

CASEBOOK



PUTTING CONCEPTS INTO PRACTICE: TRIPLE BOTTOM LINE ECONOMIC DEVELOPMENT



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THE
TRIPLE BOTTOM LINE
TOOL

OVERVIEW

The Triple Bottom Line Tool is a web-based platform designed to help investors, decision-makers, and economic development professionals enhance investment performance by better accounting for impact on a broad array of economic, environmental, and social factors – what’s referred to as the triple bottom line or TBL. This casebook was created as a companion to the Triple Bottom Line Tool (TBL Tool) in order to help illustrate what triple bottom line economic development may look like in practice and share lessons learned.

In the following pages we introduce the concept of triple bottom line economic development, review how the cases were identified, and discuss our findings. The eighteen cases are organized alphabetically, and Table One provides a list of cases by project type.

THE CONCEPT OF TRIPLE BOTTOM LINE ECONOMIC DEVELOPMENT

The triple bottom line (TBL) is a term that originated in the corporate sector and refers to the economic, environmental, and social value of an investment. John Elkington, a business consultant and author, is credited with coining the term. Other phrases used to capture this concept include “people, planet profit,” sustainability, and “three legs of the stool.” The concept aims to better account for the very real value of investment impact that accrues outside a firm’s financial bottom line so that capital is employed as efficiently and effectively as possible.

A triple bottom line approach to economic development provides a way to add value to investments and align projects with a range of community priorities. Sometimes referred to as triple value adding, TBL investment aims to leverage resources to get the best possible outcome. For example, imagine that an investment in a road is being considered. The project may be configured to achieve triple bottom line impact by including: **1)** multi-modal choices that reduce traffic, improve air quality, and provide healthy commute and

recreation choices (economic, environmental, and social benefit), **2)** design features that protect habitat, enhance groundwater recharge, reduce heat effects, and increase property values (environmental, economic, and social benefit), and **3)** career access opportunities (economic and social benefit). Applying a TBL lens enables multiple community objectives to be realized and adds value to the project.

ABOUT THE TRIPLE BOTTOM LINE TOOL

Traditionally, economic development investment impact has been measured in jobs created and dollars leveraged. While important, these two measures do not provide a complete picture of the many significant impacts that investment can have. Investors and decision-makers are increasingly seeking ways to ensure that their economic development investments align with goals for social, environmental, and economic performance. Progress has been made on a number of fronts (e.g., B Corp, GIIRS, IRIS and LEED)¹; however, there is no common standard or framework to assess economic development investments with respect to triple bottom line goals. Responding to this gap, the U.S. Economic Development Administration (EDA) has funded the creation of an on-line tool to design and assess economic development investment for triple bottom line impact.

¹. Companies may become certified B Corporations if they meet specific third party standards for social and environmental performance. In a number of states, companies may obtain legal status as a Benefit Corporation meaning they have certain obligations regarding purpose, accountability, and transparency. Benefit Corporations are not required to be certified. The Global Impact Investing Ratings System (GIIRS) provides third party ratings for the social and environmental impact of a company or fund. Impact Reporting and Investing Standards (IRIS) provides a common set of metrics for reporting financial, environmental, and social impact of an organization or product. Leadership in Energy and Environmental Design (LEED) provides third party certification for the built environment ranging from individual buildings to neighborhoods and communities.

The Triple Bottom Line Tool can be used in a number of ways. For example, it can be used to optimize project impact (*design tool*); it can be used to winnow or compare projects (*decision tool*); and it can be used to describe project impact (*communication tool*). The TBL Tool, which can be accessed at <http://tbltool.org/>, is designed to be easy to use and to respond to various sizes and types of communities and investments. The TBL Tool is useful to policymakers, investors, and economic development professionals and is relevant in the public, private, and non-profit sectors.

ABOUT THE CASEBOOK

This casebook was compiled in order to help illustrate how triple bottom line elements can be incorporated into economic development investment. Cases were identified through research that supported development of the TBL Tool including a national survey of approximately 500 economic development practitioners, a literature review, interviews with EDA staff, and focus groups with economic development professionals. Information about the research process can be found in the "TBL Tool User's Guide" and the companion report, "TBL Economic Development: Assessing Current Practice and Theory."

The cases presented here represent diverse economic development contexts, with examples of economic development projects and strategies in rural and urban communities from across the U.S. The range of project types illustrated includes business development, industry and manufacturing, institutions and services, mixed use development, and culture, recreation, and tourism. Table One provides the list of cases by project type.

Inclusion of a project in the casebook is not meant to suggest that all elements of the TBL have been addressed, nor is it meant to imply endorsement of the project. The purpose of the casebook is to illustrate how triple bottom line concepts have

been applied to various types of projects in various setting, and to share lessons learned.

KEY FINDINGS

While each case is unique, a number of themes were identified regarding lessons learned. Perhaps more than anything, these cases demonstrate the power and effectiveness of integrated and inclusive planning and partnership, coupled with continuous learning. From incubators to infrastructure, contributors to project success included a clearly articulated vision and plan, realistic assumptions and due diligence, playing from strengths, a patient and long-term view, and an ability to navigate changing conditions and respond to emerging opportunities.

Working with diverse disciplines, departments, and stakeholders enabled triple bottom line gains to be achieved due to enhanced project design, stronger buy-in, and additional resources. Through collaboration, projects were able to link and leverage ideas and resources, thus enabling them to get more done, share costs, and innovate for better results. Observed one interviewee, "collaboration will write your success or failure – particularly as resources become scarcer." While partnership and collaboration are not new to economic development, there is a sense that the approach is changing – for example, with new skills and attitudes regarding network development and stakeholder engagement. Strategies vary with context, though best practice was defined by an attitude of mutual respect and learning, a valuing of diverse talents and resources, and a commitment of time and resources that align with the needs of the project.

A related theme pertains to the essential contribution to project success made by the public sector. Local, regional, state, and federal agencies have played a vital role not only in fostering economic development, but in fostering economic development that achieves triple bottom line results. Through strategies such as cost sharing, incentivizing preferred practice, education and training partnership, stakeholder convening, infrastructure investment, and regulation to protect

health and safety, the public sector in these cases was instrumental in creating conditions necessary for private investment to flourish.

These cases also demonstrate the benefits of applying a whole system perspective to economic development. For example, a brownfield redevelopment project achieved efficiencies by linking site clean-up with site development, and a business incubator found greater success by addressing a range of factors that shape business viability (increased access to capital, addressed policy barriers, and stimulated demand through marketing or purchasing programs). By taking a multi-disciplinary, whole system approach, investment decisions more fully accounted for costs and benefits across the project life cycle and better addressed the range of factors influencing project success. Such an approach is important for making sound investment decisions that are cost effective in the long run and support community priorities. Indeed, it was striking to note how many of the cases included a remediation component – a stark reminder of the legacy of past development efforts that may have neglected to take a whole systems approach.

In many cases there was an identified need for enhanced capacity to successfully incorporate a triple bottom line perspective into economic development. This includes developing staff expertise to ensure that core concepts are understood, as well as building or enhancing relationships with partners and stakeholders.

It is interesting to note that TBL language was not used in many of the cases – the projects were simply responding to community goals or market opportunities that happened to embody TBL principles. As one interviewee noted, “It never occurred to us to connect to the double or triple bottom line. It was very real and authentic to our priorities, not to an external audience or framework in mind.” Thus, while some of the language and practice may be new, the ideas are grounded in community-defined priorities.

Exploring the ways that communities are applying a triple bottom line perspective to economic development investment we found that while many concepts and strategies are familiar, new territory is being covered. For example:







- Environmental stewardship has gained attention, with green practices in building and operations increasingly the norm and profitable opportunities emerging in areas such as industrial design and energy conservation and production. Cases that represent these concepts include Bingham Junction, City of San Jose, Clean Energy Works, Coastal Enterprises, Evergreen Cooperatives, Northwest Maritime Center, and Sonoma Mountain Village.
- Pathways to opportunity and inclusive engagement strategies that are well designed and executed can help ensure that projects respond to community priorities and that benefits of development accrue to current residents. In these cases, engagement is viewed as a strategy that yields better results, not as a checkbox to be completed or hoop to jump through. These concepts are illustrated well by the Clean Energy Works of Oregon, Evergreen Coop, and Village at Market Creek cases.
- Accountability mechanisms can be effective for making sure that promises made are delivered upon. Accountability systems need not be punitive; rather, the process can be structured to ensure that diverse interests are met and that agreements can accommodate changing conditions. The provision of assurances to developers (e.g., regarding permitting timeframes or brownfield liabilities) and to investors (e.g., accountability for incentives) was identified as facilitative of project success in a number of cases. Cases that illustrate these strategies include the City of Austin, Coastal Enterprises, and Sonoma Mountain Village.

- Targeted diversification – from funding sources to project or tenant portfolios – was identified as important for managing uncertainty and promoting resilience. Among the cases that highlight this approach are ACEnet, City of San Jose, Devens, Harbor Gardens, and Newton.
- Whole system approaches can increase project efficiency and effectiveness. Initiatives that have very intentionally applied an integrated approach include ACEnet, City of Austin, City of San Jose, Clean Energy Works of Oregon, Coastal Enterprises, Devens, Newton, Sonoma Mountain Village, and The Village at Market Creek.



























The imperative to design economic development investment for efficiency and effectiveness is stronger now than perhaps ever before. A triple bottom line approach can help achieve these goals and optimize project value and impact. In most of the cases, trails were blazed – taking risks while exercising caution, and bridging innovation with proven paths. We hope that the insights and lessons learned from these cases, coupled with the platform provided by the TBL Tool, can help you optimize your project for triple bottom line impact. We also hope that you will contribute your stories so that theory and practice regarding triple bottom line economic development can continue to evolve.

CASE TYPES

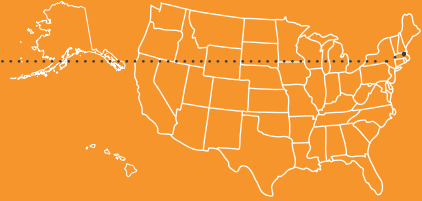
KEY

-  business development
-  culture, recreation, or tourism
-  strategies or tools
-  industry or manufacturing
-  institutions or services
-  mixed use

Cases By Type of Economic Development

-   **AMERICA'S RIVER PROJECT**
DUBUQUE, IA (p.6-8)
-  **APPALACHIAN CENTER FOR ECONOMIC NETWORKS INC.**
OHIO, APPALACHIAN REGION (p.9-10)
-  **BINGHAM JUNCTION**
MIDVALE CITY, UT (p.11-12)
-  **CITY OF AUSTIN**
AUSTIN, TX (p.13-15)
-  **CITY OF SAN JOSE**
SAN JOSE, CA (p.16-18)
-   **CLEAN ENERGY WORKS**
OREGON (p.19-21)
-   **COASTAL ENTERPRISES, INC.**
MAIN AND NEW ENGLAND (p.22-23)
-      **DEVENS**
DEVENS, MA (p.24-26)
-    **ENTERPRISE SOUTH INDUSTRIAL PARK**
CHATTANOOGA, TN (p.27-28)
-   **EVERGREEN CCOOPERATIVES**
CLEVELAND, OH (p.29-31)
-   **HARBOR GARDENS PARK/ DREW MATHIESON CENTER**
PITTSBURGH, PA (p.32-33)
-  **NATURAL RESOURCE BASED CEDS**
ALASKA, MASSACHUSETTS, EASTERN VIRGINIA (p.34-37)
-  **NEWTON TRANSFORMATION**
NEWTON, IA (p.38-39)
-    **NORTHWEST MARITIME CENTER**
PORT TOWNSEND, WA (p.40-42)
-  **RIVER RAISIN NATIONAL HISTORIC BATTLEFIELD**
MONROE, MI (p.43-44)
-   **SONOMA MOUNTAIN VILLAGE**
ROHNERT PARK, CA (p.45-47)
-     **THE VILLAGE AT MARKET CREEK**
SAN DIEGO, CA (p.49-52)
-  **TBL INFRASTRUCTURE**
U.S (p.53-56)

DEVENS, MA
DEVANS
MIXED USE



Military base conversion pairs economic development with environmental conservation to foster community vitality and resilience.

OVERVIEW

When Fort Devens Military Base was slated for closure in 1993, the neighboring communities engaged in a visioning and planning process that prioritized environmental conservation, job creation, and a mix of private and public land uses. The 4,400 acre site had a number of unique assets to build upon, however, there were significant challenges as well – not the least of which were the loss of an estimated 7,000 jobs and issues inherent in a project that spans three separate municipalities.

To bring the plans to life, the base closure area was designated as the Devens Regional Enterprise Zone, with the Devens Enterprise Commission (DEC) created to provide planning and regulatory control and MassDevelopment, the state economic development entity, charged with managing the redevelopment process – including selling and leasing land, providing municipal services, and offering financing and technical assistance. The three communities within which portions of the site lay provide direction through the review process and nominate six of the twelve DEC Commissioners.

The property was rezoned to accommodate industrial, commercial, institutional, office, residential, and conservation uses. An expedited and unified review process delivers action on most development applications within 75 days or less. The combination of efficient review, amenities, and infrastructure capacity has contributed to the project's success. Today, the site is home to

approximately 80 businesses with more than 3,200 employees – exceeding the 2,900 civilian jobs on site before the closure.

TRIPLE BOTTOM LINE HIGHLIGHTS

ECONOMIC VITALITY

Plans for the site call for a mix of business sizes and types in order to provide a range of employment opportunities, as well as resilience from impacts associated with the loss of a single primary employer. Within that mix, business development efforts are targeted to employers associated with clusters that are a good fit for the community (e.g., military defense, life science, medical devices, plastics, renewable energy technology).

Approximately 90% of the 3,200 jobs currently at Devens are considered “quality jobs” with wages over \$40,000. Further, career access opportunities include a biotech lab technician program at the community college that has employment pathways to the Bristol-Myers Squibb complex located on site, and a job corps program whose food service training provides catering service to Devens businesses.

Making the connection between economic vitality and environmental stewardship, the non-profit Devens Eco-Efficiency Center assists businesses and organizations to reduce operating costs and environmental impact through efficiency, reuse, and recycling.



Photo Courtesy of MassDevelopment Finance Agency

NATURAL RESOURCE STEWARDSHIP

Environmental quality was articulated as a priority in the Reuse Plan and has been addressed in a number of ways including remediation of contaminated sites, conservation of open space, and promotion of green building and operations. Approximately 2,800 acres of the site are designated as open space to preserve the site's natural beauty, provide passive and active recreational opportunities, create buffers between land uses, and maintain critical green infrastructure such as wetlands, floodplains, aquifers, and wildlife and plant habitat. Nearly half of the open space is permanently protected and the site includes the region's first Audubon-certified International Signature Sanctuary environmentally friendly golf course. Twenty moderately priced single and multi-family zero-net energy homes are under construction and public projects that meet a minimum dollar and size requirement are required to construct to the state's LEED Plus standard. Standards are in place to promote renewable energy use and low impact development, as well as performance based climate change mitigation.

The Eco-Efficiency Center runs a number of programs that provide education and technical assistance designed to help organizations improve their triple bottom line. Examples include using roof run-off for irrigation, reusing packing materials, and utilizing low impact site design and landscape maintenance practices. An Environmental Businesses Zone was established to locate businesses related to environmental remediation and recycling, however, that strategy shifted over time when it became clear that resource and by-product exchanges should be encouraged throughout Devens and not limited to one zoning district.

COMMUNITY WELL-BEING

Careful consideration has been given to the effects of the base redevelopment on neighboring communities including compatible uses, complementary design, impacts on housing and retail markets, and fiscal impacts to local governments. For example, a viewshed protection district is in place to reduce impacts in certain view

corridor, the historic character of the site is being preserved, and the focus on mixed-use village scale development aims to create an attractive place to work, live, and play.

Community well-being is defined in social, economic, and environmental terms and redevelopment benefits are designed to bridge the project area and the surrounding community. The site includes a network of trails and open spaces including a 44-acre park that hosts sports programs, camps, and special events. Connectivity and accessibility support environmental and health goals and include strategies such as walking and biking, shuttles, vanpools, and electric charging stations. Enhanced commuter rail service is due to open in 2013.

A number of social services provide important assistance to residents on-site and off, including the Job Corps Center, Loaves and Fishes Food Pantry, a daycare center with slots reserved for local working parents, and a 13-unit LEED certified shelter for women and children. The Job Corps Center and Community College provide workforce training, including partnerships with businesses on site.

Housing affordability is addressed by reserving approximately 25% of units for low- and moderate-income families and special needs populations. Impacts on surrounding housing markets are kept in check through a limit on the number of new homes on site.



Photo Courtesy of MassDevelopment Finance Agency

KEY STRATEGIES AND LESSONS LEARNED

TAKE AN INTEGRATED, RESPONSIVE, PLAN-BASED APPROACH

Key to the project's success is a vision that serves community interests, a plan to achieve that vision, a collaborative structure to implement the plan, and a viable process to track progress, revisit goals, and refine plans and strategies as conditions change. This includes creating a process for engaging in productive dialogue and partnership over time. Annual reports and five-year reviews provide an update on progress made and challenges encountered. These reviews have been useful for identifying issues, trends, and opportunities for improvement. Examples of changes resulting from these reviews include improved standards for green practices and enhancement of an existing commuter line in order to expand commute options. In 2000, a sustainable indicators report was developed to assess how redevelopment efforts align with sustainability goals, however, ongoing data collection has not occurred due to funding constraints.

RECRUIT SMARTLY

Devens has gained a reputation for its efficient, supportive, and consistent review process. For example, Bristol Meyers Squibb (BMS) chose to locate a large biopharmaceutical manufacturing plant in Devens after an international search because the site had the necessary infrastructure capacity, a unified and expedited permitting process, and competitively priced utilities. Devens' commitment to sustainability aligned with the company's mission and was an additional selling point. Devens has also promoted economic resilience by maintaining a diverse business base, even when recruiting large anchor tenants or targeting specific sectors.