





400 La Crosse Street | La Crosse, WI 54601 | P: (608) 789-7512

#### Memorandum

To: Climate Action Plan Steering Committee

From: Erin Smith, Sustainability Intern

CC: Common Council Date: April 2, 2021

Re: Green Business Certification Program

A goal in the City of La Crosse's 2009 <u>Strategic Plan for Sustainability</u> is "to encourage economic development including the green economy sector" (goal 4G, p. 22). Today, cities across the U.S. embrace a green economy by incentivizing businesses to adopt sustainable practices. These practices can save businesses money by conserving energy, water, and producing less waste. Rewarding eco-friendly businesses and incentivizing others to follow in their footsteps should be a goal for consideration in the city's upcoming Climate Action Plan.

The Climate Action Plan will be an update to the *Strategic Plan for Sustainability*. The planning process has not begun yet, but the Common Council's resolution to reach carbon neutrality by 2050 will be a guiding goal. Green business certification may be difficult to fit into an easily quantifiable goal around greenhouse gas emissions, but engaging the business sector is an important part of citywide carbon reduction.

This memo covers research from eight communities on how they recognize their green businesses. It outlines the state context, what is required for certification, and how the criteria are verified. The memo also provides examples of incentives that cities offer. Lastly, it recommends how to frame a green business certification program as a SMART goal for the Climate Action Plan – using criteria that are specific, measurable, assignable, realistic, or time-related.

### Wisconsin Context

Cities larger and smaller than La Crosse have adopted green business certification programs to reward companies for their sustainable business practices. Some of these programs receive funding from statewide grants, while others operate on their own or with the help of local chambers of commerce. Wisconsin's statewide environmental business programs only apply to businesses that must to adhere to certain environmental regulations. Unfortunately, Wisconsin does not have a statewide program that recognizes businesses that have more general sustainable practices.

The nonprofit <u>Wisconsin Sustainable Business Council</u> (WSBC) was "designed to bring businesses together and provide learning, support, tools and resources to help businesses on their path toward being more sustainable

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and resilient". One program within the WSBC, the <u>Green Masters Program</u>, assesses Wisconsin businesses interested in improving and being recognized for their sustainability initiatives. The program is set up to encourage continuous improvement by establishing three levels of participation. It runs from March-October every year and is free for first-time applicants and nonmembers. There are currently <u>129 businesses listed as Green Masters Program participants</u>, and six of those are in the La Crosse area.

### **Certification Process**

There are several broad categories that communities have adopted for certifying green businesses. These categories can include energy conservation, water conservation, waste prevention, pollution prevention, stormwater management, transportation alternatives, environmental policy and education, renewable energy usage, and sustainable sourcing/purchasing. Typically, certified businesses must meet a minimum number or percentage of actions under each category.

Several environmentally friendly actions in each category give businesses many paths to get certified. The actions included in each city's green business certification checklist vary greatly depending on the robustness of the program. Varying sizes of cities and programs are included to understand the range of potential actions. Larger cities sometimes include different green businesses checklists for different types of businesses, such as offices, restaurants, grocers, and retailers. Several links to checklists are listed in Appendix 1.

### **Verification Process**

After submitting an action checklist, the City's program administrator follows up with each business. Approximately half of the cities studied (Coral Gables, Culver City, Creve Coeur, and Portland) completed a one-hour site visit after the checklist was submitted to verify the sustainable practices of each business. Some cities do not complete the site visit and trust that each business's application is honest. Additionally, none of the case study communities charged an application fee for businesses to apply to receive a green business certification.

# **Incentivizing Green Business Practices**

Cities offer a range of incentives for completing the green business certification process. Cities offer badges like certificates, window decals, or digital logos for businesses to show their membership. The program may also list or map businesses on their website, social media, or newsletters. Similarly, individual businesses could be highlighted or recognized in those media or at public events. Lastly, businesses could receive discounted memberships to the Chamber of Commerce or free technical assistance from local utilities to improve their sustainability practices.

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### **Climate Action Plan Goal**

The Climate Action Steering Committee should consider starting a green business certification program administered by the City of La Crosse's Economic Development Planner. A SMART goal for that could then be to register 10-20 small businesses (50 employees or fewer) as green businesses each year. Additionally, the program could encourage 5-10 larger local businesses (more than 50 employees) to participate in the WSBC's Green Masters Program each year. The planner could work with WSBC to provide outreach and education about the program. Once businesses are aware of the program, the WSBC may follow up with businesses to provide more detailed information about the program's benefits.

The verification process for green businesses in La Crosse may include a checklist that encompasses multiple sustainability categories. At a minimum, the categories could include energy conservation, water conservation, waste prevention, pollution prevention, stormwater management, environmental policy and education, and sustainable sourcing/purchasing. Then, businesses could be required to complete 15 actions, and at least one action within each category, in order to be eligible for the certification. Some actions may be required for all businesses, such as environmental education, energy audits, low cost energy efficiency measures, and tracking water use. Finally, the businesses could be required include a future sustainability goal with intermediate steps and a target date in their application. The program manager may conduct a one-hour site visit to verify that businesses have completed each of the actions. The certification could be valid for three years from the date of issue.

Ideally, the City would partner with other business organizations, such as the Chamber of Commerce or Downtown Main Street, to provide incentives and recognition to certified businesses, as well as businesses who participate in the Green Masters Program. Incentives can at least include some kind of badge(s), recognition on the City's and/or partner's website, social media platforms, and newsletters. The program manager can also coordinate with Xcel Energy and Focus on Energy to provide technical assistance to support and improve energy efficiency.

### Conclusion

The business sector plays an important role in reducing citywide carbon emissions. Without businesses on board, it will be challenging to reach the City of La Crosse's carbon neutrality goal by 2050. Green business certifications and other, more comprehensive programs such as the Wisconsin Sustainable Business Council's Green Masters Program encourage businesses to adopt sustainable practices that will help lower both their ecological footprint and greenhouse gas emissions.

This memo outlines some possibilities for what the City of La Crosse's green business certification program could look like and goals to growing the program. The Climate Action Plan steering committee will need to determine the best criteria, incentives, and verification process for the Green Business Certification.

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## **Appendix 1 - Green Business Certification Criteria Examples**

- <u>Eau Claire, WI</u> has an application with seven categories, 68 practices, and up to 176 points; it is a two-tiered system for small and large businesses.
- <u>Coral Gables, FL</u> (Miami suburb of about 50,000 people) has an application with six categories and 78 practices each worth a point; it has four tiers, bronze through platinum.
- Vineland, NJ (population of approximately 60,000 people) has an application with five categories and 54 practices each worth a point, as well as a blank practice under each category for businesses to fill in other sustainable practices that aren't listed. Businesses must adopt at least 25 practices in order to be eligible for the certification.
- <u>Dallas, TX</u> has an application with six categories and 43 practices, with an emphasis on recycling and
  waste diversion. There are four certification tiers, bronze through platinum, based on the total amount
  of points that businesses receive.
- Culver City, CA (population of approximately 39,000 people) has two separate applications depending on whether the business is in office/retailer or restaurant.
  - o Offices & Retailers 7 application categories, 47 practices
  - Restaurants 7 application categories (same categories as the Offices & Retailers checklist), 63 practices
- <u>Creve Coeur, MO</u> (Suburb of St. Louis of about 18,500 people) has an application with eight practices, three of which must be completed in order to become certified as a green business. Each practice must be described in detail by the business.
- <u>Jersey City, NJ</u> has an application with five categories and 26 practices. The practices are each worth between one and four points, and each business must reach fifteen points to qualify for the green business certification.
- Portland, OR has three certification tiers based on the total number of actions completed in the
  application. There are four different applications depending on the business type. Each of the four
  separate applications also ask applicants to set a sustainability goal with intermediate steps and a target
  date. There are blank actions for businesses to fill in other sustainable practices that aren't listed.
  - o Offices 6 application categories, 57 actions
  - Restaurants 7 application categories, 59 actions
  - Retailers 6 application categories, 52 actions
  - Grocery 7 application categories, 57 actions