

Recommendations and Conclusion

State and local governments are working to incentivize new green building design and construction using a variety of techniques. In many cases these programs have been successful in accomplishing their goals. However, some have faced struggles in encouraging sustainable construction, including the costs of new programs, resource reallocation, and implementation difficulties. It is important for jurisdictions, as they develop green building initiatives, to incorporate the appropriate incentive systems in order to develop a holistic green strategy for their community.

Existing incentive programs range from those that are short-term to those that are longer term in nature. This divergence can be problematic for certain developers, depending on the preferred development business model. Often, there is more inducement to design and build green if the development community knows that the incentive will still be in existence by the time the project comes to fruition. As such, incentives with longer life spans combined with inducements for limited time horizon investors are generally the most effective in encouraging green construction.

The effectiveness of each incentive option is also highly dependent on more research and increased education. Case studies on how different programs would develop and operate in cities with differing issues (e.g., population, density, proximity to a metro area, etc.) would strengthen the argument for proponents of these tools to implement them in their own jurisdictions. In addition, education is a vital factor in making many of the green incentives successful. For example, expedited permitting and permit/zone fee reductions require trained professionals in multiple departments throughout a given municipality who have knowledge in green design and green rating systems. On the other

end of the spectrum, public education campaigns can be very effective in informing consumers and the public at-large. If consumers demand green buildings, architects, developers, and owners will be more likely to provide them.

As green building becomes more the norm, it puts a strain on the capacity of the building department's staff and resources. Additional incentives from the state and federal government would go a long way towards alleviating this strain. For example, state and/or federal subsidization of the expedited permitting process can help ease the strain on stretched local officials.

When developing incentive packages, it is best to incorporate a variety of techniques that will target a wide spectrum of builders, developers, owners, and operators. Incentives should be available that will entice each group—owners and operators so that they demand green buildings, and builders and developers so that it is profitable to build green. Incremental tax rebates—those offered at different levels of development—may be useful in accomplishing this. Incentive packages must also address the needs of smaller businesses, which oftentimes cannot afford the upfront



*Genzyme Center, Cambridge, Mass., AIA/COTE 2004 Top Ten Green Projects award recipient. Behnisch, Behnisch and Partner Architect, Venice, Calif.
Photo by Anton Grassl.*

costs even if they will gain financially in the long-run. Grants and loans may be two ways to help small businesses build green and can be especially effective in jurisdictions that do not yet have established green building programs and need leaders in green design.

Building developers, operators, and potential buyers want to design and operate green buildings for a variety of reasons, including long-term resale value, cost

savings on utilities, and consumer demand. Governments have begun to respond with ways that make green building the preferred option in new construction or rehabilitation. Financial considerations are the fundamental basis of any business decision and must always be taken into account as the government pursues various green building incentive options. A developer wants to pursue a project that moves forward quickly and offers the most financial benefits to the company. The key is that these incentives must be easy to understand, simple to pursue, and strong enough to make the whole process worthwhile.

America is a country that thrives on its diversity. Incorporating a diversity of ideas and strategies, and utilizing the benefits that each level of government can provide, governments can entice many businesses to “go green.” The AIA and its partners would like to see this development continue; some jurisdictions and state governments may need to rework and rethink their existing incentive programs to ensure smooth implementation while others will start from scratch. Additional federal support incentivizing green building through block grants, direct tax credits, small business loans, and other such tools could also further sustainability initiatives. However,

the most important factor is that the mix of programs a community or state provides makes green building easier and smarter than non-green construction. It is our hope that this report will offer cities, counties, and states a more well-rounded understanding of the current green incentive landscape and provide government bodies with ideas that they can adapt and mold to suit their unique needs in order to continue the trend towards green building.