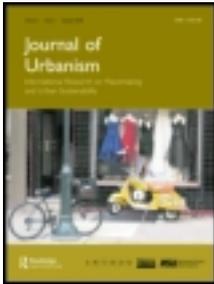


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Green growth machines, LEED ratings and value free development: the case of the Philadelphia property tax abatement

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In this paper we examine an attempt in Philadelphia in 2009 to alter a popular and longstanding city property tax abatement program by connecting it to LEED building standards. We argue that the attempt to change the property tax abatement was an attempt by an insurgent growth coalition – what we call a ‘green growth machine’ – to capture a greater proportion of the returns from land investment from the city’s traditional growth machine. LEED was an important tool in the green growth machine’s strategy, because the rating system has become a means by which growth machines have established green building as a component of the ideology of value free development. The attempt to alter the property tax abatement limited the extent to which LEED could be used as a tool in the construction of an ideology of value free development, which suggests both the limits to the power of that ideology, and how components of that ideology might be used to challenge a traditional growth machine.

Introduction

On 5 March 2009, council member Curtis Jones introduced a bill into the Philadelphia City Council that would have dramatically changed a popular program that provides a 10-year abatement on property taxes for new construction, and for significant renovations of existing structures. Jones’s Bill proposed that only new construction or renovations built to the standards of the US Green Building Council’s (USGBC) Leadership in Environmental and Energy Design (LEED) rating system would qualify for a property tax abatement, with only those buildings qualifying as ‘platinum’ (the highest rating) getting the full ten-year abatement (Philadelphia 2009).

Jones’s Bill, which did not have enough support to move beyond a committee hearing, is nonetheless significant because it exposed competition over the returns from land investment at the moment when the ideology of value free development was being reformulated in Philadelphia in order to incorporate environmental concerns. As proponents of the growth machine model of urban political economy have argued, a public consensus that land development benefits all city residents – otherwise known as the ideology of ‘value free development’ – is actively maintained by growth machines in order to sustain public approval for their profit-making activities. In order to maintain that consensus, growth machines have had to incorporate environmental concerns into their development agendas, and Jones’s Bill was ostensibly one such effort to do so. Yet Jones’s Bill was structured such that it brought two separate development interests into conflict, not over any specific development project – which even in his original formulation, Molotch

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(1976, p. 311) acknowledged could create conflicts among members of a growth machine – but over a tool commonly used to establish the consensual nature of growth in general. By compromising the consensus over the benefits of growth, Jones’s Bill opened a brief window through which the interests who benefit, and who seek to benefit, not just from development, but from the ideology of value free development, were momentarily visible.

In the absence of any visible public discontent over growth, growth machine theorists rely on the ideology of value free development as a sort of ‘false consciousness’ explanation of why residents *should* be protesting growth. As one student of growth machines has put it: “In recognizing that local economic development strategies are contestable, a problematic that requires explanation is why so few are actually contested” (Boyle 1999, p. 60). In attempting to explain the absence of contestation, discussions of value-free development tend to either overly-broad claims regarding the cultural and ideological hegemony of free markets or ‘neoliberalism’ or overly-specific claims that booster activities, such as parades and sports teams, are somehow evidence of a pro-growth consensus.

By contrast, Jones’s Bill provides an example of a specific tool, LEED, which is clearly used to support the ideology of value free development. The notion of ‘green building’ implies the potential that there might be no negative environmental externalities from growth, and that growth might even be environmentally beneficial. As Troutman (2004, p. 617) noted in the case of ‘smart growth’ in San Diego, it “promised not only to avoid repeating the failures of past growth but also to correct them”. Similarly, LEED, as the industry standard for green building, defines which types of growth are environmentally good. As such, LEED is an important tool by which a growth machine can claim that development is ‘value free’, meaning that it provides a consensual good that no one would think to question. Indeed, as one witness testified during the committee hearings on Jones’s Bill, LEED “is the only system in the country that is completely consensus based”, meaning it “follows the guidelines of the federal Office of Management and Budget consensus process for development and goes through a very extensive vetting process with stakeholders” (Philadelphia 2009a, pp. 97–98).

The irony of Jones’s Bill is that it was structured such that it would have provided great benefit to a relatively small faction of green building interests, at the cost of drastically decreasing the benefits to traditional growth machine interests of the existing tax abatement program. Indeed, had it passed, Jones’s Bill would have had a tremendous impact on the city’s building industry and the city’s built environment. Due to population loss over the last half-century, the city has tens of thousands of abandoned properties and buildings near the end of their useful lives. Yet population growth over the last decade suggests a good deal of likely future demand for new buildings and renovations in the city, most of which will probably take advantage of the property tax abatement, although most builders will probably not voluntarily attempt LEED certification. One estimate from 2006 is that the abatement program was responsible for “generating approximately two-thirds of the residential development since 2000” (Econsult Corporation 2006, p. 8). According to the USGBC Registered Projects Directory and the LEED for Homes certified projects list, there are in Philadelphia, as of February 2011, a total of 84 LEED-certified residential structures, 42 LEED-certified non-residential structures and 21 additional residential and non-residential projects that have applied for, but not yet received, certification. Of the 124 certified structures, 10 are ranked platinum, 22 gold, 64 silver and 28 certified. These buildings, which have all been built since 2006, are a small fraction of total building construction in the city (US Green Building Council 2011a; 2011b). In

2010 alone, for example, the city issued 606 new permits, just for privately-owned residential buildings (US Census 2010).

Whether Jones intended for his Bill to pit green building interests against the traditional growth machine is unclear. Regardless, the Bill was structured such that LEED functioned not in support of an ideology of value free development, but instead exposed conflicts between two sets of growth interests over who would capture the returns from land investment. The failure of Jones's Bill thus suggests the limitations to the ideological power of value free development, especially as it comes to depend on the incorporation of environmental concerns. An examination of Jones's Bill thus also serves to qualify more general claims regarding the apparent strength of the ideology of value free development, as it reflects a more general belief in the efficacy and virtue of free markets.

This paper proceeds in five steps. First, we discuss in more detail how an examination of Jones's Bill contributes to the literature on growth machines and the ideology of value free development, namely because it is a moment when LEED, which is usually a component of the ideology of value free development, served instead as a wedge between the green and traditional growth machines. Second, to show that they were in fact elements of an ideology of value free development, we demonstrate the extent of consensus over green building and LEED through an examination of city policy and local media coverage. Third, we explain how and why Jones's Bill created a divide between the city's green and traditional growth machines, with the result that LEED no longer held a central place in the local construction of the ideology of value free development. Fourth, we sketch out the social network of the green growth machine, to show that it is in fact a cohesive group distinct from the traditional growth machine, which has an obvious stake in city policies that encourage LEED-rated construction. Finally, we conclude with a brief discussion of what Jones's Bill suggests about the ability of insurgent growth interests to deploy the ideology of value free development against a reigning growth machine.

Growth machines, value free development and green building

As defined by Molotch (1976), and later by Logan and Molotch (1987), a growth machine is "An apparatus of interlocking progrowth associations and governmental units" who engage in "collective action ... to create conditions that will intensify future land use in an area" for the purposes of increasing the exchange value of land, which often occurs at the expense of the residential use value of land (Logan and Molotch 1987, pp. 32–34). Logan and Molotch also suggested that the main opposition to growth machines came from environmental groups (p. 200). Yet many studies have found growth machines incorporating environmental concerns into their development strategies through 'smart growth', 'green building', and the like. How environmentalism fits into the interests of a growth machine, and whether it achieves anything other than greater acceptability for traditional growth machine interests, is an ongoing subject of discussion and debate (Pfeffer and Lapping 1994, Morcol *et al.* 2003, Gearin 2004, Troutman 2004, pp. 617–618, Warner and Negrete 2005, Logan and Molotch 2007, pp. xx–xxi, Lee 2009; see also the related findings from Lubell *et al.* 2010 and the related literature on 'greenwashing', such as Munshi and Kurian 2005).

Growth machines have had to concern themselves with environmental issues in part in order to maintain the ideology of value free development, which holds that growth is a public good that benefits all city residents. The ideology of value free development establishes a consensus that provides, as Mark Boyle (1999, p. 58) put it, "the right cultural context for trouble-free investment". LEED ratings, as the recognized industry standard

for green building (see, for example, Unruh and Ettenson 2010), are the most obvious method for incorporating a concern for the environment into a development agenda. Indeed, there is significant evidence of a consensus regarding the benefits of LEED among city officials, reflected in their reflexive adoption of it as they implement green building policies. As Retzlaff (2009) found in a survey of 56 cities that had by 2007 established green building policies, most of the officials responsible for implementing those policies simply accepted LEED ratings without a thought to other alternatives, such as Green Globes or Energy Star, and “most...did not cite any of the substantive elements of LEED in indicating why they chose to use the system” (p. 72).

Growth machine theorists have characterized the ideology of value free development as being maintained through three main processes: (1) traditional ‘booster’ activities, such as the promotion of local sports teams (Molotch 1976, pp. 314–315, Logan and Molotch 1987, pp. 52–57, 60–62, Boyle 1999, Short 1999); (2) a belief that new capital investment makes all city residents better off through a ‘trickle down’ economic process (Logan and Molotch 1987, pp. 33–34, Boyle 1999, p. 58, Cox 1999, pp. 22–23); and (3) a more general belief in the efficacy and virtue of free markets, applied to the local level (Molotch and Logan 1984, Logan and Molotch 1987, pp. 32–33; Kirkpatrick and Smith 2011, p. 479; see also the related discussion in Howarth 2007, 200–201).

The case of LEED in Philadelphia, and of Jones’s Bill more specifically, contributes at least two important points to the discussion of the ideology of value free development. First, as we explain in greater detail below, LEED in Philadelphia was both an important component of the boosterism around urban sustainability, especially during the 2007 mayoral election, and in Jones’s Bill it was also an important tool by which an insurgent faction of the city’s building industry might have recognized a greater share of the returns from land investment. LEED in Philadelphia thus addresses what Boyle (1999, pp. 58–59) identified as the lack of evidence that specific booster activities actually promote the interests of growth machines.

Second, in the debate around Jones’s Bill, the green and traditional growth machines each deployed different versions of the ideology of value free development in order to argue both for and against the Bill. Although Cox (1999) suggested that growth machines might make use of multiple ideologies, he did not go as far as that which is suggested by Jones’s Bill, that the ideology of value free development might contain contradictory strains that can be used against one another, and which thus suggest some limit to the power of the ideology itself. Similarly, both Troutman (2004, p. 620) and Warner and Molotch (2000) also suggested that the relative incoherence in the ideology of value free development will usually work to the advantage of growth interests; yet in the case of Jones’s Bill, ideological incoherence appears to have created a more pluralist outcome whereby growth interests were divided against one another.¹ More typically, value free development is portrayed as an all-encompassing ideology, fused as it is with a general belief in free markets. Howarth (2007, pp. 200–201) argued similarly that one of the reasons neoliberal urban policies (essentially the same as growth machine policies) have had such success is because there is no obvious alternative to neoliberalism. Yet Jones’s Bill suggests that the alternative to neoliberal growth policies might lie within the ideology of value free development itself.

The emergent consensus on green building in Philadelphia

One unique aspect of the Philadelphia mayoral election of 2007 was that every candidate issued a ‘green paper’ describing their environmental policies. The winning candidate,

Michael Nutter, promised to make Philadelphia the “greenest city in America”. In 2007 as well, the Building Industry Association of Philadelphia (BIA) – the primary professional association of the city’s growth machine – established a Green Committee, “To promote the understanding and practice of environmentally-sustainable building techniques in the Philadelphia construction industry” (Building Industry Association of Philadelphia 2012).

The enthusiasm with which both the new mayor and the BIA embraced urban environmentalism reflects an emergent consensus that was readily evident in the local media even prior to 2007. A keyword search using the terms ‘green building’, ‘sustainability’, ‘green architecture’ and ‘greening’ of Philadelphia’s two major print dailies (the *Inquirer* and *Daily News*) and three weekly papers (*City Paper*, *Philadelphia Weekly* and the *Philadelphia Business Journal*), from January 2002 to January 2009, generated hundreds of articles, from which we selected a sample of 50 that were most relevant to our study.

The articles indicated three key trends: (1) those between 2002 and 2005 supporting the ‘greening’ of thousands of lots across the city that were cleared of abandoned structures as a result of mayor John Street’s Neighborhood Transformation Initiative (Young 2002a, 2002b, 2003a, 2003b; see also McGovern 2006); (2) those starting in 2007 (coinciding with the increase in food and fuel prices that year) that focused on ‘sustainable living’ and building, including energy efficiency and urban environmental management; and (3) those beginning in 2007, and increasing in frequency in 2009, advocating for ‘green jobs’ (Tamari and Spolar 2009; see also Jones 2008). Overall, the largest increase in news and opinion items focused on lifestyle and consumption stories that sought to educate and advise people on how to live more sustainably, with many of these stories focused on design and architecture – two areas of major interest for a new growth machine. Each media theme played into a larger narrative of value free development that emphasized the benefits of sustainability to the public goods of economic development, regional competitiveness, and urban revitalization.

Environmentally-oriented topics were also a substantial presence in the emergent web-based media, especially ‘PlanPhilly’, an urban planning news website created in 2006 by the University of Pennsylvania’s PennPraxis planning consultancy. A simple keyword search for ‘sustainability’ generated more than 1000 items from the PlanPhilly website.² In 2006, the *Inquirer* established an environmental column, titled Green Space, and in 2008, Philly.com (the website of Philadelphia Newspaper Inc., which was at that time the parent company of the *Inquirer* and *Daily News*) created a web portal specifically dedicated to ‘green’ policy, building and lifestyles, first titled Green beta, and now simply Green, it exists under the ‘lifestyles’ section of the site. Yet another sign of the increasing importance of greening and sustainability media was the creation of *GRID Magazine* in late 2008, a Philadelphia-based monthly magazine, issued both online and in print, and dedicated to sustainability.

The interest in sustainability reflected in the local media was also evident in city government. In 2005 several staff members in the city planning commission and Office of Strategic Planning formed a Sustainability Working Group (SWG), which by 2006 had expanded to include more than 50 staff from several city departments. In addition, in 2006 Mayor Street created the position of sustainability coordinator in the Managing Director’s Office, who, in conjunction with the SWG, prepared the city’s *Local Action Plan for Climate Change* in 2007, in response to Philadelphia joining the Large Cities (now C40) Climate Leadership Group (Philadelphia 2007). The SWG, the climate change plan, the city’s open space plan and GreenPlan Philadelphia, all served as the basis for the establishment under the Nutter administration of the Mayor’s Office of Sustainability

(MOS), a Sustainability Advisory Board, and the city's sustainability plan, *Greenworks*, which was released at the end of April 2009 (Philadelphia n.d.).

The centrality of green building and LEED in the environmental proposals of Nutter when he was a mayoral candidate reflects the fact that the rating system was, at least until the introduction of Jones's Bill, part of the consensus on the importance of sustainability. In his campaign position paper on environmental policy, Nutter (2007, p. 2) promised that, as mayor, he would convene a 'Sustainability Advisory Group' with the members chosen "With the advice of expert groups such as the Design Advocacy Group and the Delaware Valley Green Building Council [DVGBC]". The DVGBC is the local chapter of the USGBC, the non-profit organization that developed, and trademarked, LEED. Nutter also proposed to hire a 'Sustainability Coordinator' who would lead a Sustainability Council and who would also be charged with designing "'green building' practices in both public buildings and the zoning and regulation of private buildings in Philadelphia". As the position paper noted: "The Sustainability Coordinator will assist Licenses and Inspections, the Zoning Board of Adjustment, and the Planning Commission to revise our city's building codes, neighborhood zoning code, and urban planning practices with a particular emphasis on sustainable design" (p. 5).

In addition to relying on the advice of the Design Advocacy Group and DVGBC, the Nutter paper also proposed that: "all ten of the proposals made by the Next Great City Coalition will be pursued by the Sustainability Coordinator and supported by the Sustainability Cabinet" (p. 6). The Next Great City Coalition is a project supported by the William Penn Foundation and administered by a statewide environmental non-profit, Citizens for Pennsylvania's Future (PennFuture). The chief product of the coalition is the report *Next Great City Philadelphia*, released in 2007, that outlines the 10 proposals referred to in the Nutter paper. The proposals most relevant to green building are those to "adopt modern zoning", in part by creating incentives to build to LEED standards, and to "use clean energy and construct energy-efficient buildings", including the more specific proposal to build all new city and school district buildings to LEED silver standards (Black n.d., pp. 18–19, 28–29). The Nutter paper also promised that as mayor he would "increase the number of LEED...accredited professionals in the City workforce by 25 employees..." (Nutter 2007, p. 2).

Philadelphia's city council had also been active on the environmental front. Its members approved the creation of a new standing committee on the environment in February 2007. Among the many issues that have been considered by the committee since its inception, and the many environmentally-oriented bills and resolutions adopted by the council, the two most significant for the purposes of this paper were both considered and adopted at approximately the same time as Jones's Bill was under consideration. The first, sponsored by Blondell Reynolds Brown, established as an ordinance part of an executive order issued by Mayor Street in 2007, requiring among other things that any new city buildings or major renovations to existing buildings, of more than 10,000 square feet, be built to LEED silver standards. Although Brown had originally sought to expand upon the executive order so that it applied to both city-owned and city-funded buildings, after conversations with "interested stakeholders that included developers, union leaders, environmental lawyers and builders", she agreed to limit the ordinance to include only city-owned buildings. City officials estimated that the ordinance would affect approximately five buildings a year (Philadelphia 2009b). Second, environment committee chair James Kenney sponsored a Bill, adopted by council and signed by the mayor in December 2009, providing "sustainable business tax credits" to corporations that qualified as "B corporations", meaning that they meet standards for social and environmental

responsibility, as developed and determined by B Lab, a non-profit corporation (Philadelphia 2009c, 2009d).

The emergent disagreement over LEED ratings in Philadelphia

Considering that it was drafted and presented to the city council at the same time as Brown's Bill on LEED silver ratings for city-owned buildings, the sustainable business tax credit, and *Greenworks*, it becomes hard to view Jones's Bill as anything but an attempt to alter an existing program in order to provide greater benefits to green building interests, at the expense of existing benefits to the city's traditional growth machine, and to do so by leveraging the consensus over LEED ratings. Yet the city's traditional growth machine appears to have successfully deflected the attempt to shift land rent revenues toward the green growth machine, while maintaining the ideology of value free development, although in a more diffuse form that did not center as much on LEED ratings as it previously did.

Certainly Jones's Bill did not alter the evident consensus on green building. At the main city council committee hearing on the Bill (which was not referred to the environment committee, but to the finance committee), one councilman noted during the proceedings, "obviously I think it's clear that most people here certainly support green building" (Philadelphia 2009a, p. 57). BIA president Sam Sherman, testifying against the Bill, noted as well, "As a developer in the city of Philadelphia, I have made the business decision to pursue all future projects incorporating either LEED or Sustainability" (p. 108). Sherman also noted that the BIA was actively engaged in educating its members about green building (p. 128).

Yet when speaking on behalf of the city's building industry, Sherman argued that:

the tax abatement is one of our last by-right tools to attract customers as well as make the pro formas work as it relates to construction costs ... for my membership ... there is a perception, right or wrong, that LEED will add construction costs ... we also have to expect that if it does add cost, it's going to end up being passed on to the consumer. (pp. 107–108)

The BIA president thus identified the fundamental dilemma posed by Jones's Bill, as it was structured such that it pitted the city's building industry against the industry standard for green building.

In contrast to Brown's Bill requiring new city-owned buildings to be LEED silver, in which the USGBC rating system was adopted without question, the divisiveness of Jones's Bill compelled city officials to suggest alternatives to LEED as a rating system for green building. At the committee hearing on Jones's Bill, Andrew Altman, deputy mayor for economic development, testifying against the Bill, suggested that the US Environmental Protection Agency's Energy Star system might be a more appropriate rating system, and he cautioned as well against "compel[ing] the City to rely on private inspectors such as those certified through the US Green Building Council", as the effect would be to place "the control of Philadelphia's tax-exempt decisions...in the hands of the private sector" (p. 13; see also Davidson 2009). While Nutter as a mayoral candidate in 2007 had used LEED exclusively in his environmental proposals, the sustainability plan that he released as mayor, approximately one month after the hearing on Jones's Bill, was far more circumspect. Whenever LEED is suggested as part of a city policy in *Greenworks*, it is presented as one possible option, along with Energy Star (Philadelphia n.d., pp. 17, 19).

The fact that the city council adopted, and the mayor signed into law, the sustainable business tax credit program, which relies on a rating system owned and administered by a non-profit corporation, suggests, contrary to Deputy Mayor Altman's testimony, that the Nutter administration was in fact not opposed to putting tax exemption decisions in the hands of the private sector, but that the real opposition to Jones's Bill came from the significant impact it would have had on the building industry. There are two important differences between Jones's Bill and the sustainable business tax credit program. As a new program, the sustainable business tax credit did not threaten the existing tax credits of an influential industry in the city. The sustainable business tax credit program is also relatively small; only 25 companies can qualify for the tax credit every year, the maximum credit they can receive is \$4000, and the entire program was authorized for only five years (Philadelphia 2009d). By contrast, as of 2006, 3358 properties in Philadelphia, with a total estimated market value of more than \$2.1 billion, had property tax abatements (Econsult 2006, p. 19).

In drafting his Bill, Jones and his staff appear to have made a conscious choice to alter the existing tax abatement program, and thus to challenge the traditional growth machine, rather than to suggest a new abatement program, which would have provided at least some small benefit to the green growth machine, while not harming the existing benefits to the traditional growth machine. At the hearing on his Bill, Jones argued that it was an attempt to save the entire abatement program, the existence of which was threatened by the fiscal pressures bearing on the city's budget as a result of both the national financial crisis, and an under-funded city pension fund. (Philadelphia 2009a, p. 4) Yet none of the other eight council members at the hearing discussed the elimination of the abatement program; the chief point of discussion about the traditional program was its tremendous value to the city. In fact, the chief proposal to alter the abatement program, prior to Jones's Bill, was another Bill by Jones, introduced in December 2008 and never reported out of committee, which would have reduced the annual abatement from 100 to 80% of taxes due. Jones apparently also considered reducing the number of years taxes were abated (Brennan 2008)

Greenworks, which was in development during the same period as Jones's Bill was under consideration in city council, and which was released shortly after the hearing on the Bill, included a recommendation to provide an additional two years of tax abatement for new construction that met energy efficiency guidelines, which might be linked to either LEED or Energy Star criteria, or both. The sustainability plan does suggest the possibility of changes to the existing abatement program, although it noted that any such proposals would come by recommendation of the Task Force on Tax Policy and Economic Competitiveness, formed by Nutter in March 2009 (Philadelphia n.d., p. 19). Tellingly, this task force's final report, which was issued in October 2009, rather than suggesting changes to the abatement program, uses it as a model for other programs to emulate. Indeed, the task force report emphasizes the importance of the abatement program to the traditional growth machine, noting that it is "a terrific example of an incentive that is widely known and promoted within the real estate development community, available as of right, and easy to access with a simple application" (Mayor's Task Force on Tax Policy and Economic Competitiveness 2009, p. 30).

The green growth machine

If Jones's Bill served to move the city away from LEED as a tool for building a consensus around green building, it conversely also highlighted a network of architects, real

estate interests and developers, lawyers, engineers and, to some extent, bankers, all of whom were early investors in LEED, and who thus shared a mutual interest in having the rating system serve as the criteria by which builders qualified for a popular tax abatement. These actors were linked as well to state and local environmental non-profits that often served as the venues to organize the individuals in for-profit companies; and a set of city council members, most notably Curtis Jones and Blondell Reynolds Brown, whose staff helped draft Jones's Bill (J. Knowles, personal interview, 26 October 2010).

Brown, along with council member Bill Green, co-sponsored Jones's Bill. Along with Kenney, Jones and Brown have been the most active members of the environment committee. Of the 11 formal meetings of the environment committee between 2007 and 2010, Kenney attended all meetings, Brown attended 10 meetings, and Curtis Jones attended eight, which was the maximum he could have attended, since he only became a council member in 2008. Only one other council member, Frank Rizzo, attended eight environment committee meetings. Kenney, Brown and Jones also all served on the finance committee, and were present at the hearing on Jones's Bill, as was Green, who also joined the council in 2008 and who was not on the environment committee.³

One initial indication of membership in the green growth machine is an invitation to testify (and acceptance of that invitation) on behalf of Jones's Bill. The invited witnesses who spoke in favor of the Bill were Sarah Shapiro, an attorney who was at the time in the building construction and environmental practices of a large Philadelphia law firm, Obermayer Rebmann Maxwell & Hippel; Sandy Wiggins, one of the founders of the DVGBC, president and founder of the real estate and consulting company Consilience LLC, and chairman and founder of e3 Bank; Frank Baldassare, president and CEO of e3 Bank; and Spencer Finch, the director of sustainable development at the Pennsylvania Environmental Council (PEC), a statewide non-profit with an office in Philadelphia (Philadelphia 2009a).⁴ As the local branch of the USGBC, the DVGBC, which was founded in 2001, is central to Philadelphia's green growth machine. Indeed, all of the people who testified in support of Jones's Bill have been members of the DVGBC board of directors. The DVGBC also works very closely with three other non-profits: PEC, PennFuture and the Sustainable Business Network (SBN) (H. Blakeslee, personal interview, 22 January 2009).

Staff members from both the DVGBC and PennFuture, and a DVGBC board member, also all testified at the committee hearing on Brown's Bill establishing LEED silver requirements for city buildings. That the actors most closely involved in green building in Philadelphia are distinct from, although neither mutually exclusive nor hostile to, the traditional growth machine, is suggested by the fact that there is no overlap between the boards of directors of the BIA and either the DVGBC, PEC, PennFuture or the SBN, although a past president of the BIA, William Reddish, does serve on the board of the SBN, and the BIA does provide a link on its website to the website of the DVGBC.

Besides Wiggins, the founding members of the DVGBC were Jim Lutz, Scott Kelly, Charles Tomlinson and Robert Diemer. Tomlinson is a principal and founding partner of Wallace, Roberts & Todd (WRT Design), an architecture and planning firm that was selected as the consultant for sustainability issues for the Zoning Code Commission, a body approved in a 2007 referendum to draft a new city zoning code; Kelly is a principal and founder at Re:Vision Architecture; Robert Diemer is an engineer and partner at AKF Engineers, a firm with a substantial sustainable design practice; and Jim Lutz is senior vice president for development at Liberty Property Trust. Lutz also serves on the e3 Board of Directors (H. Blakeslee, personal interview, 22 January 2009).

Of all the DVGBC founders, Wiggins was apparently the most instrumental in creating the organization. He served as the first DVGBC chairman, and he stands out as a sort of individual microcosm of the green growth machine. As he described himself at the hearing on Jones's Bill:

I'm a citizen of Philadelphia. I grew up in the area and have lived in the City most of my life and spent the bulk of my professional career here in the real estate, development and construction industries. For the last decade, my efforts have been focused primarily on the green building sector. (Philadelphia 2009a, p. 66)

Wiggins was not only a founder of the DVGBC, but also served as a chair of the USGBC, the founding chairman of the Green Building Certification Institute (a USGBC subsidiary that certifies green building professionals), and he was the lead author of *Building Green: Overcoming Barriers in Philadelphia*, published by PEC in 2008 (pp. 66–67).

Building Green, funded in part through the William Penn Foundation and the law firm Fox Rothschild, was the result of a series of focus groups held in 2007 that included “individuals from the development and construction industry, local non-profits concerned with the built environment, and City government” (Wiggins 2008, 4). In fact, the focus groups included individuals representing only two non-profits (the DVGBC and the Chemical Heritage Foundation), but 10 separate architecture firms, nine property development and construction firms, 13 local government agencies, two engineering consulting firms, and one construction waste management firm (p. 21).

The report identifies the major barriers to green building in the city, to which it offers several solutions in which LEED holds a prominent place. For example, in order to overcome a lack of political leadership, the report suggests, “providing additional compensation for L&I [Licenses & Inspections] and Planning Commission employees who become LEED Accredited Professionals” (p. 8). In order to develop better examples of green building in the city, the report also recommends requiring “LEED Gold certification for all City new construction and major renovations projects” (p. 9) and getting “all occupied City buildings certified under LEED for Existing Buildings, which provides a pathway for increasing efficiency of buildings over time through routine operations and maintenance” (p. 11). In order to overcome problems of interdepartmental coordination as it relates to the construction approval process, the report suggests a “‘Green Concierge’ service to walk qualifying green projects through all City departmental approvals. Projects should be qualified using existing nationally proven standards such as the U.S. Green Building Council LEED Rating System” (p. 13). In addition, in order to resolve at least some of the problems associated with the plumbing code, the report recommends “expedited Zoning, Water Department, and L&I approvals for projects committing to LEED Silver Certification or higher” (p. 14). With regard to zoning the report recommends “density bonuses to developers who commit to LEED certified projects” (p. 15). By contrast, Energy Star is mentioned once in the report, and not as part of a policy recommendation.

Wiggins is currently the president and founder of the real estate consulting and development company Consilience LLC, the mission of which is:

to build environmentally, socially and economically sustainable communities by bringing together the principles of Green Building, Smart Growth, New Urbanism, Traditional Neighborhood Development and other established or emerging development strategies which

facilitate regeneration of the natural environment, improved health and increased social equity. (Consilience LLC 2009a)

He is also chairman and a founder, along with Peter Baldassare (who formerly specialized in real estate at Fox Chase Bank) of e3 Bank, a retail bank that offers “incentivized products to businesses and consumers who adopt green principles and provide services in an economically sustainable fashion” (Blumenthal 2008).

While e3 Bank has a clearly progressive social mission, it is also just as clearly not intended as a philanthropic or non-profit endeavor. As one generally favorable article in the weekly *City Paper* noted, “Wiggins and Baldassare insist there’s no compromise between fulfilling their mission and being financially successful – in fact, they say, that mind-set is what’s prevented businesses from being sustainable in the first place” (Thompson 2009). The main target for e3’s business is mortgages, and they provide an innovative tiered system where homes that are more energy efficient get better interest rates. Energy efficiency is in part judged for the purposes of these mortgages by LEED standards.

While the engineering, architecture and real estate firms represented in the DVGBC founders are all rather obviously companies that benefit from local growth, Liberty Property Trust stands out as the developer and owner of the 58-story, 975-foot tall Comcast building in Philadelphia, the first LEED-certified (silver) building in the city and, according to *Developer* magazine, “the tallest green building in the country” (Shaver 2008). As the Nutter position paper described it, “The Comcast Tower’s LEED certification will create a powerful symbol of Philadelphia’s prominence on these [environmental] issues” (Nutter 2007, p. 8). Construction of the Comcast building was announced in 2001, the same year as the founding of the DVGBC. It was apparently Lutz who convinced Liberty’s former president and founder, Willard Rouse, to embrace green building standards (Shaver 2008).

Lutz also serves as a director at Wiggins’s Consilience. The other directors of Consilience are Judy Wicks (former restaurateur, co-founder of the Business Alliance for Local Living Economies, and founder of the SBN) Paul Rockwood (another partner at WRT Design) and David Gifford (a partner in the real estate department of the law firm Ballard Spahr Andrews & Ingersoll) (Consilience 2009b).

Besides the obvious representation of architects, developers, and to some extent engineers, in green building, an increasingly influential part of this growth coalition is influential law firms in the city. As Sarah Shapiro stated in a 2007 *Legal Intelligencer* article, some of the emergent legal issues involved in green building are:

drafting construction and design contracts that incorporate green building standards; navigating the local building and zoning approvals processes and securing public financing; negotiating with insurance and financial institutions and resolving disputes over green building projects that fail to achieve their sustainability goals. (Shapiro 2007, p. 5)

Shapiro is in fact probably the lawyer in Philadelphia most active in green building. Besides her position at the DVGBC, she also has a green building blog (www.greenbuildinglawblog.com) and was featured on the front page of the business section of the *Inquirer* in June 2009 (Mastrull 2009). As she noted in her city council testimony on the Jones Bill, “I am essentially the local expert on green building law and policy” (Philadelphia 2009, p. 48).

After the demise of Jones's Bill, the green growth machine moved its focus to the city's new proposed zoning code, which was approved by the city council on December 15, 2011 (Philadelphia Zoning Code Commission 2011). The DVGBC convened roundtables between developers and other parties, under the auspices of its policy subcommittee, regarding floor area ratio (FAR) bonuses in the new zoning code (J. Knowles, personal interview, 26 October 2010). The new code includes FARs for buildings certified at the LEED gold or platinum levels, and it makes no mention of Energy Star (Philadelphia Zoning Code Commission 2011, 2–21, 7–24, 7–25).

Conclusions

Using LEED as a wedge that defined the disparate interests of Philadelphia's traditional and green growth machines, Jones's Bill stretched the ideology of value free development to its limits. The result was double-edged. On the one hand, Jones's Bill arguably limited the role of LEED in the city's green building policy; it currently applies only to new and relatively large city-owned buildings, and it is included in a small section of the city's new zoning code. On the other hand, Jones's Bill also demonstrated that LEED might be more than simply a tool of a growth machine, but rather an element with which a growth machine might be challenged.

More specifically, Jones's Bill highlighted the possibilities for challenging a growth machine at the moment when the ideology of value free development was in flux. The first decade of the twenty-first century was arguably a 'critical juncture' (Cappocia and Kelemen 2007) for the Philadelphia growth machine, when environmental concerns gained a new level of consensus, and needed to be incorporated into the ideology of value free development. Although LEED was the most obvious means by which to incorporate environmental concerns into the ideology of value free development, the rating system also provided the means by which the ideology of value free development could be used against the growth machine, by an insurgent growth machine whose members' interests were more intimately bound up with green building.

More generally, Jones's Bill suggests something new about the ideology of value free development, namely that the ideology is constructed with the most readily available components, none of which necessarily fit together perfectly. In the interstices between the elements used to compose the ideology of value free development, insurgent groups might find the means by which they can co-opt the ideology to their own purposes. The use of LEED in Jones's Bill thus presents one example of how institutional 'intercurrence' (Orren and Skowronek 2004, pp. 108–118) might explain institutional development and change.

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Notes

1. This is in contrast to most growth machine models, which are typically derived from an elite theory tradition (see Harding 1995).
2. This search was performed on 24 May 2011, through the search window on the front page of planphilly.com.
3. One striking feature of these four council members (Jones, Green, Brown and Kenney), is that, while Philadelphia's council consists of 10 members elected from single-member districts, and

- seven 'at-large' members elected citywide, two out of the three council members who sponsored Jones's Bill (Brown and Green) are at-large, as is Kenney.
4. This is not an exhaustive list of those who testified, although it covers all of those who were invited to speak in favor of the Bill.

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