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South Florida companies catch green wave

Last year Tyler Krutzfeldt moved from Seattle to Miami to open an office for an alternative energy investment fund.

The problem: He couldn't find green office space. He ended up in a condo. "It has been a challenge being green in Miami," says Krutzfeldt, managing director of Mont Vista Capital. "But I still think we are on the edge of something here." Krutzfeldt's story reflects where South Florida stands on the green radar: While its long-standing indifference to green issues has finally started to thaw, there's still a long way to go.

The main reason for the region's budding awareness of environmentally friendly business is, well, green -- it's finally becoming more profitable. And so a small ecosystem of green business is starting to emerge, making everything from devices that slash light bills to eco-friendly kitchen countertops.

"Now there are economic benefits rather than costs to going green," says Mark Resnick, director of Florida International University's Institute for Technology Innovation.

South Florida still barely registers on the green scale -- Resnick says the region lags behind the rest of the United States, which lags behind the rest of the world.

Consultant Jorge David agrees there's a lot to be done.

"I have not seen much movement here toward energy efficiency or water-use efficiency," says David, who works at Environmental Resources Management in Miami.

But some companies, big and small, are starting to take advantage of green opportunities.

Office Depot, based in Delray Beach, has an in-house environmental advisor, Yalmaz Siddiqui. The huge office supply retailer publishes a sustainability report and has cut its greenhouse gas emissions, despite opening more stores. The company has also joined the Global Reporting Initiative, a Netherlands group that encourages businesses to report on sustainability.

Office Depot sees green business as a growth area and publishes a catalog of green-friendly office supplies.

"We have decided it's important to us," says Siddiqui. "More companies are moving in the direction that there is some business logic to it."

On the other side of the size spectrum, several small start-ups are banking on the green trend. Take Mario Garcia, an entrepreneur who launched Garper Energy Solutions in North Miami a year and a half ago. Garcia started sales four months ago for a device that stops lighting systems from taking in more electricity than they need. He claims he can cut the electricity bill by 15 percent to 35 percent annually for big light users, such as car dealerships, hospitals or garages that stay lit through the night.

He's so confident that he offers to install the device for free and take a cut of savings. Tests are being undertaken at the Port of Miami and Jackson Memorial

Hospital and are planned for the city of Miami, he says.

"Basically, people think this is way too good to be true," says Garcia. "People are saying, before I buy it, I want to see this marvel in actual life."

Garcia has yet to take in a penny of revenue in the United States. Yet he matter-of-factly predicts sales of more than \$1 billion in the next four to five years.

Then there's small entrepreneur Lisa Bowman. A year ago, her friend Christian Miranda of Kendall visited the Pacific Northwest and saw that biodiesel was sold widely. He wanted to bring it to Miami.

'I said, 'Let's do it,' " says Bowman, who lives in Miramar.

So Miranda left the University of Florida, and Bowman, a UF graduate, launched Sol Atlantic Biodiesel in Hialeah Gardens. They made their first sale of wholesale biodiesel in February to the Florida Keys Electric Cooperative.

The company targets construction and trucking companies whose fleets run on diesel fuel. They hope to open a biodiesel gas station, saying there isn't one in all of South Florida. But they are selling biodiesel for \$3 a gallon, while a gas station down the street from them sells gas for \$2.93.

CONSUMER CONCERNS

"Price talks in Miami," Bowman says. "People like to be environmentally friendly, but that is not enough to make the switch. But if we can bring the price down, I think we can do it."

Another business person, Sonja Bogensperger, used to work in marketing for condominium seller Majestic Properties. Last year she moved to Coverings Etc., a Miami seller of tile, countertops and floors.

She didn't have a clue about green business at the time. Then she learned the company sold an eco-line of tiles and marble with recycled content, produced in an environmentally sensitive manner. She also attended Greenbuild last year in Denver, a trade conference where green building products are sold.

PLEASANTLY SURPRISED

"I was stunned; the demand for the products was overwhelming," she says. Now, she says, demand is ramping up because of an increasing number of green buildings planned. However, the biggest buyers are still not from Florida, but rather from California and New York.

"From those places, the demand is 80 percent driven by eco-friendly materials," she says. "Whereby in Miami we still sell a lot of natural stones and unusual marble."

The green sensibility is also slowly creeping into the banking and building industries.

In March, a small Miami institution became the first community bank in the United States and the first lender in Florida to sign a United Nations pact on sustainable financial practices. Union Credit Bank pledged to offer attractive loan rates and financing for hybrid cars, green homes and green businesses.

This came on the heels of an announcement by Bank of America, the giant North Carolina bank with a big South Florida presence, that it's launching a \$20 billion campaign to build an "environmentally sustainable economy." The plan includes paying employees \$3,000 if they buy a hybrid car.

EAGER PARTICIPANT

"As soon as I saw the announcement, I bought one," says Maria Silva-Hoyos, 24, who commutes in her Toyota Prius between work at the bank's branch in Pompano Beach and classes at Florida Atlantic University in Boca Raton. "I used to go to the gas station once a week, now it's every two."

Meanwhile, in December the Inter-American Development Bank announced it was joining with the likes of former Florida Gov. Jeb Bush to form the Inter-American Commission on Ethanol.

Among builders, the number of real estate projects in South Florida seeking green certification from the U.S. Green Building Council has leapt from eight to 27 in the past year. Just since January, nine projects have been registered with

the council for its certification known as LEED, or Leadership in Energy and Environmental Design.

It's still unclear how many will actually get built and certified -- there isn't a single one in South Florida yet. But New York builder Brown Hill Development plans a LEED-approved 23-acre office, shopping and residential project in what is to be the new downtown for Coconut Creek. And Baptist Health South Florida plans the first LEED-rated hospital in Miami-Dade County, West Kendall Baptist Hospital.

LAST-MINUTE CHANGES

One office builder on Miami's Brickell Avenue even decided mid-construction that he had to rejigger plans to get LEED certification.

"It is a trend that is here to stay," says Alan Ojeda, chief executive of Rilea Group, which is building a 35-story tower. "I think people will place value in being in a green building. As a consequence, green buildings will have a competitive advantage."

Meanwhile, the class of South Florida professionals needed to support green ventures -- from architects and engineers to investment advisors and attorneys -- has shot up from 80 in 2004 to 350, according to the U.S. Green Building Council.

Bryan Dempsey, who sold real estate for Kerdyk Real Estate in Coral Gables, decided to take the plunge and launch his own environmental consulting company, ECO LLC.

"I have wanted to do this for a long time, but it's finally gotten traction in Miami," Dempsey says. "Literally six months ago I couldn't have tried this."

BOOM BEGINS

For Rob Hink, a veteran energy consultant, the incipient boom is amounting to a mini-bonanza. The Weston businessman ticks off his schedule.

"Today I have two contracts back for high-rise projects in downtown Miami," says Hink, who heads a company called Spinnaker. "Met with a client this week for an office building in Boca. Another client from Deerfield Beach wants to meet on Wednesday. I sent three proposals last week. It's really picking up steam." Hink says he doesn't even get into global warming with clients because there are so many other reasons to go green.

To Krutzfeldt, what's really needed now is committed leadership from the chief executives of South Florida companies. He cited the Silicon Valley Leadership Group, established by David Packard, co-founder of giant computer maker Hewlett Packard.

However, other than efforts by the likes of Office Depot and a push by some political leaders, the passion for going green has yet to bubble up to many executive offices in South Florida.

"If I am, say, a computer programmer and living green is important to me, there is no doubt other areas have an advantage over South Florida," Krutzfeldt said. "If I am a CEO of a company in Miami that attracts international talent, that would be a concern of mine. A regional working group is a good place to start."