

# *Six Challenges to Sustainable Development in Minnesota*

The Round Table believes Minnesotans face a series of profound challenges if they are to pass on a high quality life to their children and grandchildren. These challenges are laid out in the next several pages, each followed by one or more critical steps and strategies. We must begin to implement these strategies today because waiting will only make the needed changes more costly and difficult, and some may take years, if not decades, to put in place.

## *Challenge One*

### **Understand the importance and benefits of sustainable development.**

The Round Table found that, although pockets of understanding and experience exist in the state, the term sustainable development is sometimes unknown, misunderstood or viewed with suspicion by organizations, communities and Minnesotans. Sustainable development will not happen until its concepts and practices are better understood and more widely accepted.

To achieve sustainable development, individuals and organizations need to make choices that are not only good economically, but are also good for the environment and the broader community as well. As a practical matter, this challenge is about people deciding to improve the resource efficiency of what they make and buy, reducing unnecessary consumption and waste, and acting to eliminate pollution and poverty.

### **CRITICAL STEP**

#### **Provide a broad range of opportunities for learning about sustainable development concepts and practices.**

To achieve sustainable development, we will need to rethink our activities — from the ways we make, move and use products to the way we produce and consume energy and food, use land, and move about. A successful shift toward such lasting development will require that educational, community, governmental and professional institutions incorporate sustainable development principles. All sectors of society will need to grapple with the interconnections between business success, environmental health and social concerns.

### **STRATEGIES**

- Elevate and expand discussions about sustainable development in both the public and private sectors by convening issue and listening forums that draw together diverse interests around specific concerns.
- Encourage the use of community round tables to provide a focal point for local and regional discussions on environmental, economic and social issues.

*In 1995, ANDERSEN CORPORATION, in Bayport, Minnesota, received certification from Green Seal, the national environmental labeling organization, for 21 models of energy-efficient windows and patio doors. Andersen has made other strides toward becoming a sustainable enterprise by implementing a wide range of pollution prevention projects that save the company more than \$1.4 million annually.*

**CITIES MANAGEMENT, INC.**

*creates environmental and economic efficiencies for its clients through pollution prevention, environmentally benign, reusable and recyclable products, energy and water efficiency, non-toxic pest control and lawn care, and the recycling of glass, aluminum and building materials.*

*The Legislative Commission on Minnesota Resources has funded development of a MINNESOTA GENUINE PROGRESS INDICATOR, a new measure of economic progress, to better reflect social and environmental contributions to the state's quality of life.*

- Initiate a public conversation on population growth and demographic changes and their effects on Minnesota's economy, natural resources and social dynamics.
- Ask Minnesota educational institutions to join with businesses, trade associations and government in providing information to the public about how to achieve sustainable development.
- Engage children in conversations about their future and about sustainable development, using vehicles such as periodic youth summits to understand and address their concerns and to build their understanding, involvement and support for sustainable development.
- Integrate sustainable development concepts into curricula of K-12, university and technical schools so that students will be prepared to make better choices as citizens and consumers. Develop easy-to-use teaching packages so that teachers can use sustainable development concepts to meet current graduation standards.
- Inform consumers about the life-cycle environmental impacts of the products they purchase. Information should include product content, proper handling and correct disposal. Encourage businesses to become active participants in labeling efforts to accomplish this goal.
- Engage the media in communicating the importance of sustainable development and the practical steps individuals and organizations can take toward achieving it.
- Identify and publicly celebrate individuals and households, organizations and businesses, communities and governments that have made outstanding contributions to Minnesota's long-term environmental, economic and community health.

## Challenge Two

### Measure progress toward sustainable development.

Minnesota is a pioneer in the development of measures for determining socioeconomic well-being. But the Round Table found that existing measures neither adequately incorporate the dimension of long-term sustainability nor accurately depict the interdependence of economic, social and environmental trends.

We cannot overstate the value of measuring progress toward sustainable development. Indicators provide a concrete way for people to envision sustainable development and to work toward it. To make the transition toward sustainable development, individuals and organizations will need to improve the ways they measure success.

### CRITICAL STEP

#### Take new steps to measure success in Minnesota.

### STRATEGIES

- Continually improve and update *Minnesota Milestones*, the state's progress measures, to help people understand the fundamental interconnections between Minnesota's long-term environmental, economic and community well-being.
- Establish a baseline that details where Minnesota is today in its progress toward sustainable development. This baseline should include indicators such as waste generated and energy used per capita and per unit of output. Businesses should also consider the economic advantage of doing this for their own operations.

- Require state agencies to measure their performance and submit report cards to the legislature every two years. As part of this effort, agencies might be asked to develop and use specific, measurable indicators, tailored to individual programs, as a way of tracking their contributions to sustainable development.
- Develop an integrated report card that provides the public with clear, understandable information on the progress of the state toward sustainable development. The report card should provide information on companies, communities and other institutions.
- Expand and integrate a statewide system of measures designed to help people understand the value of renewable and non-renewable natural resources as natural capital. Such a system would also help ensure that these resources are conserved for the benefit of future generations.
- Engage communities in understanding and monitoring their economic, environmental and social health, and that of their neighborhoods, by developing model indicators and sharing information for their use.

## Challenge Three

### Shape a sustainable future in and through Minnesota communities.

The Round Table noted that recent legislation encourages the development of sustainable communities. A few successful case studies also exist. But this isn't enough: if communities are to become sustainable, they must have access to financial and technical assistance. They also need a framework to help them incorporate the goal of sustainability into the entire range of public and private activities.

Community leaders make choices affecting the use of land, the provision of infrastructure and the location of homes and businesses. They need help to make these decisions in ways that create communities which are more livable, economically prosperous and environmentally sustainable places to live and work.

### CRITICAL STEP

**Help communities meet their long-term needs by delivering state services in an integrated fashion.**

### STRATEGIES

- Develop a team approach to community assistance by supporting a Sustainable Community Partnership modeled after the successful Minnesota Design Team. The partnership would be made up of private and public professionals who could help interested communities design and measure sustainable development practices.
- Allow communities to use a single application process to access and integrate the various types of social, economic and environmental assistance provided by the state.
- Permit state agencies to collaborate and fund integrated community projects that address environmental, economic and social issues. Projects should be rewarded by outcomes rather than adherence to rigid programmatic rules. Tie community funding to the ability to meet the specific baseline criteria of sustainability.
- Identify the types of environmental, economic and community funding currently available throughout the state, and redirect a percentage of those funds toward collaborative

#### STEELE COUNTY

*businesses, farmers, community leaders and citizens work toward sustainability with help from the Office of Environmental Assistance. A diverse coalition of interests is finding innovative ways to prevent pollution, reduce energy use, improve local business performance and educate themselves and others about opportunities for improving the county's environment, economy and quality of life over the long-term.*

#### NORTHERN COUNTIES

##### LAND USE

##### COORDINATING BOARD

*is developing 10 model county plans based upon the principles of sustainable development and scientific assessment.*

A

**ST. CLOUD CITIZENS**

**ADVISORY COMMITTEE**

*is helping that community design a city ordinance to ensure that remaining open space is used in a way that is sensitive to the needs of property owners, the economy, the environment and the community.*

*The*

**RIVER-FRIENDLY**

**FARMER PROGRAM,**

*sponsored by the Minnesota Alliance for Crop Residue Management and others, has recognized 170 farmers who have adopted farming practices that benefit Minnesota's rivers while maintaining farm productivity.*

community initiatives. These initiatives should have environmental, economic and social benefits. They should also implement plans created under the Community-Based Planning Act of 1997.

## **CRITICAL STEP**

### **Make the Community-Based Planning Act easy to use, attractive to follow, and responsive to community and state interests.**

The 1997 law gives pioneering communities the opportunity to plan for their futures, with help from the state. It provides voluntary, community-oriented means for engaging citizens and local officials in charting the future of their neighborhoods, towns, region and state. Active, meaningful community planning balances individual, business and public interests. This voluntary approach to community-based planning is extremely important and must be given a fair chance to succeed.

## **STRATEGIES**

- Provide the incentives needed to get people, communities and state agencies to join in the Community-Based Planning process, making the new framework attractive, helpful and meaningful. These incentives should include sufficient financial and technical assistance to meet community needs.
- Marshall existing state technical support for community planning. Coordinate and integrate the various ways this support is made available to communities.
- Think long-term and adopt a flexible approach to evaluating community plans.
- Communicate the importance of neighborhoods in community planning, and the importance of community planning to regions and the state.
- Change course if community-based planning efforts are unable to prevent parts of the state from growing at the expense of their neighbors, taxpayers, agriculture or the environment.

## *Challenge Four*

### **Work with Minnesota businesses to shape a sustainable future.**

The Round Table recognizes that Minnesota is home to many businesses that promote sustainable development through their products or practices. But tax policies, regulatory approaches and gaps in knowledge about product life cycles currently impede the shift to a more sustainable economy for the state.

Our goal is to help businesses adopt sustainable practices and to challenge them, as they do so, to help society as a whole work toward sustainable development. The present combination of economic incentives and disincentives needs to be changed so that what is good for the environment and the community at large is also profitable for business. All branches and levels of government, as well as the private and nonprofit sectors, must contribute to this transition. Here, as elsewhere in these challenges, we see agriculture and forestry, as well as manufacturing, services and nonprofits, as important sources of innovation.

## CRITICAL STEP

### Require government to use sustainable management practices.

Minnesota government should become a catalyst for sustainable business activity by creating opportunities for sustainable business assistance and adopting its own sustainable practices.

## STRATEGIES

- Adopt best practices, giving preference to suppliers and approaches that support sustainable development.
- Adopt investment and procurement practices and policies that provide for continuous improvement in pollution prevention and other sustainable development practices.
- Establish guidelines for the sustainable design, construction, operation and maintenance of publicly financed buildings.
- Integrate state economic development and environmental protection programs, focusing and coordinating loan and grant programs to encourage sustainable investments.

## CRITICAL STEP

### Provide technical and financial assistance.

Minnesota business, trade associations, educational institutions and government should provide technical assistance on sustainable practices and processes. This assistance should also be coordinated and combined with financial incentives. As appropriate, these efforts should be directed at businesses with limited internal resources to promote sustainable activities on their own.

## STRATEGIES

- Create a sustainable business capital fund that uses sustainable development criteria.
- Build partnerships between communities and businesses. Each needs the information, tools and technical expertise that can only be provided by the other.
- Involve citizens and neighborhoods in developing better relationships with businesses and communities. Support cooperative undertakings with financial and technical assistance.
- Provide financial and technical assistance to help corporations integrate sustainable practices and processes that enhance energy efficiency and resource productivity.
- Provide access to the information and tools necessary to investigate and employ pollution prevention, design for the environment, environmental cost accounting, product stewardship and eco-efficiency concepts. Partner with schools and nonprofits to make this happen.
- Make information available on the profitability of healthy workplace practices and work with citizens and community leaders to meet community and environmental needs.
- Compile and communicate information on successful sustainable business activities, including case studies, best practices, lessons learned and implementation strategies.
- Further develop coordinated assistance through collaborative programs between government and business-association service providers. Provide outreach and referral services to help businesses access these programs.
- Urge business suppliers to adopt sustainable business practices themselves and to encourage the adoption of these practices by the companies they serve.
- Develop state-of-the-art methods for assessing full life-cycle costs and environmental effects of activities and products.

### GUIDESTAR PROJECT

*at the Department of Transportation and the City of Cambridge has turned the vacant Isanti County Courthouse into a “telework center.” The center will house 25 department staff members, along with public and private tenants.*

### COMMUNITY

### ENVIRONMENTAL

### TECHNICAL ASSISTANCE

### PROGRAM

*Launched by Citizens for a Better Environment, this program helps citizens conduct effective environmental initiatives and become well-informed partners with local businesses by providing the technical expertise many residents lack.*

## CRITICAL STEP

### Continue to reform the regulatory framework as a means of encouraging sustainable business activity in Minnesota.

Minnesota has been among the national leaders in pursuing regulatory reform that maintains basic protections for human health and the environment, while encouraging continuous improvement and performance beyond the minimum. We urge the state to continue its efforts to create a model regulatory system.

## STRATEGIES

- Establish regulatory standards based on environmental and public health outcomes and good science — not on end-of-pipe technical solutions. Introduce harm- and risk-based approaches that are responsive to differences in ecoregions and the latest advances in scientific knowledge.
- Encourage pollution prevention, life-cycle analysis, design for the environment, total product responsibility and take back, and other system-wide approaches.
- Break down the separate focus of regulatory laws, rules and enforcement on air, land and water so that environmental impacts can be understood holistically.
- Move toward permit fees that are based on the detrimental effects caused by pollution.
- Employ total cost-benefit analysis as a tool in decision making.
- Allow community-wide or area-wide emission standards based on environmental quality and health goals, provided local impacts can be addressed or avoided.
- Allow stakeholders a greater opportunity to provide input into the decision-making process, and provide clear, understandable information about the state of the environment and the effect, or potential effect, of business activity on both the environment and human health.
- Seek agreements among affected parties to encourage and allow innovation and experimentation in developing and addressing regulations.

## CRITICAL STEP

### Rethink the framework of incentives used to encourage business in Minnesota.

Minnesota should determine how the tax code can be employed to encourage sustainable business activity. The current system tends to tax things society wants to promote, such as income, investment and property, rather than things it wants to reduce, such as pollution and over-consumption of resources.

## STRATEGIES

- Establish a special commission to examine the merits and liabilities of a controlled and focused revenue-neutral shift in taxes — from income, property, capital investment and payroll taxes, for example, to taxes on pollution and waste.
- Direct the commission to determine how the tax system could be modified to provide incentives to encourage socially responsible sustainable practices in business, agriculture and forestry. These might include changes in land development, investment in new technology or equipment, changes in practice or operations, changes in materials input and changes in research and development.

#### ENVIRONMENTAL

#### REGULATORY

#### INNOVATIONS ACT OF 1996

*offers individual facilities, sectors of industry, governmental units and whole communities freedom from rigid regulatory requirements in exchange for higher environmental performance.*

#### RAHR MALTING COMPANY

*In January 1997, Rahr Malting Company of Shakopee, working with the Pollution Control Agency and the Center for Environmental Advocacy, received one of the nation's first pollutant "trading" permits. This allows the company to reduce soil erosion and agricultural runoff on sensitive lands to offset its new discharges to the Minnesota River.*



- Direct the commission to examine the potential for selective use of tax credits to encourage use of sustainable development technology and practice. Similar credits could also be given for research into sustainable product development or management.
- Direct the commission to consider which subsidies and tax expenditures could be reduced or eliminated to pay for new tax credits, or whether taxes or fees on pollution or waste should be increased to fund new credits.

## Challenge Five

### **Institutionalize sustainable development concepts and practices in Minnesota.**

The Round Table recognizes that numerous small initiatives within the state focus on one or more aspects of sustainable development. There is, however, a strong need to concentrate our resources and attention to boost both public and private action in support of sustainable development in Minnesota.

While the state has made major strides in understanding the principles of sustainable development, many institutions have not begun to see its practical application or the opportunities it offers to improve long-term performance.

### **CRITICAL STEP**

#### **Change the way public policies are made and implemented.**

We need to ensure that government understands that it has a responsibility to facilitate sustainable development.

### **STRATEGIES**

- Ask the Environmental Quality Board to coordinate implementation of Round Table recommendations that affect the policies and operations of state government.
- Evaluate the Minnesota Environmental Policy Act of 1973 to determine whether it fully reflects sustainable development principles and how it might be more actively implemented through the state's environmental, economic and social policies.
- Direct state agencies to suggest legislation that would modify their statutory missions and create the necessary program changes so that principles of sustainable development can be explicitly incorporated and addressed.
- Develop the concept of a sustainable development note analogous to the fiscal note (which assesses fiscal implications of a legislative proposal). The note would help legislators to assess legislative initiatives.
- Expand or change the environmental impact assessment process so that it fully integrates the principles of sustainable development.
- Once it is formally established, ask the Sustainable Community Partnership (an emerging group of public and private interests devoted to helping communities achieve sustainability) to develop a common understanding of sustainable development within state government. Ask the Partnership to study how state agencies might contribute their respective strengths to Minnesota's overall sustainable development goals.
- Provide sustainable development training for elected officials through local government associations and other organizations, which would conduct workshops for newly elected officials.

**TAKING ROOT: STATE  
AGENCY EFFORTS TOWARD  
SUSTAINABLE  
DEVELOPMENT IN  
MINNESOTA**

*is the Environmental Quality Board's report on state efforts to address sustainable development principles. The 1996 law also codifies a definition of sustainable development and asks Minnesota Planning to prepare a local government planning guide based upon the principles of sustainable development.*

*The Department of Natural Resources has adopted an ECOSYSTEM APPROACH to sustainable development, integrating community and economic factors within natural resources management activities.*

## PHENIX

### BIOCOMPOSITES, INC.

*in Mankato had gross sales of over \$1.5 million in 1996. The innovative manufacturer combines low grades of waste paper with soy beans to make composite materials used in furniture, flooring, millwork, custom fixtures, displays and wall systems.*

## URBAN PARTNERSHIP

*Honeywell, the Honeywell Foundation, the Allina Foundation and the Minneapolis Foundation are taking action to battle crime and better the Phillips neighborhood by leveling two square blocks of run-down buildings and replacing them with affordable, owner-occupied homes and townhouses. The \$12.7 million project illustrates that being a good corporate citizen and neighbor is considered an important part of doing good business.*

- Establish a Governor's Sustainable Community Award program in cooperation with county, city and township associations. Award categories could honor outstanding neighborhood and community initiatives, as well as exemplary nonprofit, local business and state agency efforts. This special recognition would go to those making continuous and simultaneous improvement in economic, environmental and social conditions.
- Incorporate sustainable development concepts into legislative forums under the auspices of appropriate legislative committees.
- Require the head of each major state agency to incorporate sustainable development principles and practices into the agency's programs and activities, and to dedicate appropriate staff resources to this end.
- Reward state agencies and public employees for taking successful, flexible, integrated approaches to meeting environmental, economic and social policy goals.

## CRITICAL STEP

### **Challenge the business community to engage in discussions about its broader role in driving sustainable development.**

The business community's commitment is key. Business must take the initiative to make its activities sustainable and to help others do so as well. Businesses should be encouraged to accept this challenge. Other community members should also be urged to challenge and work with businesses so that society as a whole can move quickly toward sustainable development.

## STRATEGIES

- Ask the business community to establish a round table and to support other forums that encourage businesses to take responsibility for helping create a sustainable society.
- Encourage the World Business Council to establish a North American office in Minnesota. Link the activities of that office to the Minnesota Business Round Table, the Minnesota Business Partnership and the Minnesota Chamber of Commerce.

## CRITICAL STEP

### **Establish a new institution outside of government to aid in facilitating sustainable development.**

Sometimes, new concepts need new institutions to support them. While we are committed to change within existing institutions — and consider such change essential — we also believe that a new institution may be needed to help people and organizations understand and pursue opportunities for sustainable development.

## STRATEGIES

- Establish a Minnesota Center for Sustainable Development as a public-private partnership and charge it with providing leadership across sectors and institutions in pursuit of sustainable development in Minnesota.
- Assign the center responsibility for: a) monitoring public and private sector progress toward sustainable development, including progress in implementing these challenges; b) communicating the need for sustainable development; and c) collaborating with and supporting others engaged in sustainable development activities.



# Challenge Six

## Understand the connections between liberty and justice, and long-term economic and environmental health.

The Round Table believes that it has not adequately addressed the issues of liberty and justice. The concept of liberty requires respect for individual freedoms, rights and responsibilities. Justice means that all Minnesotans have an equal opportunity to enjoy clean water, air and uncontaminated food, and, over time, to responsibly meet their needs for healthy family and community systems, healthy natural systems and a prosperous economy.

These issues are at the heart of sustainable development. Yet discussions about sustainable development tend to focus on the more obvious relationship between the environment and the economy, often to the exclusion of the equally real connections between liberty and justice, and economic and environmental health. *Minnesota Milestones* suggests that healthy social conditions are just as important to Minnesota's long-term prosperity as maintaining a healthy environment and economy. Indeed, we should be particularly concerned about young people, as Minnesota's future depends on the well-being of our children today.

### CRITICAL STEP

**Expand public conversations that focus on social issues and their relationship to economic and environmental conditions.**

### STRATEGIES

- Convene a forum of people representing a wide range of ages and backgrounds to discuss the connection between liberty and justice and long-term economic and environmental sustainability.
- Discuss how the social goals in *Minnesota Milestones* affect, and are affected by, economic and environmental conditions. Ask Minnesota Planning to consider the results of this discussion when updating or reporting *Milestones*, so that readers may better understand the connections between social issues and environmental and economic conditions.
- Investigate whether a bias exists toward locating developments with potentially large negative impacts, such as hazardous waste facilities, landfills and highways, in areas of relative poverty. If such a bias exists, take steps to rectify it.
- Encourage the business community to explore and communicate how businesses might benefit from community partnerships and programs that enhance the workplace environment.
- Hold public institutions accountable for ensuring that their decisions are scientifically informed and open to public scrutiny. Decisions should lead to an equitable sharing of the burdens they may impose.
- Produce a list of critical questions about liberty and justice that people could ask themselves about any given action or decision.

**THE GREEN INSTITUTE,**  
*a nonprofit that encourages new economic opportunity in the Phillips neighborhood of Minneapolis, launched the ReUse Center and Demolition Services, dedicated to salvaging construction and solid waste materials for resale and reuse. Future plans include the Phillips Eco-Enterprise Center, an eco-industrial park devoted to housing and environmentally sustainable businesses.*

**YELLOW BIKE COALITION**  
*works with at-risk youth and other volunteers to transform unwanted bikes into a free, economical and environmentally friendly transportation alternative that provides easy access to St. Paul businesses, shopping areas, restaurants and trails.*

# Appendices

## A Sampling of Activities in Sustainable Development

### STATE ACTIVITIES

**Sustainable Forest Resources Act of 1995** calls for public-private partnerships in protecting and managing Minnesota's forest ecosystem resources.

**Metropolitan Livable Communities Act of 1995** establishes a multi-million dollar program aimed at brownfield redevelopment for the purpose of urban revitalization, while in turn setting metropolitan-wide goals for affordable housing.

**Environmental Regulatory Innovations Act of 1996** offers individual facilities, sectors of industry, governmental units and whole communities freedom from rigid regulatory requirements in exchange for higher environmental performance.

A 1996 law also codifies a definition of sustainable development and calls for a **state government self-assessment** based upon the principles of sustainable development. *Taking Root: State Agency Efforts Toward Sustainable Development in Minnesota* is the Environmental Quality Board's report on these assessments.

The 1996 law asks Minnesota Planning to prepare a **local government planning guide** based upon the principles of sustainable development.

**Community-Based Planning Act of 1997** establishes state goals and grants for community planning designed to encourage sustainable development.

**Energy and Sustainable Agriculture Program** helps farmers, researchers and educators develop farm systems that are environmentally sound, profitable and enhance the well-being of farmers and communities.

**Guidestar Project** at the Department of Transportation and the City of Cambridge has turned the vacant Isanti County Courthouse into a "telework center." The center will house 25 department staff members, along with public and private tenants.

Office of Environmental Assistance publishes a **sustainable communities network** biweekly electronic newsletter, serving 1,400 people.

The Department of Natural Resources has adopted an **ecosystem approach** to sustainable development, integrating community and economic factors within natural resources management activities.

Public Utilities Commission and Department of Public Service have asked electric utilities to include the **hidden costs of air pollution** in integrated resource planning for meeting future energy demands.

**Minnesota Milestones** targets are being revised to better reflect the principles of sustainable development.

The Legislative Commission on Minnesota Resources has funded development of a **Minnesota genuine progress indicator**, a new measure of economic progress, to better reflect social and environmental contributions to the state's quality of life.