THE TRIPLE-BOTTOM-LINE TOOL

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INTRODUCTION

This report describes the principles of the Triple Bottom Line Tool, a tool used to measure the potential impacts of a proposed project. At the time of publication, the Tool was on hiatus. But, the principles outlined in this document still provide important guidance for those that wish to conduct a triple bottom line evaluation.

Fundamental points about sustainable economic development (SED) conveyed in this web content report include the following: (1) sustainability and economic development have mutual interests; (2) economic, environmental, and social concerns are interconnected and equally important to SED; (3) SED evaluates economic development actions using an approach that is broader, longer, and more integrated than traditional economic development evaluation; and (4) SED has a lot in common with an expanding literature on "Triple Bottom Line" evaluation of public actions.

Those ideas are not new to this web content report. The US Economic Development Administration (EDA) commissioned the *Triple Bottom Line Tool* to help organizations achieve and communicate environmental, economic, and social performance of development investment – what's referred to as the triple bottom line or sustainability.[1] The framework is responsive to context and can be applied to a diverse array of projects across rural, urban, and suburban settings.

This introduction to Triple Bottom Line Tool (TBL Tool) provides information on the Tool's development and use, including how to consider whether a project is configured for triple bottom line performance.[2] It answers seven questions:

- Why was the Triple Bottom Line Tool created?
- What does the TBL Tool do?
- How was the TBL Tool created?
- What is Triple Bottom Line Economic Development?
- How do I consider whether a project is configured for TBL performance?
- How does the TBL Tool score projects?
- How can I use the TBL Tool?

WHY WAS THE TBL TOOL CREATED?

Organizations are increasingly seeking ways to consider economic, environmental, and social performance of investment, with key drivers including demand for better accountability and transparency, stronger investment performance, brand or reputation management, cost savings, competitive advantage, innovation opportunity, risk minimization, and alignment with stakeholder goals. As the triple bottom line concept has gained salience, tools to assess and communicate performance have been created for businesses and investment portfolios, buildings and neighborhood developments, and infrastructure (e.g., GIIRS, LEED, and Envision).[3] However, no such frameworks exist for economic development investment.[4] Further, recent research indicates that economic developers recognize the importance of considering the triple bottom line, yet few are incorporating such a perspective into their management and decision-making – in part due to a lack of training and tools.[5] The TBL Tool was created to help solve this problem.

WHAT DOES THE TBL TOOL DO?

The TBL Tool helps organizations achieve, assess, and describe economic development alignment with triple bottom line goals. The Triple Bottom Line Tool can be used by public, private, non-profit, and philanthropic organizations that approve, fund, or engage in economic development. The TBL Tool has a number of applications. For example, it can be used to:

- Review or prioritize proposals to identify most promising prospects
- Conduct due diligence
- Communicate with stakeholders
- Configure proposed projects for strong performance
- Prepare bid documents
- Improve accounting and transparency
- Assess performance
- Strengthen proposals or applications
- Ensure that investments contribute to community quality of life and sustainability.

[1] In various settings the concept may be referred to as triple value adding, blended value, responsible property investing, impact investing, corporate social responsibility, and ESG (environment, society, governance).
[2] Material in this appendix was written by Dr. Janet Hammer and draws on the TBL Tool User's Guide.
[3] The Global Impact Investing Ratings System (GIIRS) provides third party ratings for the social and environmental impact of a company or fund. Leadership in Energy and Environmental Design (LEED) provides third party certification for the built environment ranging from individual buildings to neighborhoods and communities. Envision provides sustainability certification for infrastructure projects.
[4] The terms tool, framework, process, and standard are often used interchangeably.
[5] These findings are from a nationwide survey of nearly 400 economic development professionals.

HOW WAS THE TBL TOOL CREATED?

The tool development process was rigorous, pragmatic, inclusive, and transparent. As described below, tool development was informed by community-defined priorities, current scholarship, leading edge practice, and practitioner input.

Community-Defined Priorities. Beginning with the premise that economic development investment should align with and support community-defined priorities, the team examined 31 comprehensive indicator programs from across the U.S. to identify common themes across communities representing diverse geographies and sizes.

Leading Edge Practice. Tools to assess triple bottom line or sustainability impacts have been created for economic development related sectors such as business, real estate, and infrastructure. Twenty-one of these were reviewed to identify implications for content, design, and uptake of the TBL Tool.

Current Scholarship. An extensive literature review was conducted to inform the definition of triple bottom line economic development, identify examples of TBL economic development in practice, and design a tool that is both theoretically sound and practical in the field.

End-User Feedback. There were many points of engagement with potential end-users in order to ensure that the tool is relevant and user-friendly. Engagement methods included seven focus groups, an on-line survey of nearly four hundred economic development practitioners, strategic direction by a national Advisory Council, and beta test feedback representing diverse geographies and organizational type (e.g., investors and decision-makers from public, private, and non-profit organizations at local, regional, state, and national levels).

Case Studies. To better understand and illustrate how TBL principles can be incorporated into economic development practice, a casebook was compiled representing eighteen examples of diverse projects and strategies in rural and urban communities across the U.S.

The TBL Tool was officially launched by EDA August 30, 2012. During the beta period multiple sources of feedback were collected in order to accommodate input from a broad array of potential end users. Feedback regarding the TBL Tool was collected via an on-line survey available on the web content report, surveys administered to participants at TBL Tool conference presentations and webinars, and personal communication. Feedback addressed the value of the tool as well as recommendations to improve functionality. In all instances 70% or more of respondents said that the tool would be useful to their organization or industry. Beta feedback was analyzed and key themes identified to improve functionality. Version 1.0 was released in early February 2014 and incorporated the highest priority beta feedback recommendations. Pending additional funding, additional enhancements under consideration include, scoring for non-location based investments and non-US based investments, impact reporting, economic and fiscal impact analysis, and best practices support. A continuous improvement model is assumed so that the tool can evolve in response to user needs and changes in data availability and technology.

WHAT IS TBL ECONOMIC DEVELOPMENT?

Drawing on the findings from our review of community-defined priorities, leading edge practice, and current research, we defined triple bottom line economic development as programs, policies, or activities designed to create or retain jobs and wealth in ways that contribute to environmental, social, and economic well-being over time. This is distinct from economic growth or activity, which may or may not contribute to overall well-being including quality of life, fiscal health, stewardship of natural resources, and resilience. More specifically, triple bottom line economic development achieves the following:

Economic Vitality. Investments promote regional economic strength and resilience, are fiscally sound, and provide access to good quality jobs.

Natural Resource Stewardship. Investments make efficient use of natural capital and ecosystem health is maintained or restored.

Community Well-Being. Investments promote health and opportunity, and cultivate distinctive and well-functioning communities in which to work, live, and play.

[1]Not covered here all the sophisticated analytical and math-based techniques that come out of the literature of decisions analysis and operations research.

HOW DO I CONSIDER WHETHER A PROJECT IS CONFIGURED FOR TBL PERFORMANCE?

To put the concept of TBL economic development into practice, the TBL Tool defines performance areas and measures for each of the three goals. These were developed based on data availability and quality, leading edge practice, current scholarship, and national advisory team input. We aimed to balance parsimony and ease of use with comprehensiveness and accuracy, and to ensure responsiveness to community context (e.g., rural or urban) and project type (e.g., manufacturing facility, tourism destination, mixed use development).

Performance areas and measures for each goal are summarized below, including a description of how they contribute to the triple bottom line. These are the items to consider as you determine how well a project is configured for strong triple bottom line performance. The TBL Tool User's Guide provides more detailed information about each measure and how to apply them in your work. Please note that to facilitate brevity and ease of use, the following is an abridged version of the TBL Tool measures (i.e., because some content is consolidated this list differs slightly from what appears on a TBL Tool project report). A description of TBL Tool scoring is provided in the following section of this appendix.

GOAL: ECONOMIC VITALITY

By economic vitality we mean that a community's production, distribution, and consumption system generates and retains wealth, and successfully weathers disruptions or changes to the system. In the TBL Tool, the Economic Vitality goal is comprised of two performance areas: Quality Jobs – which considers economic impact at the individual level (e.g., wages, benefits, and career opportunities), and Sound Investment – which considers economic impact at the project and community level (e.g., fiscal responsibility and support for regional economic strength and resilience).

Performance Area: Quality Jobs

In modern economies, most people must earn income to meet basic needs. Research demonstrates that health and well-being are strongly correlated with income. Further, well-paying jobs contribute to community economic vitality by stimulating the economy, generating tax revenues, and reducing the need for public assistance. Reward for work is a basic tenet of our society, with the expectation that full-time employment is sufficient to meet basic needs.

Along with good wages, employee benefits are an important aspect of job quality. Benefits such as health insurance, sick days and personal days, vacation days, and retirement contributions can foster workforce health and productivity, reduce financial burdens on taxpayers, and contribute to the attraction and retention of skilled workers.

When access to employment opportunity is not available to members of society, the result is lost potential and added costs to individuals, families, businesses, and society. Thus, triple bottom line economic development aims to create and retain quality jobs that provide fair compensation for work and opportunities for employment access and advancement. The TBL Tool considers job quality in direct (non-construction) and construction jobs, modifying the measures to account for the unique circumstances of each industry.

Good Wages and Benefits

Good wage jobs with benefits have positive impacts on workers, employers, and the community at large. Well-paying jobs contribute to community economic vitality by stimulating the economy, generating tax revenues, and reducing the need for public assistance. Reward for work is a basic tenet of our society, with the expectation that full-time employment is sufficient to meet basic needs. Along with good wages, employee benefits are an important aspect of job quality. Benefits such as health insurance, sick days and personal days, vacation days, and retirement contributions foster workforce health and productivity, reduce financial burdens on taxpayers, and contribute to the attraction and retention of skilled workers.

Investments where the jobs created and retained provide higher than average wages for the area and provide quality benefits (or provide incentives to tenants that do so) may be prioritized over investments that do not. At the same time, higher than average wages are not realistic in all scenarios; for example, lower

wage industries such as tourism and retail may be an important component of economic development in a region. However, even in these industries, strategies may be employed to provide reasonable pay and benefits and reap the associated benefits that accrue to individuals, businesses, and the community at large.

Pathways to Employment Opportunity

When access to employment opportunity is not available to members of society, the result is lost potential and added costs to individuals, families, businesses, and society. Investments that create pathways to opportunity may be prioritized. A number of strategies, if well designed and executed, can positively address barriers to employment entry and advancement. These may include hiring goals and performance monitoring; recruitment, training, and placement partnership; continuing education incentives; and partnership with underrepresented businesses. In each of these, the target audience and strategies should be defined with relevant workforce, community-based, and/or industry based organizations in order to ensure responsiveness to the unique context of the place and project. Programs are more likely to be effective if they are tailored to the target audience and delivered through an organization with a proven track record that demonstrates they have the trust and skills necessary to successfully work with the target population. Agreements should be in place to monitor and address performance (i.e., tracking baseline information, effort, and results). The presence of binding agreements provides a higher degree of accountability. Will the project have a large or catalytic impact on employment?

Impact on Employment

Projects that have a relatively large or catalytic impact on employment in the investment benefit area advance job creation and retention priorities. A catalytic investment is one that may create few direct jobs but play an essential role in the development or expansion of businesses that will (e.g., an infrastructure project that supports business expansion, refurbishment of a historic theater that spurs development of an entertainment district). It may be helpful to prioritize projects that will have a significant impact on job creation and retention, particularly when investment resources are scarce. However, projects that are not relatively large or catalytic play an important role in the economy and are worthy of investment as well (e.g., small business loans).

Performance Area: Sound Investment

A sound investment is fiscally responsible at the project level and community level. Conservative estimates and sensitivity analysis (e.g., considering outcomes under various assumptions such as low, medium, and high) can help produce realistic estimates of financial viability. In addition, economic vitality and efficient deployment of capital may be facilitated when investments align with regional economic development goals and strategies, leverage additional resources, and retain dollars in the local economy.

Financial Viability for Investors

A pro forma provides financial projections for a project's expected revenues and expenses. This measure considers whether a pro forma has been completed that demonstrates the financial viability of the proposed project. Assumptions used in creating the projections should be disclosed and conservative estimates used. This important due diligence procedure is designed to assess profitability of the investment, a key component of triple bottom line performance.

Financial Viability for Taxpayers

Fiscal impact analysis considers budgetary impacts associated with an investment. For example, will the investment lead to increased costs of services and, if so, is there a corollary revenue stream to cover those costs? For projects of significant scale, this measure considers whether a fiscal impact analysis has been completed that demonstrates the financial viability of the proposed project. Effective fiscal impact analyses account for full costs and revenues and clearly identify assumptions regarding impacts, timeframes, and expenses.

Alignment with Regional Economic Development Goals and Strategies

Although globally connected, economies cohere at a regional scale where businesses access talent, amenities, and infrastructure that span local political boundaries. Quality regional economic development strategies identify regional assets and prioritize investments that position the region for economic strength and resilience —the ability to generate and retain wealth in the community and successfully

weather disruptions or changes to the economy. Aligning investment with high quality regional economic development strategies helps to ensure that scarce resources are used effectively and strategically. This measure considers whether the project aligns with a CEDS (Comprehensive Economic Development Strategy) or appropriate regional comprehensive plan with economic development element. If it does not, consider whether the proposed investment might be an excellent fit for the community and region even though this is not reflected in the relevant economic development strategy.

Leveraged Investment

The presence of additional project funding is often requested by potential investors in order to assess project support and/or minimize risk. If a request for funding is being made, this measure considers what percent of the total project cost is being requested. While there is not a "good" or "bad" amount of leverage, it is helpful to understand the financial support for the project (e.g., who, how much, and with what agreements).

Private to Public Investment Ratio

In many instances, public-private financing partnership is essential to project viability. This is particularly the case when a project serves important public objectives but has low financial returns (e.g., infrastructure, affordable housing), or when there is a higher than average degree of risk or cost (e.g., regeneration area). If a request for funding is being made to a public agency, this measure considers what percent of the total project cost is being requested. While there is not a "good" or "bad" mix of public and private investment, fiscal responsibility and stewardship of public dollars suggests that due diligence be given to ensure that the level of private investment is appropriate to the context.

Support for Local Businesses

Purchasing goods and services from locally owned and operated businesses can be an effective way to inject dollars into the local economy and thereby help to keep businesses open, people employed, and streetscapes vibrant. It can, however, ignore regional comparative advantages, increase the cost of inputs, lower overall efficiency and reduce aggregate growth at the national or global scale. Determining when to patronize locally owned and operated businesses will depend upon the context. For example, if the local option for a given good or service has significantly higher costs or lower quality, then impacts to competitiveness or satisfaction suggest that the non-local option may be preferable. This measure aims to support local economic vitality by considering whether there is a program or policy in place to prioritize or encourage the purchase of goods and services from businesses that are owned and operated in the metropolitan area, micropolitan area, or county in which the project is located (i.e., supports retention of dollars in the local economy when appropriate).

GOAL: NATURAL RESOURCE STEWARDSHIP

Natural resources provide essential inputs to economic activity, contribute to quality of life and place-based economic development, and sustain life. In the TBL Tool, the natural resource stewardship goal is comprised of three performance areas: green design and construction, green operations, and industry eco-efficiency (resources consumed and pollutants emitted per job created). The industry eco-efficiency measure requires access to the TBL Tool, which draws on the Comprehensive Environmental Database Archive (CEDA). Without access to the CEDA database users may consider design, construction, and operations as detailed below.

Performance Area: Green Design and Construction

Buildings and infrastructure that are designed for efficiency and environmental quality can provide cost savings (e.g., lower energy and water consumption), add value (e.g., higher worker productivity and satisfaction, higher rents, or faster sales), and contribute to human and ecosystem health.

Green Construction of Buildings and/or Infrastructure

Green building and construction practices can positively impact the triple bottom line through energy cost savings, increased building value, higher occupant satisfaction and productivity, and/or lower impacts to human and natural resource health. This measure considers whether green building practices will be applied in new construction as well as in remodels or

upgrades. Third party certification is valuable because it provides a common standard for accepting and verifying claims. At the same time, it is important to recognize that buildings and infrastructure can be green without certification or, conversely, can have certification without exceptional performance. Consideration is also given to whether the project reuses an existing facility as environmental benefits associated with rebuilding rather than razing facilities can include savings in energy, material, land conversion, and carbon emissions.

Low Impact/Sustainable Site Design?

Site design exerts a powerful influence over economic, environmental, and social impacts of a project. These include, for example, groundwater recharge, flood control, habitat conservation, increased recreation opportunities, and reduced maintenance costs. Sustainable site design works with nature to ensure that beauty and accessibility are maximized, while long term costs associated with site development are minimized. This measure considers whether the project aligns with recognized sustainable site design standards, certifications, or best practices. Third party certification is valuable because it provides a common standard for accepting and verifying claims. At the same time, it is important to recognize that a site design may be "green" or sustainable without certification or, conversely, can have certification without exceptional performance.

Remediation, Restoration, or Conserve of Natural Resources

The U.S. EPA estimates that there are more than 450,000 brownfields (abandoned, idled, or under-utilized industrial or commercial facilities) in American communities. Remediation of abandoned or contaminated sites can increase property values and tax revenues while reducing health costs. Restoration or conservation of natural resources (e.g., wetlands, forestlands, rivers, or farmlands) can deliver valuable ecosystem services such as flood control, wildlife habitat, and scenic amenities. This measure considers whether the project will improve existing site conditions by remediating, restoring, or conserving natural resources. The site may or may not be classified as a brownfield, and restoration and remediation activities are defined broadly including farmland for food production, reforestation and afforestation, and de-paving.

Avoidance of Sensitive Natural Resource Areas

Natural resources provide a variety of functions that have significant economic value. Referred to as ecosystem services, these functions include provisioning (resources are provided), regulation (resources provide safety or balance such as flood control or oxygen levels), and cultural (resources provide aesthetic, historic, and other cultural benefits). Protection of sensitive natural resources is important for ensuring that ecosystem services remain functional, that mitigation and repair costs associated with disrupted environmental systems are minimized, and that resource-based economies remain viable. The TBL Tool identifies eight sensitive natural resources (flood zones, critical habitat, steep slopes, wetlands, water bodies, protected areas, prime farmland, and forestland). This measure considers whether the proposed project is located in or near any of the eight sensitive natural resources and, if so, whether appropriate avoidance or mitigation measures will be in place.

Performance Area: Green Operations

Facility operations and maintenance have significant impacts over the lifetime of a project. Green operations and management strategies that are well designed and implemented may yield lower operating costs, lower risk, and/or healthier and more comfortable working environments. While many green design and construction measures contribute to these outcomes (e.g., energy efficient construction), this performance area considers activities specific to the on-going operations and maintenance associated with the project.

Use of Renewable Resources

Energy supplies that come from renewable sources (e.g., biomass, wind, solar, hydropower and geothermal) can contribute to the triple bottom line by creating jobs, keeping dollars local, and providing lower environmental impact energy choices. This measure considers whether a portion of the project's energy will be derived from renewable energy sources and what the portion will be. You may consider whether the project will participate in the U.S. Green Power Partnership and, if the project has tenants, whether tenants will be incentivized to use renewable energy sources.

Energy Efficiency and Conservation

Efficient use of energy resources can contribute to the triple bottom line by producing cost savings, conserving natural resources, and improving occupant comfort. This measure considers whether an on-going strategy is in place to monitor and improve energy use and whether the project will participate in the Energy Star Energy Management Program, a no cost program that assists organizations to improve the energy performance of their facilities.

Trip Reduction Strategies

Reductions in automobile trips associated with employee and/or customer commuting can improve air quality, while reducing fuel use and traffic congestions – thus, impacting human and financial costs. Further, active transportation options have the added benefit of improving health outcomes and reducing travel expenses. This measure considers whether appropriate automobile trip reduction strategies are in place. Appropriate strategies will depend upon the location and type of industry and may include options such as telecommuting, transit passes, shuttles, bicycle facilities and locker rooms.

Tenant Incentives for Environmental Stewardship

Building owners may not have full control over operations, though can encourage environmental stewardship in tenant operations and management in a number of ways. For example, lease incentives may be offered for things like reduced waste or green business certification, or occupancy agreements may establish protocols such as non-toxic cleaning and landscaping products. Incentives can be a powerful way to encourage preferred practices and may serve as an asset if the stewardship commitments differentiate the product in the marketplace.

Water Use is Minimized

Industrial processes that are designed to minimize water use may lower operating costs while conserving an essential non-renewable resource. Conservation can be particularly important in areas that are facing water shortages and/or in industries that have high water usage. This measure considers whether strategies will be implemented that lead to lower water use than is the norm for the industry. While any project can benefit from this measure, it may be particularly helpful to projects whose industry or industries are identified as higher than average water users in the industry eco-efficiency measure. The focus of this measure is on industrial processes (e.g., water recycling in chip manufacturing) rather than building features (e.g., low-flow bathroom appliances), which are addressed in the green building measure.

Toxic Emissions to Air, Land, and Water are Minimized

Industrial processes that are designed to minimize toxic emissions to air, land, or water may benefit human health and maintain essential ecosystem services. Economic benefit may also accrue through reduced costs and/or the development of valuable new products and processes. This measure considers whether strategies are in place that will lead to lower than average emissions for the project industry or industries. While any project can benefit from this measure, it may be particularly helpful to projects whose industry or industries are identified as generating higher than average emissions in the industry eco-efficiency measure. The focus of this measure is on industrial processes rather than building features (e.g. non-toxic building features such as low VOC paint are not addressed here since they are addressed in the green building measure above).

Better Environmental Outcomes than Industry Average

A number of industries have developed certifications or best practices for environmental performance. When based on leading scientific evidence and stakeholder input, such standards can be an effective tool for improving industry performance. This measure considers whether the project will be compliant with best practices for the project industry (e.g., forestry, information technology, tourism, sustainable agriculture and food production, infrastructure).

Contribution to the Green Economy

Goods and services that are designed to improve environmental quality, resource efficiency, and energy independence align job creation with natural resource stewardship in a unique way: not only are environmentally sensitive practices employed, the products themselves facilitate the transition to a more sustainable future. This measure considers whether some or all of the jobs created and/or retained pertain to one or more of the five green product and service categories defined

by the U.S. Bureau of Labor Statistics (http://www.bls.gov/green/#definition). Clearly not all jobs will contribute to the green economy and projects that do not should not be penalized. This measure simply recognizes and rewards projects that do contribute to the green economy. Green products and services include those pertaining to energy from renewable sources, energy efficiency, pollution reduction and removal, natural resources conservation, and environmental compliance, education and training, and public awareness.

Goal: Community Well-being

Community well-being is both a goal and a facilitator of economic development. In the TBL Tool, the community well-being goal is comprised of three performance areas: place-making and accessibility, environmental health, and governance.

Performance Area: Place-making and Accessibility

Place-making creates inviting and distinctive spaces where people want to live, work and play. Place-making can contribute to the financial bottom line through increased property value, tourism receipts, and firm recruitment and retention. Accessibility helps ensure that residents and visitors can find the housing, goods, services, and jobs they are looking for in ways that conserve energy and commuting costs, strengthen community fabric, and minimize pollution.

Positive or Neutral Impact on Cultural and Historic Resources

Preserving and enhancing cultural and historic resources can contribute to economic vitality through increased property value, tourism receipts, preservation of tradition-based economies, and firm recruitment and retention. In addition, community well-being may be improved if these resources contribute to civic pride, a sense of identity and connection, and well-utilized public spaces. This measure considers whether the project will have a positive, negative, neutral or no impact on historically or culturally significant practices, programming, and structures, facilities or districts.

Positive or Neutral Impact on Public Spaces

Well-designed and cared for public spaces are important to economic development because they can attract residents, workers, and visitors. They can add value in numerous ways, such as providing scenic beauty, recreational and gathering opportunities, and environmental benefit. Publicly accessible spaces take a variety of shapes and sizes, and may even be privately owned – from pocket parks and rooftop gardens, to plazas, scenic viewpoints, biking and walking trails. Public spaces may also include facilities like libraries, civic centers, schools, and farmers' markets. Programs to promote productive public use and care of the space can contribute to stewardship behaviors and/or community-building (e.g., interpretive signs, partnerships with neighbors or schools, activities that create vibrancy and use across day and seasons). This measure considers whether public space quality, quantity, or access will be enhanced, diminished, or neutral/unaffected.

Location Efficiency

Locations that are easy to access by walking, bicycling, or transit may accrue significant financial, health and environmental benefits. Walkability provides a number of potential benefits including lower commute expenses, improved air quality, active living, and vibrant streetscapes. Transit accessibility provides a number of potential benefits including lower commute expenses, improved air quality, and increased employment access – particularly for low-income populations. In the TBL Tool location efficiency is addressed through three measures: walkability (Walk Score), transit accessibility (Transit Score), and improvements to walkability, bikability, or transit options (e.g., a mixed use development that contributes to community completeness, provision of retail services within ¼ mile of housing, or addition of transit or bike lane to area).

Location in a High Need Area

Jobs and wealth creation are important to all communities, however, the need is particularly great in areas that have experienced chronic disinvestment or economic disruption. This measure considers whether the investment creates or retains jobs in areas with the greatest need. Projects that are not located in a designated high need area should not penalized. This measure simply recognizes and rewards projects that aim to bring jobs to underserved areas. Note, that location in a high need area does not necessarily translate to

employment for those in need. The TBL Tool's career access and advancement measures consider whether the investment will serve traditionally disadvantaged and underutilized residents.

No Net Loss of Affordable Housing Units

Affordable housing provides workers of various income levels and family members in various life stages options to remain in the community. When affordable housing units are lost, individuals and families lose the stabilizing foundation of home that is important to thrive. Further, displacement may lead to longer commutes and associated negative impacts such as pollution, less time for family and community, reduced competitive disadvantage. This measure considers restricted affordable housing units exist on the project site and, if so, whether the project will result in the loss of restricted affordable housing units. Restricted affordable housing units are those whose affordability is legally designated and limited; for example, subsidized housing, tax credit housing, low-income housing, public housing, Section 8 housing, or deed restricted housing. Stronger replacement agreements should be prioritized including one-for-one replacement, first right of refusal granted to existing residents, and longer durations of affordability (e.g., in-perpetuity in perpetuity, 30+ years). Binding agreements should be prioritized over non-binding agreements.

Housing Affordability

Housing costs are generally considered to be affordable when they do not exceed 30% of household income, though associated costs such as utility bills and transportation can significantly impact housing cost burden. An affordable housing supply is important for accommodating workers and families of various income levels and life stages. Housing affordability can impact recruitment and retention, as well as discretionary income to spend on local goods and services. In the TBL Tool, this measure considers whether new housing will include units that are affordable to households at or below 120% of Area Median Income (AMI) spending a maximum of 30% on housing costs. An alternative could consider fit between eligibility and community need as identified in an appropriate housing needs analysis. The measure only applies to projects that include housing in excess of one-for-one replacement of restricted affordable housing units. Priority should be given to longer durations of affordability (e.g., in perpetuity, 30+ years). This measure applies regardless of whether the provision is required by state or local law.

Performance Area: Environmental Health

Job creation and retention strategies vary in their human health impacts. Industries that produce emissions known to negatively impact human health impose financial costs in the form of lost productivity and medical expenses, along with personal and social costs that cannot be monetized. This performance area considers whether the jobs created and retained by an investment are in industries that produce relatively high levels of emissions known to have negative health effects. In the TBL Tool, the score for this performance area is calculated by averaging the project's scores on three measures: exposure to cancer toxics, exposure to non-cancer toxics, and exposure to criteria pollutants. The environmental health measure requires access to the TBL Tool, which draws on the Comprehensive Environmental Database Archive (CEDA).

In addition, it is useful to consider whether workers and residents of the proposed project may be exposed to toxins attributable to the location (site) of the project. The U.S. Environmental Protection Agency (EPA) maintains a database of exposure to a variety of pollutants (http://www.epa.gov/enviro/). These include, for example, superfund sites and facilities that use or release toxic chemicals. We suggest that the environmental risks associated with the site be considered. Further, the National Institute of Building Sciences Whole Building Design Guide includes security and safety objectives. Information to support occupant health and safety can be found at: http://www.wbdg.org/design/ensure_health.php. It would be useful to consider whether and how occupant health and safety is being addressed.

Performance Area: Governance

Governance or management systems that are fiscally responsible, accountable, and inclusive of relevant stakeholders contribute to triple bottom line performance. These strategies help to ensure that investments do not diminish service levels and quality of life, incentive

agreements are fulfilled, and investments are supported by and well-suited to the community. This performance area considers stakeholder engagement, key infrastructure capacity, accountability mechanisms, anti-poaching, relocation planning and collaboration, and prevention and mitigation of displacement.

Stakeholder Engagement Appropriate to Project Context

Appropriate stakeholder engagement can help ensure that important information is taken into account in the project design and that the project is well suited to the community. Appropriate stakeholder engagement may also broaden project support, which can be essential for project viability and important for maintaining community cohesion.

Engagement can take a range of forms including informing (I'm letting you know/I'm keeping you posted), consulting (I'm asking you), collaborating (I'm working with you), and resolving (we're working things out). Determining what types of engagement are most appropriate for a given project depends upon contextual issues such as project type, likely impacts, past events, and stakeholder characteristics.

While engagement may be used for different purposes and take different forms, there are overarching principles of effective engagement that can be applied to most situations. These include defining individuals and organizations that may be affected by or who can affect the project, establishing clear expectations regarding the engagement process, following through in a timely manner, selecting the right format for the engagement objectives, and being honest and accountable. Stakeholders may include agencies, funders, developers, users, adjacent neighborhoods or jurisdictions, and specific populations or groups. Appropriate engagement strategies may range from newsletters to town halls to social media, and may include translation, childcare, transit assistance, or culturally sensitive meeting spaces.

When considering what engagement strategy best fits the circumstances it is helpful to consider such issues as level of controversy, significance of the decision, cultural norms (e.g., it may be appropriate to approach a community elder first, or meet in certain locations), and capacity (e.g., skills and time). It is also important to consider and help balance power differentials that may inhibit fair outcomes.

This measure considers whether diverse stakeholders have been appropriately engaged in project development and whether they support the proposed project. An appropriate engagement strategy will depend upon the context, and diverse stakeholders may include people of different age, ethnicity, or income as well as different agencies, jurisdictions, disciplines, and businesses. Priority is given to commitments to 1) identify and work with diverse stakeholders that may affect or be affected by the project in order to 2) develop and implement an appropriate engagement strategy that includes tasks, timelines, and responsibilities.

Sufficient Infrastructure Capacity

Sufficient capacity for key infrastructure such as water, sewer, transportation, and utilities must be in place to maintain competitiveness and quality of life. This measure considers whether the capacity of key infrastructure to serve the project has been confirmed and the levels are adequate.

Sufficient capacity is defined as service levels for the intended use (e.g., ten ton road to service the project), rather than overall indirect or induced use. Indirect or induced demand should be addressed in the fiscal impact and stakeholder engagement measures in order to ensure that fiscal resources are not strained, levels of service do not decline, and quality of life is not diminished (including school impacts if appropriate). Priority is given when existing infrastructure capacity has been evaluated and is or will be sufficient to accommodate the proposed project without exceeding adopted or appropriate service standards.

Accountability Mechanisms

Accountability mechanisms are useful for ensuring that investments align with priorities, commitments are fulfilled, and investment dollars are accounted for. In the TBL Tool, this measure is comprised of four sub-measures as detailed below: incentives linked to performance, transparency of public funding, responsible contracting, triple bottom line business certification.

Incentives. Incentives are often provided in exchange for commitments to specific deliverables such as job creation. Linking incentives to performance is an important component of fiscal responsibility and accountability. This sub-measure considers whether the project will receive incentives or payments and, if so, priority is given to legally binding provisions in place to verify

performance and withhold, recapture, or recalibrate incentives if performance goals are not met.

Transparency. The use of public funds should be transparent with respect to key details such as funding amounts, recipients, agreements, conditions, risks, and performance. To be useful, this information needs to be easily accessible to the public (e.g., available on-line). This sub-measure considers whether the project will receive public funds and, if so, prioritizes project where subsidy and performance information is easily accessible to the public.

Responsible Contracting. Responsible contractor programs establish basic requirements that a contractor must meet in order to be eligible to bid on a project. Responsible Contractor Standards (RCSs) may focus narrowly on past performance (e.g., prior violations of law, project completion) or inclusively to address criteria such as project wages and benefits for workers. Well-designed comprehensive responsible contractor standards are useful for ensuring that investment dollars are stewarded and maximum value achieved. This sub-measure considers whether the project will have responsible contractor standards specifying the basic requirements that a contractor must meet in order to be eligible to bid on work associated with the investment. At a minimum the standards should address quality, history, and performance. Wages and benefits may be addressed in the quality construction jobs measure.

Triple Bottom Line Businesses. Benefit Corporations are businesses whose state conferred legal status requires consideration of social and environmental factors, and heightened transparency and accountability. Not all Benefit Corporations receive third party certification regarding social and environmental performance. Businesses that have received third party certification of their sustainability performance demonstrate strong alignment with TBL goals and deserve recognition for their commitments. This sub-measure prioritizes applicants that are certified B Corporations and/or provide incentives that favor B certified companies as tenants or project beneficiaries.

Anti-Poaching

Economic development that is based on recruitment and relocation of existing businesses may generate jobs in one community while leaving another worse off. In some cases, relocation may be occurring because a facility has exceeded its capacity, needs an upgrade, or requires a workforce with different skills. In these circumstances, efforts should be made to meet these needs without dislocating jobs in the current location if feasible and/or mitigate negative impacts on the existing community.

This measure considers whether the jobs "created" by the project are the result of avoidable job loss in another jurisdiction. Priority is given to projects that do not involve relocation of an existing business from another location or, if the project involves the relocation of an existing business includes cooperation between the jurisdiction gaining the jobs and the jurisdiction losing the jobs to try and keep the company in the existing jurisdiction and/or to mitigate impacts on the existing jurisdiction.

Relocation Planning and Collaboration

Businesses or residents that are temporarily or permanently relocated due to an investment may experience higher rents, longer or more expensive commutes, and a loss of important community ties. Impacts of relocation to existing residents and businesses must be carefully considered and appropriate plans made to ensure that relocation does not negatively affect this population. Further, because the burdens of relocation often accrue disproportionately to disadvantaged and underrepresented populations, focused attention needs to be given to these residents and businesses.

If temporary or permanent relocation will occur as part of this project, this measure considers whether a relocation plan appropriate to the needs and interests of existing residents and businesses is developed with meaningful engagement of the affected parties.

Prevention and Mitigation of Displacement

Voluntary displacement occurs when individuals or businesses choose to move from the project area because they perceive that the move will leave them better off. Involuntary or indirect displacement occurs when residents or businesses move because they can no longer afford to stay in the area. This type of dislocation is similar to the displacement that occurs when residents and businesses are temporarily or permanently relocated as part of the site development and construction, though there are differences in cause and remedy.

Displacement can weaken the triple bottom line in a number of ways. For example, residents and businesses that are displaced may experience higher rents, longer or more expensive commutes, and a loss of important community ties. The potential for involuntary or indirect displacement of existing residents and businesses in the project area must be carefully considered and appropriate prevention and mitigation plans implemented.

This measure considers whether the cost of living or doing business in the neighborhood surrounding the project is likely to increase as a result of this project and, if so, whether a strategy to prevent and mitigate potential displacement is developed in collaboration with affected parties.

HOW DOES THE TBL TOOL SCORE PROJECTS?

The Triple Bottom Line Tool considers how well a project appears to align with TBL goals. Project scoring is based on multi-criteria decision analysis, a widely-used design and decision support technique that allows items of interest that are measured in different ways to be considered together. A user logs onto the site and enters information about a project and the TBL Tool calculates a score of 0 to 100 for each of the three goals (economic vitality, natural resource stewardship, and community well-being), and for the performance areas and measures that comprise a goal. The tool draws on national data sets and user-defined information to calculate scores. The TBL Tool User's Guide provides detailed information about the tool design and scoring.

The information and reports for a project are not publicly accessible; a PDF of the project report is generated for the user should they wish to share the information. The following is a fictitious sample project report for Version 1.0 of the TBL Tool. All scores are based on a scale of 0 - 100, indicating the degree of alignment or accomplishment. A color-coded legend is provided to help interpret overall performance of each goal. The tool is highly responsive to project and community context, providing guidance toward achievement of goals without being overly prescriptive regarding how to get there.

The TBL Tool generates a summary project report, a detailed project report, and a "due diligence" report. The summary report displays scores for goals and performance areas and the detailed report displays scores for goals, performance areas, and measures and includes what information was entered along with the score received. The due diligence report provides a checklist that is useful for tracking confirmations or follow-up. Version 1.0 of the TBL Tool addresses location-based investments in the United States; future versions may accommodate non-location based investments and non-U.S. investments. A continuous improvement model is assumed with iterations based on feedback from the field.

When reviewing reports, keep in mind that many measures impact more than one "bottom line." For example, green buildings contribute to natural resource stewardship but may contribute to economic vitality through cost savings or development of the local green economy cluster, and may contribute to community well-being through improved human health.

When reviewing scores it is important to remember that they provide a general indication of how well a project aligns with TBL goals. The scores do not speak to amount of impact. For example, two projects could both receive a score of 80 but have very different outcomes. The tool is best applied as an aid to design and decision-making, helping to consider whether and how a project is configured for TBL performance.

HOW CAN I USE THE TBL TOOL?

The TBL Tool was created with grant funding; moving forward a self-sustaining business model is required to cover operational costs. The tool is currently on hiatus while that option is being pursued. Inquiries regarding options to incorporate elements of the TBL Tool into your sustainable economic development efforts may be directed to Dr. Janet Hammer at info@tbltool.org.

HOME | ABOUT THIS TOOL | CALCULATE YOUR TBL | CASE STUDIES | FEEDBACK

Specify Location | Answer Questions: Investment | Industry, Jobs and Wages | Construction & Operations | Placemaking and Accessibility | Governance | Generate TBL or Access TBL Report

TRIPLE BOTTOM LINE REPORT FOR: The Anchor

Print/Save Report PDF

Legend	Definition
76-100	Project appears to be strongly aligned with TBL goals.
51-75	Project appears to be moderately aligned with TBL goals.
26-50	Project appears to be weakly aligned with TBL goals.
0-25	Project appears to be poorly aligned with TBL goals.

TBL SCORES AND PROJECT INFORMATION: The Anchor

Click on "+" to reveal the impacts used to calculate each performance score or to drill down further and see each measure.

- The Anchor: TBL Profile

	Project Information	Project Score
ECONOMIC VITALITY Investments promote regional economic strength and resilience, are fiscally sound, and provide access to good quality jobs.		83
+ Quality Jobs		66
+ Sound Investment		100
NATURAL RESOURCE STEWARDSHIP Investments make efficient use of natural capital and ecosystem health is maintained or restored.		90
+ Industry Eco-efficiency		78
+ Green Design and Construction		94
+ Green Operations		97
COMMUNITY WELL-BEING Investments promote health and opportunity, preserve or enhance unique culture, and cultivate distinctive and well-functioning communities in which to work and live.		93
+ Placemaking and Accessibility		91
+ Environmental Health		87
+ Governance		100