



# GREEN LEASING

Jamestown, L.P.

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## JAMESTOWN GREEN PORTFOLIO

- **8 assets achieved or pursuing LEED certification**
- **16.2 million square feet of space participating in the Jamestown Green Program**

Jamestown is one of 14 companies to earn the Green Lease Leaders designation, created by IMT and the U.S. Department of Energy's Better Buildings Alliance.

Jamestown earned this recognition in part due to the innovative cost recovery language it uses to break down the split incentive problem and incentivize building improvements; as well as its robust tenant build-out standards, which require that tenants outperform the energy requirements of local building codes.

## BUILDING THE CASE FOR GREEN LEASES

Jamestown, L.P. is a national, vertically-integrated real estate management company that owns over \$7 billion in assets. So when it decided to develop a green leasing program to achieve its sustainability goals, the Atlanta-based firm knew it needed to act judiciously in order to effectively increase the performance of the many buildings in its portfolio.

### GREEN LEASING AS AN EXERCISE IN CHANGE MANAGEMENT

In 2012, Jamestown released its initial Sustainability Vision Report, a document that publicly laid out a long-term vision for the company's sustainability initiatives. To distill this plan into practical suggestions, Jamestown organized a cross-departmental Sustainability Council, with contributors from the acquisitions, asset management, and legal departments. The Council identified green leasing as an essential tool for seizing energy efficiency opportunities.

### WITHOUT THE SUPPORT OF ASSET MANAGERS, A GREEN LEASING PROGRAM GOES NOWHERE.

Jamestown recognized that the support of asset and leasing managers was essential in order to create real change within its portfolio. With this in mind, the firm developed a green leasing implementation plan focused on communicating the financial benefits of green buildings to the asset and leasing managers with an emphasis on how green leasing is an effective strategy to achieve their economic and environmental goals.

After interest was established, a memo detailing green leasing best practices and the business case for green buildings was distributed around the company. Green leasing is now brought up at quarterly asset manager meetings to ensure that a high-performing portfolio remains a priority. This gradual approach to green leasing implementation acknowledged that asset and leasing managers are both the ones accountable for overall asset performance as well as the decision makers on a building by building basis.

By combining the inspiration of the Sustainability Vision Report with its practical management approach, Jamestown was able to create a green leasing program that increases the energy efficiency of its portfolio and fits well into the company's core investment strategy.





## THE BUILDING

Ponce City Market in Atlanta features over 1 million square feet of mixed-use space. Jamestown redeveloped the historic Sears, Roebuck, and Co. building, and is diligently maintaining a high-performing development. The landlord is using its lease agreements to encourage tenants to pursue LEED for Commercial Interiors certification for their spaces. Lease language regarding power and lighting density loads, as well as the ability to monitor usage via submetered electrical panels ensure that Ponce City Market is built to sustainable standards and operates efficiently.

## A REGIONAL APPROACH

Early in the green lease implementation process, Jamestown abstracted its leases to see where green clauses could have the best impact. The firm found that no standard lease existed across its portfolio, with cost structures and lease types varying from market to market. In order to roll out energy efficiency standards across its buildings nationwide, Jamestown worked with each regional office to ensure asset managers and leasing agents understood the benefits of green clauses, and were equipped to apply energy efficiency principles to their local markets.

As one of many clauses to ensure tenant spaces are energy efficient, a number of Jamestown leases have adopted the following lease clause:

“Landlord’s approval of Tenant’s proposed Space Plan, Working Drawings, or Change Order shall not be unreasonably withheld, conditioned or Delayed; provided, however, that Landlord shall not be deemed to have unreasonably withheld its approval of any Space Plan, Working Drawings or Change Order that: Does not reflect a 10 percent efficiency improvement in tenant fit-up lighting efficiency over minimum code.”

By asking tenants to outperform the building code by 10 percent, Jamestown ensures that tenant lighting loads will help rather than hinder a building’s energy performance. This simple change protects Jamestown’s investments, which the company expects will see higher occupancy and rents as a result of their green certifications, and furthers the company’s commitment to high-performing, sustainable buildings.

Jamestown Asset Manager Scott Landsittel describes the company’s green lease as “vital to helping us improve the sustainability and energy efficiency of our assets.” Landsittel found that “putting language in the lease encourages our property teams and leasing agents to have conversations with our tenants about sustainability upgrades. This is a positive experience for our teams, allowing us to implement sustainability improvements and build deeper relationships with our valued tenants.”

## THE TENANT



When MailChimp was negotiating its space in the new Ponce City Market, the Atlanta-based email marketing firm looked to align its corporate sustainability goals with Jamestown’s desire to have a high performing green portfolio. MailChimp and

Jamestown agreed on a number of green clauses to help drive down operating costs and lessen both companies’ impacts on the environment.

“At MailChimp we’re intentional in our work, our impact, and our environment,” said Dan Kurzius, Co-Founder of MailChimp.

“We chose to work with Jamestown due to their deep commitment to sustainable buildings and pro-

tecting the environment. The level of detail Jamestown takes in this regard is clear through Ponce City Market’s thoughtful, adaptive reuse, and the innovative use of a green lease to better align the financial incentives of energy efficient buildings. Jamestown has taken great care in helping preserve Atlanta’s past, and we think their investment in our environment will help brighten our company’s future.”