Landlords and tenants in commercially leased space agree that a more energy efficient space is more comfortable and desirable when completing a tenant build out. However, it can often be challenging for both sides to come to an agreement on how to implement a project, allocate costs, and handle disruptions to tenants. As an owner of a historic building with aging infrastructure, it was important to plan ahead to maximize energy savings and minimize potential disruptions during renovation.

John Borst, building owner, describes the importance of planning ahead to minimize disruptions and ensure tenant comfort. "It's much easier to keep existing tenants than to find new ones!"

Denver has a highly competitive rental market with new construction continually adding to the amount of space available to tenants. Being careful and considerate when renovating can help ensure a positive tenant experience.

Challenges:
- Aging infrastructure in a building over 60 years old resulted in high energy usage and a poor temperature control resulting in negative impacts on tenant comfort. In order to mitigate these issues, high capital expense projects were necessary to improve the building to a standard that would not only save energy and money, but also increase tenant comfort and satisfaction. A highly competitive market in Denver means that landlords need to provide an excellent experience to maintain long-term tenants.

Solutions:
- Energy efficiency and comfort were priorities in the tenant build-out process, which aligns with the Smart Leasing Program's best practices for a sustainable build-out. Notable upgrades included a building automation system (BAS), LED lighting retrofits, and central plant upgrades to replace the existing chillers and cooling tower. C-PACE financing was critical to the project, enabling the landlord to allocate part of the cost with tenants in the form of a slight increase to property taxes over a period of 20 years. Rebates from Xcel Energy also helped to minimize upfront project costs.

Results:
- Energy savings averaging 19% annually
- Approximately $50,000 in avoided energy costs per year
- Improved thermal comfort for tenants resulting in fewer hot and cold calls
- Improved lighting quality and attractiveness in leased spaces

Further, studies have shown that investing in healthy, high performing buildings can lead to an additional annual value of $3,395 per employee and $18.56 per square foot due to enhanced productivity, retention, and utility and maintenance savings!