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Unico Appoints Sustainability Director



by **Alison Drucker**

JDM Associates for BetterBricks

After pursuing a sustainability vision for several years, Seattle-based real estate investment and operating company Unico Properties LLC recently formalized that vision by promoting a forward-thinking property general manager to the position of Director of Sustainability. In this new role, Margot Crosman will lead sustainability efforts for more than 10 million square feet of office, retail and multifamily properties in the western United States, as well as Unico's related investment, development and corporate initiatives.

Unico's sustainability vision has been in place since 2005. With an understanding that conserving natural resources is in the best interest of Unico and its communities, the company made a commitment to developing and operating environmentally responsible, healthy buildings, and to running its business in a responsible manner.

Since then, to a great extent, environmental stewardship has been deeply integrated into the fabric of Unico's approach to real estate development and operations. Margot had already been serving informally in a leadership role for green initiatives. So why did Unico expend the resources to create a new position if they were already going strong?

It was a matter of maintaining their market competitiveness and being more effective in their ongoing green initiatives by establishing a formal leadership team. When Margot attended a BOMA conference last year, she ran into a number of her peers who were playing similar roles in their firms as she was within Unico, but with a greater degree of empowerment and corporate recognition, and perhaps most importantly, a budget. She realized Unico needed a point person to carry the vision forward.

"We had to formalize something that was already going on," Margot said. It became imperative to identify a clear leader with the authority to drive Unico's sustainable agenda across their different property teams and business units. A more official structure would establish clearer responsibility and accountability and enable Unico to take advantage of economies of scale. They would now be able to streamline practices and share knowledge across the portfolio, using "prototype" projects to develop ideas for best practices.

Margot herself was the obvious choice to fill the role. Her long-term commitment to environmental stewardship is rooted in part in its ability to bridge the gap between traditionally oppositional groups – landlords and tenants; environmentalists and more conservative property owners – who can all find common ground in the need to save energy and conserve resources. "This is an opportunity to bring all the parties together," Margot said. "If we're working together positively on something, we'll have a better community within the buildings."

Margot and Brett Phillips, Unico's Sustainability Project Manager, now serve essentially as internal consultants for Unico, collaborating with building operations, marketing, development, investment, and corporate staff. Weekly meetings with property teams help Margot and Brett ensure that the energy and sustainability projects in



Margot Crosman

each property's annual business plan are being implemented and that actions are being taken toward properties' LEED for Existing Buildings (EB) certification. For each project that involves a capital investment, the sustainability team carefully weighs the costs with the projected annual energy and cost savings.

Streamlining the energy performance benchmarking process was one of the first hurdles tackled by the new sustainability department. Said Brett, "Our entire office portfolio was registered with ENERGY STAR Portfolio Manager; all the chief engineers knew it was their responsibility to update and track energy performance. But it was inconsistent – some were updating scores monthly, some every six months; some were looking to increase their ENERGY STAR score, some were just going through the motions. Following a portfolio-wide benchmarking effort, properties are now operating in a consistent and understandable way with regard to Portfolio Manager."



Cobb Building

Property managers and engineers are particularly critical to these efforts – and are fully on board. "Our engineers love this stuff," said Brett. "It's an engineer's dream to make a list of all the things you'd like to do to your building to improve energy efficiency." Property managers and engineers utilize real-time metering in combination with ENERGY STAR Portfolio Manager to monitor energy consumption and costs at the building level. Margot and Brett also have access to this data centrally and share it with anyone else who may need it – including ownership partners, who receive ENERGY STAR ratings as a part of their monthly reports.

Having a sustainability department in place provides a structure that allows property managers and engineers to communicate with each other, sharing goals, experiences, lessons learned, and information about new concepts and technologies. Organizational knowledge is distributed via the weekly LEED meetings, weekly engineering meetings, quarterly chief engineer meetings, and informal emails and phone calls among property managers.

Service providers, vendors, and contractors form another core group that have a hand in the success of sustainability initiatives. Sustainable purchasing policies have been developed, covering everything from ENERGY STAR-qualified office equipment to ongoing consumables to recycled content building materials, and properties are being pulled into the program in stages. Sustainability criteria are communicated to architects working on tenant improvements or remodels; to contractors performing mechanical upgrades and retrofits; and in some markets, even to trash haulers.

Many of the initiatives underway involve building upgrades and operational changes in support of potential LEED certification. "In 2009, our primary goal is to accomplish LEED-EB certification for as many properties as possible. The incentives for energy reduction targets are built into achieving the 69 EPA energy performance rating required for LEED-EB," said Margot.

Other specific goals have been set for each department, such as helping the investment department better understand how sustainability can add value or introducing cost-effective sustainable practices in the multifamily portfolio. Across the office portfolio, Unico has endorsed the BOMA 7-Point Challenge, which calls on organizations to reduce energy usage by 30% as compared to an average portfolio. So far, Unico has reduced energy usage by 28% compared to the national average.

Among their initial successes, Unico counts 10 ENERGY STAR-labeled buildings and two that are currently LEED-certified. By the end of 2009, Unico expects to have 12 buildings with a LEED certification under either the LEED for New Construction (NC) or LEED-EB rating systems. 100 Pine in San Francisco, where Margot continues to manage, has the distinction of being the first multi-tenant building in California to earn LEED-EB certification.

Unico has also developed creative programs and services for tenants, such as green dry cleaning services, water filtration systems to cut down on bottled water consumption, and education on green practices to implement at work and at home. Bike parking is now available in every Unico office property. Office leases are being updated to encourage tenants to follow green guidelines. Tenant responses to these initiatives have been overwhelmingly positive.



Key Center

To further engage tenants, Unico recently began using green lease language (adapted from the BOMA Green Lease Guide) with each new tenant. Basic requirements include purchasing only ENERGY STAR qualified office equipment, complying with LEED requirements for waste diversion, and conserving energy day-to-day by taking simple actions like turning off unneeded lights. "Green sustainability fairs" in office building lobbies aim to keep tenants inspired to participate in sustainability efforts once they've moved in, and lobby signage periodically updates tenants on new initiatives such as lighting or mechanical upgrades.

This continual inspiration and motivation is a consistent theme in the new sustainability department's approach. "A lot of managers tend to get lost in the paperwork and lose sight of the inspiration behind embracing sustainability. It's important to have someone outside the immediate property team to keep the spirit alive and keep looking for new ideas," said Margot.

Along those lines, Unico's sustainability department staff leverages industry resources to keep abreast of new innovations, learn from their peers, and move projects forward. Both Brett and Margot are pursuing LEED accreditation through the USGBC, and Unico is working to have as many staff members as possible become LEED-accredited. For every energy efficiency project being pursued, property teams work with the local utilities to leverage rebates and incentives; for example, the Seattle portfolio collectively received over one million dollars in rebates from Seattle City Light for 2007 energy efficiency projects.

The biggest challenge Margot expects to face in her new role is the fact that there are only 24 hours in the day. Also currently serving as President of BOMA San Francisco, she has a lot of demands on her time – though the two positions complement each other. Holding a corporate-level role at Unico gives Margot greater credibility in her BOMA leadership.

When asked what advice she would give to other companies looking into creating a similar job, Margot said, "Get going! There is a lot of energy and direction in the marketplace around green issues right now. I'm very hopeful that this will be a positive growth area in a suffering economy."

Brett added, "There are obvious environmental reasons to reduce your carbon footprint and reduce strain on natural resources, but from a business standpoint, reducing energy use is equal to working toward having a high performance building. It's a huge advantage to put together a sustainability department to be able to harness all the things going on in the market."



100 Pine Building

Margot stresses the importance of maintaining a bit of healthy skepticism. "It's important to keep your feet on the ground and be aware of unintended consequences. Sometimes something that seems like a good idea is not always a good idea in the long run – there's a grain of salt to all of this," she said. For example, the 100 Pine team was committed to replacing all the restroom fixtures to incorporate low-flush toilets. But the San Francisco Bay Area didn't offer a viable option to recycle all the old ones, so the environmental benefits were not as clear-cut.

Yet Margot remains inspired by the broader sustainability vision: "The West Coast is so attuned to nature and the great outdoors. That's a value that's worth agreeing upon and promoting."

*The national EPA energy performance rating provides a metric of a building or portfolio's energy efficiency as compared to other properties around the U.S. On the 1-100 scale, an average building earns a rating of 50; a rating of 69 means that a property is among the top 31% most energy efficient in the nation, or in the 69th percentile. The LEED green building certification program for existing buildings requires a minimum energy performance rating of 69.