

Sustainability Reporting for Cities: Why Not?

Gwendolen B. White, PhD, and Jamie Holpuch

Abstract

Many U.S. cities are engaging in sustainability initiatives to make their cities more livable and to confront the problems of population shifts, waste disposal, and greenhouse gas emissions. Sustainability reporting can be useful for cities that have an interest in communicating their economic, environmental, and social impacts to their stakeholders. This article describes how the City of Bloomington, Indiana, published its first Global Reporting Initiative (GRI) sustainability report through a collaboration among two Indiana universities, a for-profit sustainability dashboard company, and the city. This is an example of a partnership that benefited students and the community. A brief history of the city along with a description of its sustainability initiatives and the resulting GRI report are presented.

Introduction

We will neglect our cities to our peril, for in neglecting them we neglect the nation.

—John F. Kennedy¹

President Kennedy's words are still true today. According to the latest U.S. Census data, 80 percent of the population lived in urban areas in 2010. Although the country's total population increased 9.7 percent between 2000 and 2010, overall urban population grew by 12.1 percent.² Population shifts are a relevant concern, but not all cities are growing; some are left with problems of decline. Today, there are numerous examples of once-thriving communities that have lost large portions of their economic base. These cities, which are enduring economic hardships due to business relocations and lost jobs, no longer have adequate revenue to sup-

port some of their basic services (fire, police, parks, public transportation, etc.). As once-productive factories and businesses leave, too often brownfields blight the landscape with empty buildings and, worse yet, polluted property. What remains is a diminished community and reduced opportunity for the future.

Dull, inert cities, it is true, do contain the seeds of their own destruction and little else. But lively, diverse, intense cities contain the seeds of their own regeneration, with energy enough to carry over for problems and needs outside themselves.

—Jane Jacobs, *The Death and Life of Great American Cities*³

Many city leaders are driving incentives for sustainability initiatives because these initiatives offer the promise of creating vibrant cities that can regen-

erate themselves. In its first survey of U.S. mayors on the topic of sustainability in 2010, the National League of Cities (NLC) revealed that local governments view sustainability from the triple-bottom-line perspective, which includes “the intersections of environmental quality, economic development, and social equity.”⁴ Mayors across the United States are keenly aware of what it means to be in charge of “dull, inert cities” as opposed to “lively, diverse, and intense ones.” The NLC's survey found that of the 442 respondents: 13 percent viewed sustainability as a leading priority throughout all city activities, 44 percent viewed it as important in developing long-term goals, and 35 percent viewed it as one of many goals, but not a separate priority. Communities have discovered that to attract and retain business investments, talented people, and visitors, they have to compete with others on economic, environmental, and social dimensions.

¹Associate Professor of Accounting, Ball State University, Muncie, IN

²Marketing Manager, Meyer Foods, Carmel, IN

Cities' Road to Sustainability

A focus on sustainability has become part of planning and investment for many cities. Chicago, Indianapolis, New York, and Atlanta, to name a few, have created sustainability plans. These plans aid city leaders as they confront their problems of shifting populations, inadequate infrastructure, increased waste, increased greenhouse gas (GHG) emissions, and declining resources. Sustainability initiatives can reduce economic, environmental, and social risks by delineating solutions to problems such as economic volatility, pollution, and population changes. Economic opportunities are still a driving force for a city's survival, but are not sufficient for the long-term; people constitute the city and want more than just a place to work. Ultimately, the purpose of sustainability in cities is to create a more livable and desirable community for the long term.

Measuring, monitoring, and reporting sustainability indicators are critical to achieving long-term goals. Sustainability reporting communicates a city's progress in creating and maintaining a vibrant economy, a healthy environment, and a humane society. City officials who want to measure, monitor, and communicate their sustainability stories should consider using the Global Reporting Initiative (GRI) sustainability reporting guidelines. With its emphasis on economic, environmental, and social impacts, the GRI framework is in line with common views of sustainability. It allows a city to initiate or expand its dialogue with many stakeholder groups (e.g., business, labor, citizens). Business leaders can use the report information as part of their analysis to make decisions regarding investing locally or relocating to another city. Just as companies use this information as a means to attract talented people who contribute to the company's vitality and creativity, cities have the same option. The GRI framework is the most widely used globally businesses; familiarity with the framework enables easier use of the information by investors, bankers, and citizens.

City of Bloomington— A Reporting Example

In the spring of 2013, the City of Bloomington, Indiana, began the process of creating its first GRI sustainability report. The reporting project was a collaboration among two universities, a for-profit online sustainability software company, and a municipal commission. Faculty and students from Ball State University (BSU) (Muncie) and Indiana University (IU) (Bloomington) gathered data and wrote the report. Sustainability Dashboard Tools, Inc., provided the software that collected some of the environmental data. The Bloomington Commission on Sustainability (BCOS) represented the City of Bloomington.

How did this report come about? It can be described as a perfect storm, where everything came together at the right time. All the parties involved were interested in sustainability reporting and connected through fortuitous networking at sustainability conferences and through acquaintances. Gwendolen White, Associate Professor of Accounting at BSU, and Scott Shackelford, Assistant Professor of Business Law at IU, were interested in an experiential sustainability reporting project for their students. Cynthia Schultz, Chief Operating Officer of Sustainability Dashboard Tools, had donated use of the company's dashboard tool to the City of Bloomington, and was interested in how it would facilitate the preparation of a GRI sustainability report. As part of its mission, BCOS, with twelve commission members, six appointed by the mayor and six appointed by the city council, "gathers and disseminates information; promotes practical initiatives; and measures, monitors, and reports on our community's progress toward sustainability." BCOS became the bridge that connected the city with the others. Cynthia Schultz, also a member of BCOS, facilitated the working relationship with all the groups involved.

Students from both universities were active in all parts of the report generation process, which included data collection, report design, and report writing. At the beginning of the semester,

students were taught the GRI 3.1 Sustainability Reporting guidelines in a lecture setting and were provided a link to the guidelines on the GRI website for reference. The faculty involved provided technical assistance to the students as they applied the GRI guidelines to the city's sustainability activities. After an initial face-to-face meeting, the students worked in teams at their respective universities and communicated via e-mail to coordinate their work. To facilitate the collection of data, the city provided a contact person. At the end of the spring semester 2013, the report was delivered to the city for their review and was posted on its website in October 2013. After completing the project, the students expressed a strong sense of accomplishment. They had learned how to prepare a professional sustainability report in accordance with the most widely used sustainability reporting framework.

Where?

Bloomington, founded in 1818, is a metropolitan statistical area, as defined by the U.S. Census Bureau, with a population of approximately 82,000. This picturesque town is in the beautiful rolling hills of south central Indiana located near 202,000 acres of the Hoosier National Forest. The prominent Beaux Arts county courthouse, built of Indiana limestone in 1908, sits in the center of the town square surrounded by a lively downtown with retail shops and restaurants. Like many college towns, it has the culture and recreation of a big city with the affordability and transportation of a small one. It is frequently listed among "best" places to live and retire by *Forbes*, *Money* magazine, and others. Bloomington, a quintessential college town, was depicted in the 1979 academy award winning movie *Breaking Away*, a coming-of-age, heart-warming story set around Indiana University's Little 500 bicycle race.

The Economic Influences

Indiana University, founded in 1820, has a big presence in the city as the largest employer, with 7,000 employees and approximately 43,000 students on 2,000 acres.⁵ IU, con-

sidered a Public Ivy school, is famous for its many academic programs, among them: music, computer science, law, business, and education. Last but not least, IU is known for exciting basketball.

Bloomington, like many cities, has seen factories come and go. Many have played prominent roles in shaping the community. Founded in 1856, the Showers Brothers Furniture Factory was producing more than half of the furniture made in the United States in 1920 and at one point provided one-fourth of the city's tax revenue. Showers was ahead of its time in its treatment of employees: It hired African Americans and women and provided generous employee benefits that included a bank, grocery store, and numerous sports leagues. In a too familiar story for many companies, Showers could not compete with the cheaper labor in southern states and did not adapt its distribution system from trains to trucks, causing its closure in 1955.

The late 1950s and 1960s brought other factories that left their mark on the city. Westinghouse, now owned by CBS, began making electrical capacitors insulated with polychlorinated biphenyls (PCBs) in 1957, and continued production for 20 years. The legacy of PCBs dumped into the city sewage system and various local landfills continues today; several of these landfills have been listed as EPA Superfund sites. Cleanup is progressing, but polluted areas remain. RCA manufactured televisions in the city with a peak of 7,000 workers, but eventually relocated to Mexico in 1998. In the 1960s and 1970s, General Electric (GE) employed nearly 3,000 people to produce refrigerators, but later downsized to 600. Through the years, pollution, factory downsizing, and plant closures dealt blows to the community's economy and well being.

Today, Bloomington's economic picture has improved. In August 2013, the city's unemployment rate was 7.1 percent, which was below the national rate of 7.3 percent, and Indiana's overall rate of 8.1 percent.⁶ Its economy, apart from the university, has become more diverse and is supported by jobs in govern-

ment, health-care services, medical device manufacturing, pharmaceuticals, technology, arts, retail, and food services. The life sciences and technology industries have seen dramatic growth in recent years.

The Sustainability Approach

To keep the city vibrant, Bloomington's government is taking a proactive approach by incorporating sustainability initiatives into its core. The city's website declares its rationale for doing so:

The City of Bloomington strives to lead its peers in creating a thriving, sustainable community, evidenced by a skilled, educated, healthy, and financially stable population; a healthy, diverse, vibrant economy; a healthy environment; and a well-maintained, efficient, and reliable infrastructure. Sustainability and livability are our guiding principles, and are the foundations of quality, long-lasting economic and community development.⁷

To promote the economic and social dimensions of sustainability, Bloomington has incorporated Mayor Mark Kruzan's initiatives of Community Commerce, Collaboration, Condition, and Character into its operations. Community Commerce is intended to address the needs of the local economy, especially with regard to small businesses, jobs, economic development, and the workforce. Community Collaboration facilitates initiatives by encouraging collaboration among groups such as county government, local nonprofits, the city, and partnering agencies. Community Condition covers a wide range of services that are considered to be best provided by the government. These include things that affect safety, infrastructure, affordable housing, education, the human condition, the city's animals, and the community at large. Toward these ends, the city works to provide programs, amenities, and services to its citizens. Bloomington recognizes that it must protect and celebrate what sets it apart. In its Community Character initiatives, the city promotes its unique aspects, which include arts, entertainment trails, events, architecture, restaurants, and shops.

The Report

Bloomington's first GRI sustainability report, which can be found on its website, is a way to tell its sustainability story with the most widely used sustainability reporting framework.⁸ The GRI framework was applied to departments in City Hall, located in the former Showers Furniture Factory. To keep the data gathering and report writing manageable for its first report, the scope was limited to City Hall, which houses 14 of its over 20 departments. Succeeding reports are slated to cover the activities of the entire city government.

The report format follows the GRI version 3.1 and includes Strategy and Profile, Performance Indicators (environmental, economic, and social), and GRI Index. Strategy and Profile describe the city's sustainability strategy and give a description of the city's organization and location. The environmental indicators provide information about materials, energy, water, biodiversity, emissions, effluents, waste, and transportation. These indicators allow the city and its stakeholders to see their impacts on the environment and allow for better internal management as well as communication with external users. Along with quantitative data, a narrative in the report reveals that in December 2012, City Hall achieved LEED certification through the U.S. Green Building Council. This is the first city-owned building to achieve this distinction since the adoption of Bloomington's Green Building Ordinance in 2009. Considering the building's age, LEED certification was a significant achievement. It has had a material impact on the building's energy and water consumption.

The social indicators provide information about labor rights, human rights, product responsibility, and society. The composition of the workforce, as well as their training, safety, and pay, are important in assessing how well employees are treated. Human rights indicators are relevant to evaluating investment and procurement policies, discrimination charges, and protecting basic human rights.

The economic indicators reveal the direct and indirect economic impacts. The direct impacts include the sources of Bloomington's revenues such as taxes and fees, along with expenditures such as salaries, maintenance, utilities, and supplies. Indirect impacts represent activities that are sponsored by the city to encourage economic activities. Providing space for the farmers' market is an example of attracting economic activity for local food producers.

The completed report provides an outside perspective on the performance of the city's sustainable practices, highlighting the areas in which the city has excelled and also uncovering the areas needing improvement. Through sustainability reporting, cities around the world may also discover their strengths and weaknesses. Reporting of this nature provides a strong strategic tool for planning and assessment; it should be used to its full potential.

Conclusion

I think it is probable that Americans hate city failure, but, from the evidence, we certainly do not hate successful and vital city areas.

—Jane Jacobs, *The Death and Life of Great American Cities*³

Sustainability reporting alone will not address all the issues necessary to make a successful city. However, it can be part of the solution to creating successful and vital cities. Reporting progress against goals is a good start to telling the sustainability story, but it is not sufficient. Stakeholders have to see the value in providing a communication tool that is transparent and adheres to a set of established guidelines. Success and vitality will depend on a variety of factors such as good leadership, informed citizens, good communications, and partnerships with business and government. Sustainability reporting is a great way to get the conversation going.

References

1. John F. Kennedy: "Special Message to the Congress Transmitting Reorganization Plan 1 of 1962," January 30, 1962. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=8699> (last accessed 11/11/2013).
2. United State Census Bureau. 2010 Census, Urban Area Facts. U.S. Depart-

ment of Commerce. <http://www.census.gov/geo/reference/ua/uafacts.html> (last accessed 11/11/2013).

3. Jacobs, J. (1961). *Death and Life of Great American Cities*. New York: Random House.
4. National League of Cities. State of America's Cities. Sustainability: Executive Summary and Preliminary Results. 2010. <http://www.nlc.org/search-results?q=State+of+America's+Cities%3A+Sustainability+Executive+Summary+and+Preliminary+Results> (last accessed 11/11/2013).
5. U.S. Census Bureau. State & County Quick Facts. 2012. <http://quickfacts.census.gov/qfd/states/18/1805860.html> (last accessed 11/11/2013).
6. U.S. Bureau of Labor Statistics Economy at a Glance. 2013. <http://www.bls.gov/eag/eag.us.htm> (last accessed 11/11/2013).
7. City of Bloomington. http://bloomington.in.gov/sections/viewSection.php?section_id=9 (last accessed 11/11/2013).
8. Bloomington GRI Sustainability Report. <http://bloomington.in.gov/sustainability> <http://bloomington.in.gov/media/media/application/pdf/16480.pdf> (last accessed 11/11/2013).