

THE GLENBOROUGH PARTNERSHIP WITH CHELSEA GROUP



The story of the solid working relationship between Glenborough and Chelsea Group began in 2008. Carlos Santamaria, Vice President – Engineering Services at Glenborough, and George Benda, CEO of Chelsea Group, worked together to formulate a portfolio level plan and sustainability roadmap for Glenborough properties. The plan called for the “Five Phases of Sustainability” approach to be applied across Glenborough properties. The Aventine was among the first properties in the portfolio to enter the process.

During 2009, in the midst of a turbulent economy, Glenborough piloted a course to position its properties to realize the benefits of sustainability. Nine office properties, a total of 1.5 million square feet, including the Aventine, entered the process of assessment (Phase I) and capital planning (Phase II) of the “Five Phases” program. Each property underwent detailed analysis of its potential to become more efficient and sustainable, including a calculation of return on investment. Overall, the portfolio showed a potential to reduce energy use by about 21%, or some 6.7 million kWh, and about a 17% reduction in carbon emissions, the equivalent of removing 157 cars from the road. The program would yield a 41% Internal Rate of Return (IRR) for the owners.

Chelsea Group developed a “Portfolio Dossier” for Glenborough, providing clear decision tools to prioritize the sustainability efforts. The Dossier showed the entire group of properties in “apples to apples” comparisons on sustainability performance factors. Executives at Glenborough could see “best to worst” performance for each critical criterion.

The Aventine stood out immediately as an example of how far a commercial property could carry sustainability and make it an economical proposition. The 20-year-old property had received a significant investment in performance-enhancing technology, making it a likely candidate for high honors in the LEED Certification process. On the flip side, 1525 Wilson, in Arlington, Virginia, showed up as an example of how investment in sustainability could transform one of the biggest energy consumers (ENERGY STAR® rating: 54) in the portfolio into a top performer (ENERGY STAR rating: 97). The two properties moved down very different paths toward the same end, demonstrating how a good sustainability roadmap can optimize the value of a property and provide global environmental benefits.

By the end of 2010, both the Aventine and 1525 Wilson had achieved national recognition for their accomplishments: Aventine with the award of LEED Platinum; and 1525 Wilson as the top-performing office property in U.S. EPA’s “Working Off the Waste” competition for greatest reduction in energy use among commercial buildings in the U.S. The result of the partnership between Glenborough and Chelsea Group, through the “Five Phases of Sustainability” approach for its portfolio, is proof that good sustainability practices and good business practices go hand in hand.