



MIT Center for Energy and
Environmental Policy Research

The Roosevelt Project

Industrial Heartland Electric Vehicle
Case Study Working Paper Series

Maximizing Value: Ensuring Community Benefits
from Federal Climate Infrastructure Package



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The Roosevelt Project

A New Deal for Employment, Energy and Environment

About the Roosevelt Project

The Roosevelt Project takes an interdisciplinary approach to the transitional challenges associated with progress toward a deeply decarbonized economy. The project aims to chart a path forward through the transition that minimizes worker and community dislocations and enables at-risk communities to sustain employment levels by taking advantage of the economic opportunities present for regional economic development. The first phase of the project involved an analytical assessment of cross-cutting topics related to the transition. The second phase of the project assesses the transition through the lens of four regional Case, working with local partners on the ground in the Industrial Heartland, Southwest Pennsylvania, the Gulf Coast, and New Mexico. The project was initiated by former Secretary of Energy, Ernest J. Moniz, and engages a breadth of MIT and Harvard faculty and researchers across academic domains including Economics, Engineering, Sociology, Urban Studies and Planning, and Political Science.

REPORT SPONSOR



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Sustainable Communities

Maximizing Value

**Ensuring community benefits from federal climate
infrastructure package** White Paper #3

**Amanda K. Woodrum
Kathleen Mulligan-Hansel**

Introduction







For the past century, the Heartland of America has powered the economic prosperity of this nation. Yet many former steel and coal communities have been left behind.

The Heartland of America—the Midwest and Appalachia—deserves a Climate Infrastructure Plan that builds local wealth and creates good union jobs in the region and beyond.

With the right federal investment in the region's infrastructure, Congress now has the opportunity to put the region's skills and resources to work building a 21st Century economy.

Transforming the region will require significant federal investment. These investments, if done right, can create hundreds of thousands of jobs in the region. The table above illustrates that a \$23.6 billion federal investment into Ohio, Pennsylvania, and West Virginia could alone create more than a half million jobs. For the past century, the Heartland of America has powered the economic prosperity of this nation. Yet many former steel and coal communities have been left behind.

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| Sector | Annual Investment | Jobs Created* |
|--|----------------------|----------------|
|  Repair the damage from the last century Plug orphan oil & gas wells, reclaim abandoned mine lands, repair dams & levees, repair leaks in gas pipelines | \$2.7 billion | 20,000 |
|  Modernize the electric grid Upgrade the grid, e.g., with underground power lines, distributed generation and utility-scale renewable energy | \$4.2 billion | 297,000 |
|  Create universal broadband access Bring fast, affordable, reliable broadband to rural areas & city neighborhoods | \$2.4 billion | 12,000 |
|  Grow clean, efficient manufacturing Repurpose shuttered coal plants for energy efficient manufacturing, become a leader in sustainable production | \$2.6 billion | 37,000 |
|  Build a more sustainable transportation system Public transit expansion and upgrades, including rail; expand access to electric vehicles and EV charging stations | \$2.3 billion | 37,000 |
|  Relaunch the Civilian Conservation Corps Update 1930s CCC to restore forests & waterways, repair damaged lands, and create pathways to meaningful careers in the process | \$9.5 billion | 119,000 |
| \$23.6 billion | | 523,000 |

Community and Labor Requirements

Climate infrastructure investments, as laid out above, should be designed to maximize their benefits to communities and workers – with federal policies in place that enable community input and accountability on how the money is spent; ensure jobs created come with good wages, health care, and retirement benefits; coal industry workers are prioritized for new

opportunities WITHIN the region; career pathways are paved for women, Black, Indigenous, and other workers of color into good union jobs; and paid on-the-job training opportunities are provided. To accomplish these ends, and build local wealth, federal dollars should come with both community and labor standards designed to:

1. Maximize creation of good union jobs
2. Target benefits of job creation to impacted workers and communities left behind
3. Ensure successful implementation, tracking, reporting and accountability.

Maximize Creation of Good Union Jobs

Maximize creation of good union jobs by Requiring Project Labor Agreements on all construction projects receiving more than \$100,000 in federal funds and that have a total project value of at least \$1,000,000. Project Labor Agreements are collective bargaining agreements between unions and contractors for a construction project, lasting the duration of the project. They typically incorporate wage and benefit requirements among other protections that support job quality and the community.

CINCINNATI MODEL

[Cincinnati Solar Procurement Project](#) (Cincinnati, 2017)

Using the local purchasing power enabled by the State of Ohio's [Community Choice Aggregation](#) policy, the City of Cincinnati issued a Request for Proposals (RFP) for a 25-MegaWatt solar project in order to help meet the electricity demands of the City Cincinnati and its residents, while moving closer to the City's goal of becoming 100% renewable by 2035 and avoiding energy cost increases for the city. The City provided a guarantee of energy purchase, and the RFP gave bidders the option to use city property or private property to meet its goal, making the project low-risk for investors. The contract was awarded to Creekwood Energy Partners in partnership with Hecate Energy and Generate Capital. Importantly, the Request for Proposals required:

1. Bidders to enter into a Project Labor Agreement with the City that would set wages, healthcare and retirement benefits, and apprenticeship utilization requirements. The final project included an 80% Ohio resident requirement for employment.
2. Businesses were required to submit an "MBE/WBE Inclusion Packet" or a notarized statement committing to inclusion goals and a basic requirement of at least 4% of the contract be performed by minority business enterprises (MBE), women business enterprises (WBE), or small business enterprises (SBE), whether through the contractor, subcontractors or in partnership with them.

Current Status: The RFP resulted in a contract with the Creekwood Energy Team for the development of 100MW of solar. The project is expected to be completed and fully online in 2021.

Source: https://cityrenewables.org/wp-content/uploads/2020/08/CRA_Cincinnati_Case-Study.pdf

Promote Opportunity AND Job Quality

Promote opportunity and job quality in manufacturing, retail and service jobs that result from public investments. Whether its construction, manufacturing, retail, or service work, the real objective of public policy should be to ensure jobs created within new and expanding clean energy sectors and other sustainable industries are good union jobs that come with family-sustaining wages. Developers, organizations, and employers, in exchange for receipt of significant federal subsidies, can be required to adopt labor peace agreements for manufacturing, retail and service sector jobs created, meaning companies agree not to oppose efforts by their workers to form a union to bargain collectively; and, to take measures to ensure the workforce reflects the diversity of the community.

National Model: *Requirements for End-Use Jobs*

[The Oakland Army Base](#) (Oakland, 2012)

Model for redevelopment of shuttered coal plants and former steel facilities

The Oakland Army Base is a redevelopment project converting a decommissioned Army Base into a warehouse and logistics center for the Port of Oakland. In 2012, the contract went to developer ProLogis under a Lease Disposition and Development Agreement.¹ Thanks largely to the efforts of the Revive Oakland Coalition, all parties to the contract agreed to undertake a Community Benefit Agreement.¹ At the time of the agreement, the project was expected to produce 2,800 construction jobs and 2,000 permanent positions. The ***agreement established a local and disadvantaged hire requirement, wage standards and oversight mechanisms***. Significantly, it secured standards ***not only for the construction jobs during project development, but also for the more permanent employment at the warehouse and logistics center***. The provisions are outlined below.

1. The agreement requires hiring practices to ensure community residents and disadvantaged groups benefit. The hiring process requires employers to notify a jobs center designated by the city of available openings. Employers must consider and “make best efforts” to fill positions with residents and disadvantaged workers referred through the job center.
2. Employers are expected to hire at least 50% residents and 25% disadvantaged workers for on-site jobs annually and are required to pay damages of \$5,000 per job short of this threshold.
3. The agreement also requires 20% of project work hours be completed by apprentices, and that 25% of those hours be completed by disadvantaged workers.
4. In addition, while this CBA is not explicitly union-affiliated, all four agreements provide for compatibility with union agreements. These provisions provide support for union rights and bolster the pathway for entrance into union careers for residents and disadvantaged groups.

Target Opportunity to Impacted Workers, Communities Left Behind

Target benefits of job creation to impacted workers and communities previously left behind. The workforce can pivot to meet the needs of our 21st century economy. We need to recognize that workers in extractive industries—mine workers, union electricians, laborers, and other trades in Appalachia—have foundational skills that remain critically important in the work needed. Coal industry workers should be targeted for new opportunities created from public investments. Jobs created from public investments should also give priority in hiring and training to coal workers, as well as women, Black, Indigenous and other workers of color shut out by past discrimination in hiring, education, or opportunity. The new economy must be built on basic principles of justice, equity, and inclusion. Other communities have made these values real through targeted community benefit agreements and policies.

Publicly-funded projects should be required to have a [targeted hire program and a first-source referral system](#). The targeted hire program should identify categories of workers, residing within a 75-mile radius, to be prioritized for job opportunities created through this legislation. Require 20% of work hours be completed by apprentices in registered apprenticeships or locally-based apprenticeship readiness programs, with at least half of those work hours completed by workers from targeted hiring programs.

When ***defining the targeted hiring categories***, the following groups should be considered:

- Extraction economy workers ready to pivot to climate infrastructure opportunities;
- Black, Indigenous, and workers of color;
- Women and gender non-binary persons
- Residents from census tracts with high rates of poverty or un/under employment;
- People with record of recent receipt of public assistance or homelessness;
- People coming out of the criminal justice system;
- Participants in Apprenticeship Readiness programs sanctioned through [North America's Building Trades Unions](#), or registered through a state's pre-apprenticeship program system using the [Multi-Craft Core Curriculum \(MC3\)](#).

National Model: First-Source Hiring System

[The “Staples” CBA¹](#)

The Los Angeles Sports and Entertainment District was a billion dollar multipurpose development project that included plazas for restaurant and retail business, a 7,000 person theater, a convention center extension, a hotel, and a permanent high rise housing complex. In May of 2001, the Figueroa Corridor Coalition for Economic Justice negotiated a community benefit agreement with the City of Los Angeles and the developer of the project, L.A. Arena Land Company and Flower Holdings, LLC. The agreement is often referred to as the “Staples” CBA due to the project’s proximity to the Staples Center sports arena, built by same developer. Some of its notable provisions include living wage requirements, prioritization of low-income individuals for hiring, affordable housing requirements, and developer-provided funding for a local hiring referral system, recreation and parking areas for local residents. The labor provisions in the Staples Agreement consist of:

- A ***First Source Hiring Policy*** considers “Targeted Job Applicants” first. In this agreement, low-income individuals residing within close proximity to the project were prioritized for hiring.
- This agreement set out an aggressive goal of 50% hire of the targeted population (no penalties for failure to achieve this goal if employer made good faith efforts otherwise)
- To create a pipeline of targeted workers, the developer provided seed funding to a local non-profit to create a ***First Source Referral System***.

Source: [Agreement](#)

Ohio Model: Building Futures

Quality pre-apprenticeship program

The Building Futures Program is a pre-apprenticeship program run as a partnership between Franklin County, Ohio, the Columbus/Central Ohio Building and Construction Trades Council, and the Columbus Urban league. The program runs for 12 weeks and is designed to help individuals from low-income backgrounds overcome barriers and access the building trades, and the middle-income wages and benefits those trades come with. The program includes not only the development of trade skills, but also life skills such as financial literacy. After the completion of the program, participants can join an affiliated trade which includes bricklaying, carpentry, cement masonry, drywall finishing, electricians, glaziers, and others. Participants alternate between classroom learning and on-the-job training. Graduates are also able to demonstrate they went to work every day and on time, and they take instruction well.

The program includes:

1. ***Recruiting, Screening, Pre-testing.*** Recruitment efforts target women, minorities, and other disadvantaged populations. The community-based organizations involved were purposely selected to help the project target women, minorities, and otherwise disadvantaged populations.
2. ***Credit and Non-credit Classroom Programming,*** beginning with Basic Skills Remediation (4 weeks), such as Life/Employability Skills, basic math, reading, and writing designed to prepare participants for the rigors of apprenticeship exams. Remedial training is followed by Basic Skills Development, including technical core skills, employment skills, and more math/English, and Basic Skills Enhancement (4 weeks), which includes workplace preparation, basic skills for the construction Industry, OSHA safety training, and college math.
3. ***Trade-specific paid internship***
4. ***Supplemental Services.*** The vast majority of participants receive supplemental services such as access to transportation, child care, dependent care, emergency housing, work clothing or uniforms, licensing or testing fees, medical and healthcare supportive services, needs related payments, stipends, and case management.
5. ***Apprenticeship program placement for graduates***

Current Status: This program is still operational.

Source: <https://columbusconstruction.org/building-futures/>

Ensure Successful Implementation

Ensure successful implementation, tracking, reporting and accountability. To set priorities for publicly-funded construction projects, state and local governments should create regional **Community Benefit Advisory Boards** with the help of federal policy guidance. These Advisory Boards should be required to include union, contractor, environmental, and community representatives. They should be charged with considering a proposal's emissions reduction benefits as well as health, racial, and social equity impacts of proposed economic projects, ensuring workers have rights on the job, developing hiring pipelines and on-the-job training opportunities. Over time, the Advisory Panel can study best practices and implement new policies based on lessons learned.

To help build the pipeline of workers, and place them in new opportunities, **½ of 1% of all publicly-funded project dollars** should also be set aside into a **Community Benefit Fund** and used to:

- Develop multi-sector, multi-union industry partnerships to help pivot conventional energy industry workforce to opportunities in new energy economy;
- Support apprenticeship readiness programs managed through community-labor partnerships;
- Break down barriers to employment and access to union apprenticeship by providing income stipends for classroom training, transit passes and/or transportation support, child care, etc.;
- Support development of coops, minority business enterprises and entrepreneurship programs.

Missouri Model

Creation of Community Benefit Fund with ½ of 1% of Project Dollars

Following a 2-year campaign in Missouri, the Transportation Equity Network won a community benefit agreement with the Missouri Department of Transportation to devote 30% of work hours to low-income apprentices and set aside ½ of 1% of transportation project budgets to build a training pipeline in the transportation industry for low-income people, especially women, Black workers and other workers of color. Since then, versions of the Missouri model have expanded to transportation projects across the country and become a best practice in the transportation industry.

Source: <http://www.accountablerecovery.org/sites/default/files/Barrett%20-%20MO%20Model.pdf>



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