily injury and property damage arising from both known and unknown pre-existing and new pollution events; natural resource damages for pre-existing and new pollution events; non-owned disposal site coverage; and mold insurance coverage. —*By David F. Van Sise, Business Development Leader, Distribution & Regional Management, Northeast Region* ■



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**Greening Existing Buildings
Is Easier (and Cheaper)
Than You Think**

Commercial, industrial, institutional, and residential buildings are the most significant users of energy in the United States. Almost 70 percent of all generated electricity and about 12 percent of available potable water goes to support the use and occupancy of buildings. Buildings play a major role in the quality of life for the 307 million people who go in and out of them every day and have a significant environmental and carbon footprint.

About half of United States' atmospheric emissions of carbon dioxide (CO2) are associated with buildings, as opposed to about 30 percent from vehicles. No program to address the buildup of greenhouse gases, and the climate changes associated with them, will be effective unless it includes major reductions in energy usage by existing buildings.

While there is an intense focus on the use of carbon or eco-friendly techniques in new construction, there is less emphasis on green conversion or retro-fitting of existing commercial or office space. This is due to often ill-founded preconceptions that such conversions are expensive, logistically difficult, and not very cost-effective. Fortunately, many property owners and managers recognize that the marketplace is starting to demand green space in existing buildings.

This is illustrated by W&M Properties' recent announcement that the 75+ year old Empire State Building will be undergoing a series of green renovations that will reduce its energy use by 38 percent, lower its annual energy cost by \$4.4 million, and decrease its carbon emissions by 115 tons. This long-term view of cost vs. benefits is essential in planning and executing a green building conversion program, especially one as massive as a makeover of a 102-story trophy office tower.

On a smaller scale, EWMA has found that an important first step to a green conversion program is an understanding your building's current carbon (dioxide) and ecological footprint. Knowing how much CO2 is emitted (as a function of energy usage) and the true cost of those emissions, along with other undesirable environmental impacts (water usage, non-eco-friendly landscaping, etc.) allows a property owner to set reasonable goals and timeframes to improve building system performance.

Our Green Audit program identifies business practices where an environmentally friendly approach increases efficiency, saves money, and can strategically re-position the building to capitalize on the increasing demand by tenants for green space. As part of the audit process, the upgrades necessary for attainment of LEED building certification are evaluated along with the financial resources and timelines necessary to achieve this important milestone. A green audit also identifies ways to increase the health and safety of building occupants by suggesting practical, easy-to-apply changes to maintenance procedures and housekeeping products that affect indoor air quality.

In today's competitive real estate market, any building improvements need to be seriously considered, fully justified, and carefully prioritized before being implemented. Green upgrades such as the use of paints with low concentrations of volatile organic compounds, installation of water conservation devices (e.g., automatic faucets), and implementation of waste recycling programs make business and real estate sense both from a short-term view of return on investment to a longer term enhancement of the building's value within the marketplace.

—*By Robert P. Blauvelt, PG, CHMM, senior vice president with EWMA's Headquarters Office in Parsippany. He manages the technical staff and is a Licensed Site Professional in Massachusetts and a Licensed Environmental Professional in Connecticut.* ■