

Cashing in on green business

By TOLUSE OLORUNNIPA (tolorunnipa@MiamiHerald.com)

Staying at the Clifton Hotel in South Beach is an all-encompassing eco-experience -- from the recycled steel entry doors, to the suites, to the surprisingly soft pillows made out of recycled water bottles.

Guests also will find green carpet made of renewable materials and slumber on beds manufactured locally from natural rubber latex and bamboo.

The interior of the building is probably one of the most energy efficient in the country," said Brian Scheinblum, who owns the Clifton and championed the hotel's multimillion-dollar eco-renovation in 2008 and 2009.

Scheinblum's 35-room hotel on Collins Avenue is at the forefront of a push toward environmentalism taking place in pockets of South Florida's business community. With the arrival of federal tax credits and other perks for cutting carbon emissions (and soon-to-come penalties for not doing so), a number of local businesses are reweighing the pros and cons of greening their operations.

Even with the environmental movement gaining steam, embracing sustainable practices can be a complex decision for businesses. The upfront costs are often high, the details and best practices are constantly evolving, and the energy savings are not always significant enough to offset the costs.

The water-bottle pillows at the Clifton, for example, cost as much as \$65 apiece and the hotel's high-tech energy system, which allows Scheinblum to track energy use in every part of the building, required a \$35,000 investment.

There are other obstacles standing in the way of green business development in South Florida, where humid temperatures, sporadic hurricanes and flooding make green building all the more daunting.

A government and citizenry not yet as environmentally focused as green hotbeds like California and New York is perhaps the most significant obstacle, according to local green development expert Andrew Georgiadis.

There's an entrenched bias against [green building] that permeates most of the laws and regulations that govern development," said Georgiadis, project director for Dover Kohl & Partners, a Coral Gables planning agency. "In many cases, federal, state and local regulations make the right thing to do more difficult than the wrong thing to do." But some companies have banked on the prospect that the green wave will hit South Florida's shores with a stronger force in the near future.

Fewer than 50 South Florida businesses have achieved LEED certification from the U.S. Green Building Council, but more than 200 current local projects are seeking such certification.

At Greenworks Cabinetry, a three-year-old kitchen cabinet and millwork manufacturer based in Deerfield Beach, owner Jon Kaplan said the decision to go "all in" on the green movement was unprofitable at first, but has started to pay off.

When we first started doing projects two-and-a-half years ago, people were like "What are you talking about, green?" Now people are out there talking about it, and they see we're using up our natural resources way too quickly and way too much," he said.

Greenworks has seen profits in the first quarter of 2010 more than triple compared with last year, Kaplan said, and the company has a lucrative contract with Starbucks to install eco-friendly millwork at more than 40 of the coffee company's Florida locations.

The bamboo furniture at the Clifton was crafted by Greenworks' eight-person production team.

Kaplan, who touted his company as a "green-only" manufacturer and criticized other local businesses for "greenwashing" clients with only semi-green practices, admits that despite growing profits, operating an eco-focused company is difficult, especially in South Florida.

LOCAL RESOURCES

Access to local environmentally-sustainable supplies is one of the top challenges for companies like his.

For example, in order for Greenworks to manufacture bamboo furniture, plywood cabinets and paper composite countertops, Kaplan has to get raw material from Asia and the West Coast -- and that's an energy-intensive process frowned on by some in the green movement.

He said he uses trains rather than trucks to ship domestic products from California, which takes about six weeks, but burns only a fraction of the gas of a weeklong journey on an 18-wheeler.

Greenworks' products typically cost more than mass-produced cabinetry, but more and more eco-conscious consumers in South Florida are willing to pay a premium for products that don't harm the environment, Kaplan said.

At All Service Refuse, a trash hauling and recycling company in Fort Lauderdale, green-conscious corporate customers are fueling the growth of the company's commercial recycling division, sales manager Andrew McWeeney said.

The company's new "single-stream" recycling program, which allows commercial clients to place all recyclables into one bin, rather than sorting them, has been a hit with companies in Broward County.

We've seen a big explosion in the last year or so in how many recycling accounts we have," said McWeeney, who was the keynote speaker at the Sunrise Chamber of Commerce's Green Expo earlier this month. "Looking at our new accounts, it used to be 9 to 1 just trash pickup and now it's about 50-50, trash and recycle."

The company counts Broward General Hospital, Stiles Corp. and Toshiba among its clients.

REUSE, RECYCLE

At EnviroCycle, All Service's recycling center in Fort Lauderdale, a team of workers sorts recyclables, separating papers, plastics, glass and other materials, and packages them for resale in East Asia, Latin America and parts of the Southeast United States.

Commoditizing recyclables through resale is a growing revenue stream for All Service, Kaplan said, highlighting the fact that while going green is a responsible corporate practice, it also can be good for the bottom line.

Scheinblum, the Clifton Hotel's owner, said that while there is money to be made by going green -- for example, by marketing his chic "eco-suites" to niche tourists -- it is ultimately a cash-saving process for most businesses that can reap large savings in energy and water costs.

His hotel is seeking the U.S. Green Building Council's LEED Platinum certification, the organization's highest rating. With solar panels, dual-flush toilets and energy conserving windows, the Clifton touts itself as a carbon-neutral property. By generating much of the energy it needs in-house, it will end up saving thousands of dollars in energy costs over the long term, Scheinblum said.

Many of these things can be done at a very reasonable cost or at a lower cost than how they are being done now," he said. "We wanted to take the opportunity to show other hotel owners, other businesses that they can be energy efficient without losing money.