



# Construction Institute December 10, 2008

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# Project Stats

Size:	468,828 SF.
Capacity:	2,657 seats
Efficiency:	176 SF/ FTE
Floors:	4
Foot print:	119,000 sf.
Land:	73 acres
Parking:	22 acres
Schedule:	19 months
Cost:	\$95,700,000 (\$205 sf.)











# Design Criteria

- Transparent; Modern / timeless materials.
- Flexible, efficient and open floor plate.
  - No columns between core and curtain wall.
- Moderate sized Lobby.
- Energy efficient.
- High level of automation and controls.
- Offices (10X15) on core.
- Bright, engaging, fun work environment.
- Dual functionality for Café and all employee meeting area.
- Provide collaborative amenities.



# Project Economic and Control Parameters

- Ownership
  - Responsible for project build and ongoing operation/management.
- Cost model / Budget process:
  - Projected total capital cost and ING required return on capital.
  - Project ongoing building operating expenses.
    - Utility
    - Security
    - Cleaning
    - R&M
    - Grounds
    - Real Estate Taxes
- Derive annual occupancy costs



# ING Culture....Good Corporate citizenship

- Environmental Care: Is an ING core value and guiding Business Principal.
- Awarded the 2008 CT Clean Energy Communities Award and CT Climate Change Leadership Award.
- ING purchases 100% wind power credits for its US operations.
  - 1,000 MWH from CT Clean Energy Fund.
  - 1 solar panel provided to City of Hartford Library and School.
- Awarded 2008 Green Power Leadership Award from EPA.
- ING is Carbon Neutral through Green Energy purchases and reforestation efforts.



# Energy Features- Connecticut Energy Efficiency Fund

- Energy efficient lighting.
- Occupancy sensors.
- Day light harvesting and dimmable ballasts.
- Premium efficiency motors
- High efficiency, evaporative roof-top HVAC units.
- VFD's for HVAC's and Boiler's.
- CO2 control of outside air.
- High efficiency window glazing



# **Installation of the energy efficiency measures identified for this project will save an estimated 28,360,994 KWH over the life of the measures.**

This is equivalent to:

14,578,081 Pounds of Coal not burned.

or

1,874,292 Gallons of oil not burned.

or

3,376 Homes provided with electricity each year

## **The environmental benefits from this project are:**

57,622 pounds of Sulfur Oxides emissions avoided

and

15,327 pounds of Nitrogen Oxides emissions avoided

and

31,197,093 pounds of Carbon Dioxide emissions avoided



# Design vs. Reality

- Cost of electricity: \$.18 KWH
- Actual consumption: 7,000,000 KWH      15.0 KWH / SF
- 2008 Projected cost: \$1,300,000      \$2.78 SF
- Electricity cost in US:  
NJ: \$0.16      PA: \$0.12  
GA: \$0.09      ND: \$0.08  
MN: \$0.08      IA: \$0.04



# Design vs. Reality

- Natural gas cost: \$1.52 CCF
- Consumption: 81,000 CCF .17 CCF / SF
- 2008 projected cost: \$123,120 \$.26 sf.
- Operating exp.: \$4,600,000 (Excludes taxes) \$9.82 sf.
- Capital operating exp.: \$7,000,000 (Depr. and Interest) \$14.96 sf.
- Sf/fte ratio: 176 SF/FTE
- **Cost per seat: <\$5,000 per person per annum.**



# Project Keys to Success

- Knowing what you want.
- Make decisions.....Timely.
- Hire right team and ensure they are integrated.
  - Development, Design, Build, Property Management and Ownership worked very well together.
  - Input by all members was constructively evaluated.
- One “Owner” throughout entire development process and ongoing building day to day operation.
  - No one was going to “cut corners” / leave the mess for someone else to clean up.



# Criteria for day to day decision making

- Alternatives should be a competitive set.
- Discounted cash flow of total occupancy costs over lease term / holding period.
  - Dependent factors include:
    - Amount of space needed to meet requirement
      - Open and flexible floor plate is a must.
    - Base rent.
    - Operating expenses.
    - Costs to remodel space.
- Subjective factors are always prevalent due to location or building amenities which are a component of decision making.
- Don't trade short term gain for long term cost.

