

# SPECIAL FOCUS: The Greening of Shopping Centers

Dedication by a few propels the industry toward a green revolution

By Katherine Field

**A**s the green wave rolls across the shopping center industry, it is buoyed by a handful of shopping center developers that have turned the tide inside their own organizations—and made sustainability a rising priority.

But the companies leading the charge will soon be joined by all of real estate, as surveys reveal that green building will become the industry standard.

“I believe that in five years sustainable development will be the norm,” asserted Jerry Yudelson, International Council of Shopping Centers (ICSC) research scholar and principal of Tucson, Ariz.-based Yudelson Associates. “Developers won’t be building large centers without a certification, and they won’t be operating properties that aren’t going through a certification process. It’s just a question of which system you’re going to use.”

In the United States, green buildings are being measured by the U.S. Green Building Council’s (USGBC) Leadership in Energy and Environmental Design (LEED) rating system, as well as the ENERGY STAR system, which is a joint program of the Environmental Protection Agency (EPA) and the Department of Energy. While Energy Star focuses on energy-efficient products and practices, LEED is more sweeping in its green approach, promoting whole-building sustainability. For shopping center developers, however, the two systems aren’t ideal.

“The basic problem is that there is no LEED certification for shopping centers,” explained Yudelson. “So what developers have to do is certify shop buildings by using LEED for Core and Shell, which is really aimed at office buildings. But you can make it work.” Two developers that

## Green Is Chic



Ballston Common Mall in Arlington, Va., displayed a cherry blossom tree made from 836 plastic water bottles.

**F**ifteen Forest City shopping centers from Pennsylvania to California and points in between celebrated Earth Day 2008 on April 22 by hosting Eco-Chic celebrations designed to educate customers about the environment and promote participation in environmental activities.

Eco-Chic activities included swapping canvas tote bags with customers who turned in 10 plastic water bottles for recycling. Houston-based Olympic Compactor, Forest City’s corporate waste-management company, partnered by recycling all collected water bottles at no additional charge.

As well, described Forest City director of marketing/commercial management Paulette Caputo, a light-bulb giveaway promoted energy awareness. “The first 200 guests at each shopping center who pledged to switch from incandescent bulbs to fluorescent received a free light bulb,” she said.

Perhaps the most visual iteration of Eco-Chic came from an arrangement with each city’s Art institute College to create original and educational works of art using 836 plastic water bottles, the number of water bottles used by the average household. For instance, South Bay Galleria in Redondo Beach, Calif., created a sandcastle, and Ballston Common Mall in Arlington, Va., sculpted a cherry blossom tree.

With elements such as water-bottle recycling and light-bulb exchanges slated to continue throughout the year, “or as long as the communities are interested and participative,” said Caputo, Eco-Chic will live on at Forest City shopping centers. And it’s slated for an encore on the next Earth Day.

“It’s one of those programs that continues to generate educational opportunities and interest,” said Caputo. “It’s doing what we want it to do: using the shopping center as a platform to get the message out to the communities that every one of us can make a difference.”

have shown an early commitment to sustainability have made the process, however cumbersome, work.

**Green prongs:** In February, Jacksonville, Fla.-based Regency Centers named Mark Peternell its VP of sustainability. Very few companies in the United States have a formal sustainability position—and Regency is using the post to rapidly roll out its environmental programs and policies.

“My path is to oversee, implement and evolve Regency’s sustainability and green-building program,” Peternell told *Chain Store Age*. To drill that down, Regency has a three-pronged approach: new developments, its operating portfolio and corporate operations.

“For new developments, we use the LEED rating system as a guideline and a benchmark for our performance,” said Peternell. “We are specifically committing to certify 20% of our new developments in 2008, 40% of our new developments in 2009 and 60% in 2010.” For those projects that don’t formally go

through a LEED-certification process, Regency will integrate various green-building design and construction practices. (See sidebar “Environmentally Correct” in this story for more information.)

**Green day:** Cleveland-based Forest City Enterprises holds up one of its main core values as sustainability and, as such, green colors the entire organization—from building the first-ever LEED-certified Main Street center (Northfield Stapleton, in Denver) to planning and implementing a one-of-a-kind 2008 Earth Day celebration that was recognized around the country.

The Earth Day idea—called Eco-Chic—was the brainchild of Shema Krinsky, director of marketing for the company’s Mall at Robinson in Pittsburgh. Why the name Eco-Chic? “When you think ‘shopping centers,’ you think fashion,” said Krinsky, “and when you think fashion, you think chic.”

Officially celebrated in 15 Forest City centers in conjunction with Earth Day on April 22, 2008, Eco-Chic was more

than a one-day or a one-month affair. “The program is multi-faceted,” explained Paulette Caputo, director of marketing/commercial management for Forest City’s commercial group. “One component takes advantage of the fact that our shopping centers are gathering places; we can provide the venue for sustainability education within the local communities.” Another component is the means to provide a platform for mall tenants to communicate their own efforts to incorporate sustainability into their businesses. (See sidebar “Green Is Chic” in this story for program details).

Both Forest City and Regency Centers are at the leading edge of what ICSC research scholar Yudelson describes as “a sea change in the environment.

“Sustainable development is a once-in-a-lifetime thing, probably the biggest thing since the Internet,” he said. ■

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## Environmentally Correct



**The Shops of Santa Barbara served as Regency’s initial stimulus to ‘go green.’**

**D**espite its position as an environmental leader within the shopping center industry, Regency Centers emphasizes that it is still new to sustainability. “We have a lot of work to do,” said VP of sustainability Mark Peternell, “to prove that the model works and that we can provide long-term economic benefit to the company and our customers by doing so.”

That is the onus on the industry—to prove the viability and, ultimately, the profitability of green building. Regency’s initial stimulus to “go green” was a particular California city that, in 2004, was “way ahead of the game in terms of where municipalities were in regard to green building,” said Peternell. “For the Shops of Santa Barbara, we had an exciting opportunity to redevelop an infill site in a promising market with huge barriers to entry. One of the early-on discussions with the city involved their making it clear that some level of sustainability and green

building practices—and eventually LEED certification—would be required,” he added.

Regency realized, then, that sustainability was in fact consistent with the company’s core beliefs, on two levels. “First, we pride ourselves on being a leader,” Peternell said. “Sustainability is an extension of that. And, second, when you look at sustainability in the broadest sense, it transcends environmental sustainability and speaks to quality and longevity. That is an extension of our brand reputation of being a quality developer.”

Four Regency projects are currently pursuing LEED certification: Deer Springs Town Center in north Las Vegas and Jefferson Square in La Quinta, Calif., are 2008 construction starts that will seek certification; projected 2009 starts for certification are Shops on Main in the greater Chicago area, and Shops of Santa Barbara in Santa Barbara, Calif.