

November 9, 2017

Denver Green Roof Initiative Passed by Denver Voters

By a narrow margin, on Nov. 7, 2017, Denver voters approved a **Citizen Ballot Initiative** ("Initiative") that mandates green roofs on all new buildings with over 25,000 square feet of floor area. The Initiative also requires existing roofs on buildings with over 25,000 square feet of floor area to upgrade to a green roof upon roof replacement.

What Does This Mean for My Project?

For new Denver projects over 25,000 square feet of floor area submitted in 2018, green roofs will need to be incorporated into both the design and the construction budget for underwriting. For existing Denver properties, as roof repairs and improvements are evaluated, the cost of upgrading to a green roof will need to be considered.

Depending on building square footage, the percentage of required rooftop coverage grows from 20 percent for 25,000–49,999 square feet up to 60 percent for 200,000 square feet or more. A slightly different percentage calculation applies for industrial buildings.

The green roof requirement may include a combination of green roof and solar, so long as the combination is no less than 30 percent green roof and retains or collects for re-use at least the first 0.25 inches from each rainfall or 50 percent of annual rainfall volume falling on the roof thorough rooftop systems.

If a green roof is not possible, an exemption may be applied for through the Denver Planning Board for either a complete exemption or to provide a smaller green roof, provided that a cash-in-lieu payment is made. The cash-in-lieu payment is calculated based on the average actual cost of construction of a green roof, which is currently set at \$25 per square foot.

A few examples of possible project impacts were estimated by the opponent group during the initiative process:

- Grocery store of 42,800 square feet with a mandated green roof coverage of 20 percent would have an added cost of \$299,600 (\$7/sf) for installation of the green roof backbone
- Affordable housing project of 140,000 square feet with a mandated green roof coverage of 40 percent would have an added cost of \$392,000 (\$2.89/sf) for installation of the green roof backbone

Grandfathering of Projects

The Initiative becomes effective Jan. 1, 2018. While the city of Denver has not yet issued a statement as to how the Initiative will be implemented, it will likely be similar to the affordable housing development fee that commenced in 2017.

In that instance, the fee did not apply to any applicant for either a site development concept plan or a building permit application with associated permit drawings who had submitted, been officially logged in and paid any applicable fees by close of business on the city's last day of operation in Dec. 2016. If a project substantially changed from the submittal, or went "stale" during the concept review, meaning that submittals do not continue on a regular basis and six months have passed, the project is no longer exempt and would have to pay the fee. Anticipating a similar rollout, developers working to meet a deadline of Dec. 29, 2017, are advised to submit their concept plan no later than Dec. 8 to ensure the project is assigned a city log number before Dec. 29.

Possible Changes

As the proponents have acknowledged, changes to the Initiative are needed to provide further clarity regarding exemptions, the city review process, and how the green roof requirement can be reconciled with the City of Denver



November 9, 2017

Building Code. For example, proponents of the Initiative have recently commented that it was their intent that schools, nonprofits and historic buildings should be exempt.

While changes may occur in the future, the Denver City Charter does not allow any change, or repeal, of a voterapproved initiative for at least six months after the election and requires a two-thirds majority of Denver City Council. So, for at least six months and probably longer, the Initiative will go into effect as is.

Why Green Roofs?

Other cities with similar mandates are Toronto and San Francisco. The goal of the Initiative is to reduce the "heat island" effect in Denver, caused by pavement and rooftops. Opponents argued that green roofs add significant construction and maintenance costs, are more difficult to maintain in Denver's arid climate, and will hamper development.

The **Initiative** is 16 pages and includes the creation of an 11-member Technical Advisory Group appointed by the mayor to advise Denver's Community Planning and Development Department.

The city will continue its current environmental initiatives of Denver's 80 x 50 Climate Goal (reduce greenhouse gas emissions by 80 percent by 2050) and Energize Denver (energy use benchmarking required for all buildings over 25,000 square feet).

Carolynne White Shareholder cwhite@bhfs.com 303.223.1197 Caitlin Quander Associate cquander@bhfs.com 303.223.1233

This document is intended to provide you with general information regarding the Denver Green Roof Initiative. The contents of this document are not intended to provide specific legal advice. If you have any questions about the contents of this document or if you need legal advice as to an issue, please contact the attorneys listed or your regular Brownstein Hyatt Farber Schreck, LLP attorney. This communication may be considered advertising in some jurisdictions.