

# Loreto Bay Sustainable Development FAQ

## WHAT IS SUSTAINABLE DEVELOPMENT?

In 1992, the United Nations Commission on Sustainable Development was created to address the integration of the environment and development at levels ranging from global to local. Sustainable development was defined by the United Nations' Brundtland Commission as "Meeting the needs of the present generation without sacrificing the ability of future generations to meet their own needs." The Trust for Sustainable Development President, David Butterfield, endorses this definition of sustainable development and refers to it as "an intergenerational Golden Rule."

Simply put, sustainable development encompasses three primary areas: economic, social and ecological. Economic sustainability means that the development creates jobs and economic opportunities. Social sustainability requires that a development improve the health and welfare of a region. And ecological sustainability means preserving and enhancing the ecosystem locally and globally. It is where these objectives overlap that sustainability is achieved.

## WHAT IS THE TRUST FOR SUSTAINABLE DEVELOPMENT AND HOW WAS IT CREATED?

Mr. Butterfield has had an impressive and varied career in the real estate development industry. As Executive Director of South Island Development Corporation, he established a reputation for community-oriented, responsible development. The successful development of social housing projects, a specialization of South Island in its early years, led Mr. Butterfield and his development company to undertake a range of diverse and progressive real estate projects. Commercial/retail centers, office buildings, hotels, waterfront and mixed use residential developments are among the many types of projects successfully completed.

In 1989, with the help of several environmental activists, Mr. Butterfield began to research, design and develop Bamberton, North America's most advanced sustainable community. Over the following five years, Mr. Butterfield and his team emerged as world experts in "sustainable community" technology.

In 1995 Mr. Butterfield founded The Trust for Sustainable Development, a not-for-profit, federally chartered, Canadian land and community development corporation. The Trust's mission is education and the promotion of projects based on the principles of sustainability and New Urbanism. Since then, The Trust has promoted

sustainable development principles throughout North America. Mr. Butterfield was the initial town founder of the Community of Civano in Tucson, Arizona, referred to in the New York Times as among only four major sustainable development projects in the U.S., and Shoal Point in Victoria, British Columbia, one of the most-honored sustainable developments in North America.

The Trust brings to Loreto Bay a proven track record of developing socially responsible projects that make investors happy to support sustainability. The Trust's approach is to work toward the long-term economic development of the communities in which it builds, and to protect and enhance the environment of which the development is a part. By addressing these needs in its approach to development, the Trust has earned community support, reduced municipal costs and lowered project risks.

#### WHAT ARE THE SUSTAINABILITY TARGETS AT THE VILLAGES OF LORETO BAY?

Loreto Bay is specifically designed to address sustainability objectives in all three key areas: economic, social and environmental. Sustainability performance targets are determined for areas such as energy conservation, water consumption, reduction of solid waste materials and air pollution, and provision of economic opportunities and development in the form of housing, planning and training as well as the creation of new jobs and local business enterprises

#### OUR KEY SUSTAINABILITY COMMITMENTS ARE:

1. By the end of the project we will produce more energy from renewable resources than we consume.
2. We will harvest or produce more potable water than we use.
3. There will be more biodiversity<sup>1</sup>, more biomass<sup>2</sup> and more habitat than existed when we started.
4. We will develop and implement a Regional Affordable Housing Strategy in cooperation with Loreto citizens and all layers of government, based on the premise that people who work at Loreto Bay should be able to afford to live in Loreto.
5. We will dedicate 1% of the gross proceeds of all sales and re-sales in perpetuity to a Community Foundation to assist with Loreto's local social and sustainability issues.

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<sup>1</sup> **biodiversity:** the diversity of plant and animal life in a particular habitat (or in the world as a whole); "a high level of biodiversity is desirable"

<sup>2</sup> **biomass:** the total mass of all living things within a given area, biotic community, species population, or habitat; a measure of total biotic productivity.



In order to verify our claims of an improved environment, complete environmental baseline and impact studies will begin in a few months. The studies will take over a year to complete and will provide us complete information about existing conditions and lay out our plans for the future. This will be the most comprehensive review of its type ever done in Mexico and will permanently commit Loreto Bay to its goals by recording the sustainability promises in the public record.

To date, the company's funds spent on sustainability groundwork is nearly one and one half million dollars and growing daily. This is a very significant commitment by a start-up company. We are proud of our commitments to date and look forward to achieving them, and ask for the continued assistance of all those involved in making Loreto Bay the most sustainable new community yet.

### WHAT ARE OTHERS SAYING ABOUT LORETO BAY'S COMMITMENT TO SUSTAINABILITY?

Loreto Bay's commitment to Sustainable Development received international acclaim recently, when David Butterfield was honored with the private sector Good Neighbor Award by the U.S. Mexico Chamber of Commerce (USMCOC). Butterfield was honored along with U.S. Secretary of State Colin Powell and U.S. Secretary of Homeland Security Tom Ridge among other dignitaries at the annual USMCOC Good Neighbor Awards Gala May 2004 at the International Monetary Fund Gallery in Washington, D.C.

Each year, the USMCOC honors public and private sector leaders for their vision and continued commitment to closer commercial relations between Mexico and the United States. Over the past decade the Good Neighbor Award has been presented to ministers, ambassadors, governors, congressmen, former presidents, CEOs, chairmen of organizations and others who have made significant differences in U.S. – Mexico relations.