

# CREDIT UNION JOURNAL

## Can A Truly Green Branch Ever Really Be Built?

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By Joyce Moed, Reporter

ANGLETON, Texas - Is it really possible to build a totally "green" credit union branch?

Credit Union Journal posed just that question to design and construction specialists, in addition to asking about the related costs, building features, and building codes that would be involved.

The answers had one thing in common: it depends how far the CU wants to go. Answer that, and costs and features vary.

Elliot Baird, director of the southwest region of LEVEL5, LLC, said "absolutely."

"They can be done simply with minor things through design such as efficient site planning, overhang window shades, etc., or to the extreme of using recycle blue jeans for insulation and corn-based products along with waterless toilets," he said. "The level of green that the financial institution chooses to implement can be based upon several factors that include but are not limited to: budget, locations, restrictions, and even personal preference of the board for environmental issues."

Costs vary widely, Baird noted. "A well-done platinum branch can run up to a 10% to 20% premium, but these costs are coming down quickly now as products have come into the mainstream to compete head-to-head with existing building materials."

In fact, there are some studies out there that now claim the cost to be almost comparable to traditional construction, Baird said. "I think these are a couple of years premature, but there is no denying that the economics of payback are now starting to show branches paying for themselves."

There are also no specific building codes that relate to "going green," Baird said. "The stands are set forth by the Green Building Council through the LEED program. These requirements are separate and independent of the local or national building codes."

CUs going green actually happens every day at some level, Baird said. "In this day of rising energy cost, even the simple choice to replace incandescent bulbs with compact fluorescent can save real dollars to the bottom line of utility cost for minimal capital expenditure," he said. "On the large end, the platinum branches of LEED certification in conjunction with solar power systems can sufficiently sustain themselves with minimal outside utility cost. What was 10 years ago considered to be a wash at best over a 25-year capital return for cost has now become a reality that cannot be ignored for payback in a short-time frame."

### Every Bit Counts

Regardless, Baird said that every institution can be doing something "green." "Every bit counts, even if you cannot make LEED certification there should not be a financial building designed today without a green influence or thought process."

This is important, because based on data compiled by the International Facility Management Association, branch financial institutions are spending approximately \$1.94 per gross square foot (gsf) annually for all duties, said Cheryl Waybright, senior project developer for LEVEL 5.

"Electricity comprises approximately \$1.23 per gsf of this total with natural gas at 30 cents, and two cents for fuel oil. The remaining utility costs are consumed with water, sanitary sewer, etc.," Waybright said.

"Taking a step back and looking at the entire 'green scene' of late, we must keep in mind that a 'green building' is synonymous with a 'high-performance' building," Waybright continued. "As such, credit union branches that are designed to be 'high performance' from the very conceptual stage of design, deliver work environments that create

higher worker productivity and lower annual operating expenses. When incorporating sustainable design into the high performance factor, a green building is born.”

The most critical element in building this green credit union branch is an open mind to overall life-cycle costs and agreeing to spending more up front to keep down ongoing costs over the life of the building—typically 30 years, Waybright noted.

“When the credit union can pocket savings each year and return more dividends to its members, no one will complain that you bought a \$4 light bulb instead of a 32-cent light bulb,” she said.

There are other variables involved in “going green,” said Stan Ladrack, president of RSL Commercial Architecture in Cincinnati, Ohio. “It also depends on where you are located in the country,” he said. “There are a lot of variables.”

A green building encompasses many things, including indoor quality, use of recycled materials, water efficiency and reduction of light pollution. When considering going green, Ladrack estimates about 15% more in costs for the average credit union. The payback can be quick, he said. For example, increased water efficiency by using rainwater sources can be a relatively quick payback, he said. “Using an increased energy for a lighting system will take longer,” he said. “There will be more cost initially.”

One thing credit unions should keep in mind is the PR opportunities involved with going green. “Marketing is almost immeasurable,” he said. “It’s appealing to a whole different generation.”

Ladrack said there are many elements that can help financial institutions incorporate green features, such as different carpet material, paint material and adhesives.

“This will all improve indoor air quality,” he said, “and make the environment more people-friendly. In thinking of going green, it goes all the way back to choosing a location close to public transportation locations, or a location people could get to easily by bicycle. I advise people on how to start thinking about things like that before even choosing a site.”

#### Other Variables To Consider

Ladrack explained that it’s also more environmentally friendly to use pre-developed sites, instead of breaking new ground.

“To begin with, you can think of site issues,” agreed Paul Barrath, vice president of financial facilities for Clayco Inc. in St. Louis, Mo., such as parking requirements and building materials used.

“The cost of achieving this is the concern of all clients,” said Tom Lombardo, national director of Business Development for Clayco Inc. “And sometimes it can take 10 years or more to see any ROI.”

Tom Tedrow, vice president of design and construction services for IBT in Norcross, Ga., noted similar ROI variables.

“If they decide to use solar panels, that would cost more,” he said as an example. Some ROIs can be immediate he said, such as more windows, and less lights, would allow for a reduction in the electric bill. And low-flow water in the building would cause a reduction in the water bill.

Tedrow also listed site location as the first thing to look at it when hoping to create a green building.

“It should be near public transportation,” he said. Other things to explore are water consumption, energy consumption and materials and methods used for the building, and quality of the indoor environment.

“You want people using the building to be healthy,” he said, explaining that a better indoor environment may reduce employee absenteeism. “You want happier and healthy employees. It also helps if the credit union was a credit union before,” he said, explaining that this may allow for less reconstruction of the building.

Tedrow said that IBT is definitely starting to see more interest in financial institutions looking to go green. “I think it’s the trend,” he said.

And the benefits for a credit union to go green are numerous, he said. “They can then set themselves apart from other financial institutions. It’s good PR. It also increases the value of the building.”

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