



NAACP, other groups make pitch for community benefit agreements

By Kevin Flowers

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Such pacts are legally binding and stipulate that multimillion-dollar economic development projects have a tangible, positive impact on residents and neighborhoods.

John Goldstein has a message for Erie-area politicians, community leaders and private-sector businesses interested in creating wide-reaching regional improvements.

Community benefit agreements should be embraced, not feared.

Goldstein is the founder of Coalitions, Campaigns and Community Benefits, a national network of community benefit organizers who are active in more than 70 U.S. cities. He is also nationally recognized as an authority on community benefit agreements, which are legally binding documents that usually stipulate that multimillion-dollar economic development projects have a tangible, positive impact on residents and affected neighborhoods.

Goldstein has advised the Erie chapter of the NAACP and local community groups on CBAs, including how best to approach private-sector businesses about them. He also spoke with members of Erie City Council in November about community benefit agreements.

The agreements can require a company to hire a certain percentage of local workers, including minorities, or pay a prevailing wage; invest in affordable housing; and/or provide other resources or benefits important to a community.

In exchange, the development project receives the coalition's backing and/or taxpayer-funded incentives.

“In almost every city I have worked in, there is initially vociferous opposition from the development community (regarding CBAs),” said Goldstein, who has helped craft benefit agreements in Milwaukee, Pittsburgh and other cities.

In Milwaukee, for example, a benefit agreement related to \$500 million in redevelopment projects helped create construction jobs and job-training programs that gave paychecks and opportunity to hundreds of previously-unemployed or underemployed residents.

The Pittsburgh CBA required developers of the Pittsburgh Penguins’ hockey arena, PPG Paints Arena, to invest in a grocery store in an area that lacked one.

“The rules that govern new development in most cities were written to address the needs of developers, who were the only identified stakeholders in this process,” Goldstein said. “As communities look more closely at the costs and benefits of new development, residents have demanded that they be included in development decisions.

“Once the new rules are understood,” Goldstein said, “the push back is greatly reduced.”

Erie Mayor Joe Schember said he expects to push for community benefit agreements where they “make sense,” especially on projects involving public funds.

Addressing challenges

Gary Horton, the local NAACP chapter’s president, has touted community benefit agreements for years as an effective mechanism to address income, poverty and employment disparities affecting poor and minority residents in the city.

The region, however, does not have much experience with them.

Horton said he would like to see more pacts like the 2007 labor agreement between the Erie County Convention Center Authority and local trade unions related to the construction of the \$100 million-plus Bayfront Convention Center and Sheraton Erie Bayfront Hotel.

That agreement ensured at least 10 percent minority participation on the project.

Horton said he believes the concept is gaining traction after the November release of an article from 24/7 Wall St., a Delaware-based financial news and opinion company. The report ranked Erie as the worst city in the U.S. for black citizens.

At a Nov. 13 NAACP news conference at St. James African Methodist Episcopal Church — attended by Mayor Joe Sember and a host of local elected and community leaders — Horton called on citizens, government and developers to embrace community benefit agreements.

“Where there’s a will to address this challenge, there’s a way,” Horton said then.

In an interview last week, Horton said the next step is to continue to educate and organize the community regarding CBAs, including meeting with business leaders and government officials to put the agreements into context.

“It’s clear that there’s not a single-bullet approach to fixing situations,” Horton said, “but community benefit agreements can provide a variety of approaches that we think can work to help eradicate the systemic, pervasive, deep rooted, inequitable impact that poverty has on some people in this community.”

That was a message publicly delivered on Dec. 6, when Horton and about a dozen members of several community-based organizations rallied outside the construction site for Erie Insurance’s new 346,000-square-foot, seven-story office building, near Perry Square.

The company is investing \$135 million in that project, and the project could mean 1,000 new Erie-based employees.

Those who rallied at the construction site called for the Fortune 500 company and other local businesses to hire more minorities and women on construction projects; to help preserve and restore historically black and immigrant neighborhoods; and to build mechanisms to help recruit and train local residents for construction jobs.

“It wasn’t a protest. It was informational,” Horton said. “Erie Insurance has done a lot for this community, and we understand that. We are trying to initiate conversations and not be disrespectful to anybody.

“OK, we understand that right now there’s not an obligation to do a community benefit agreement,” Horton said. “But is there a willingness to do it? It’s not being snippy or ... militant or arrogant to have an expectation that these employers can help the entire community to do better.”

Erie Insurance officials said on Dec. 6 that the construction project wouldn’t fall under a CBA because they typically are signed when public money is used or when residents are displaced. Neither is happening with this project.

Jeff Brinling, Erie Insurance’s senior vice president of corporate services, said in a statement to the Erie Times-News last week that the company has voluntarily employed “provisions seen in a typical community benefit agreement” for years as it has developed its downtown campus.

“We have and will continue to be committed to this city by investing in programs that address the needs within the community, Brinling said. “Erie Insurance understands the best communities are those that embrace and build on their economic, ethnic and community diversity. This is our vision for Erie.

“Helping build a vibrant community is essential to our success and success of the others who live and work here. As one of the region’s largest employers, we understand that and we choose to support our community’s growth and development,” Brinling said.

The Rev. Dale Snyder, pastor at St. James and a supporter of community benefit agreements, has met with Erie Insurance officials to explain the value of CBAs.

During those meetings, Snyder said he stressed that some residents living near Erie Insurance’s downtown campus are concerned the company’s developments could spawn gentrification, or the process of displacing residents via urban renewal.

Snyder said he has urged Erie Insurance officials to meet with city residents to explain the company’s long-term development plans in detail.

“Active participation in conversations with the community can ease those concerns,” Snyder said. “We’re just asking companies to be sensitive to the needs of those living in their footprint.”

‘Deep community involvement’

Goldstein has told local officials that typical community benefit agreements have standard provisions that include local hiring requirements; job quality standards; job training; minority contractor mandates; affordable housing development; and environmental enhancements such as additional green space.

Further, he said, “it is also very common to see provisions addressing strongly held local issues. Examples have been forgiveness of medical debt, construction of a full-service grocery store in a food desert, and enhanced youth recreational programming.”

Such agreements also usually involve “deep community involvement in the design and implementation of the project” because of its impact on neighborhoods, Goldstein said.

And CBAs increase “transparency and accountability,” he said, adding that most community benefit agreements involve periodic reporting to an oversight group, to make sure terms and conditions are being met.

“In almost every case there is public investment in big projects: tax abatements, zoning variances, publicly funded infrastructure, or discounted land,” Goldstein said. “The community benefits approach brings the community to the table as a stakeholder, ensuring that public investment receives a fair return.”

Goldstein said that while the city’s multiyear comprehensive plan, Erie Refocused, examines Erie’s long-term needs in a number of areas, including housing, transportation, land use and economic development, another track should also be followed: “There needs to be a similar effort to improve the conditions for people of color who have historically been left behind.”

In addition, Goldstein said, “a community benefits approach is one avenue for addressing Erie’s growing inequality. ”

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