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MEMORANDUM

A “Concentric Circles” Model for Organizing Community Benefit Agreements

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The essential first step in pursuing a Community Benefits Agreement (CBA) lies in effectively organizing the Community Benefits Coalition (CBC) that will negotiate and ultimately execute the CBA. This memorandum sets forth a conceptual framework for organizing by proposing a “concentric circles” model that starts at the innermost circle and works its way outwards, strengthening and improving the functioning of each organizing area in a logical and sequenced process.

(1) Organizing the Coalition—In order to advocate effectively for CBA’s, it’s essential that any community get itself properly organized and functioning as a Community Benefits Coalition. Great gain may be had in drafting, discussing, revising, and executing a CBC Operating Agreement, which brings a level of formality to the Coalition’s activities. (See TPLC website for a Working Draft of the CBC Operating Agreement and Principles, providing base documents for adaptation by CBC’s: <http://www.law.tulane.edu/PLC/>) The CBC Operating Agreement addresses who will be members of the Coalition, how the Coalition will make decisions, what conflict-of-interest and other protocols will govern Coalition membership, and other similar organizational matters. The process of entering into a CBC Operating Agreement is itself an important early organizing tool that will help the Coalition through its threshold organizational challenges and will protect and maintain the Coalition’s unity in its further deliberations.

Entering into a CBC Operating Agreement is an important first step but not the last step in organizing an effective Coalition. The CBC must remain open to the inclusion of other organizations that can enhance the Coalition’s political clout. For example, the initial Coalition might reach out to organized labor if its representatives were not part of the original collaborative. The Coalition might investigate possible involvement of organized religious and charitable institutions,

if they are a strong and supportive element of the community. In some cities, environmental groups could supply additional sources of support. The strategic particulars are less important than the ongoing willingness of Coalition members to discuss strategies for broadening the Coalition's membership and strengthening its "voice" in CBA negotiations by admitting other organizations into the CBC.

(2) Building Support among Elected Officials—The Coalition must next focus its organizing efforts on the community of elected officials and their appointees who make critical decisions about proposed new developments in the city. The City Council and the Mayor, the City's Economic Development Director, members of an Industrial Development Board or other bond financing entity, economic development bodies such as a CBD or industrial park development commission—these and other municipal entities are the "choke point" through which new developments must pass in order to gain the public subsidies, zoning approvals, and other clearances essential to a project's success. It's essential to have strong support among elected officials and extremely damaging if (for example) a City's Economic Development Director undercuts community support for a CBA by urging approval of the developer's desired zoning changes, tax breaks, and other public sector benefits while the CBC-developer negotiations are ongoing. It would be naïve to believe that much progress will be made on CBA's if city representatives undermine or oppose the community's efforts. It's tough enough to get a good CBA out of developers; it may never happen if the CBC has to overcome resistance by both developers *and* city officials.

In the Coalition's series of meetings with elected leaders, the CBC needs to determine who supports CBA's and who does not. Particularly with regard to the appointed members of a Mayor's staff, an agency, and some boards and commissions, the Coalition needs assurances that they will follow the elected official's directives about CBA's. Elected officials need to determine policy—not allow subordinates to set their own policies on matters of such importance to the community. The CBC must hold elected officials accountable for the actions of their subordinates in the CBA negotiation process.

(3) Educating the Press, the Public, and Civic Groups—With a strong, well-organized Coalition and with solid support from city officials, the CBC is in a good position to educate and inform the press and public about CBA's. Consider, for example, how much more effective would be the presentation in an editorial conference at the local newspaper if CBC representatives were accompanied by one or more Council members and the City's Economic Development Director. For many newspapers, the logical and predictable concern about CBA's will be that they are "bad for business"—that they will make it harder for cities to capture new businesses and generate economic development. What better way to answer that concern than by presenting the case for CBA's in a partnership with the city's economic development representatives?

The CBC needs to reframe “economic development” so that everyone recognizes the value of a living wage and benefits in bringing economic gain to the community. As long as the City, the press, and the public identify “economic development” exclusively in terms of new businesses opening their doors, they’ll tend to view CBA’s as “speed bumps” getting in the way of progress. Recruiting new business enterprises may be a *top* priority, but it’s not the *only* priority in the realm of economic development. Putting more money in the hands of area residents through a living wage and benefits and negotiating “local hiring” commitments that keep this enhanced earning power within the city yield direct economic development benefits for small businesses, build the city’s sales tax base, and promote workforce development within the city.

CBA advocates need to direct special attention to the business community and to civic organizations that draw their support from local businesses. In many cities, for example, governmental research groups study new initiatives (such as CBA’s) and issue reports evaluating their positive and negative impacts on community and economic development. These research groups often draw financial support from the business community, and they might therefore be likely to regard CBA negotiations unfavorably as making it “more expensive to do business in the city.” The business community and civic groups that are closely affiliated with business have understandable concerns about driving businesses into the suburbs and thereby weakening the city’s tax base. Advocates must present CBA’s in a way that overcomes or minimizes such opposition. CBC’s might find it helpful in structuring their arguments to seek the assistance of an economics faculty member from the university community, who can document the “rollover” effect of additional earnings in sustaining and revitalizing the small business sector that frequently suffers when mega-stores arrive on the scene and take market share away from their smaller competitors.

(4) Negotiating with Developers—This fourth concentric circle becomes a lot easier for the CBC to navigate if it’s done its homework effectively in each of the three preceding circles. First, create a broad-based and disciplined Coalition that can speak with one powerful voice on behalf of community interests. Second, win the support of as many city elected officials as possible so that they and their appointed staff will join the Coalition in urging developers to conduct good-faith CBA negotiations. Third, prepare the press, the public, and civic groups to understand how CBA’s contribute to the city’s economic development.

Conclusion—It’s important for the CBC to work its way out from the innermost to the outermost circles in an orderly, step-by-step fashion. You may not get much support from the press (#3), for example, if the City’s elected leaders (#2) aren’t supportive of CBA’s. Nor will the CBC get much support from anyone if it hasn’t first organized a Coalition (#1) that commands respect and attention. CBC organizing efforts and CBA negotiations are powerful instruments for community participation in the economic growth of cities. America’s cities cannot afford to ignore these mechanisms in their efforts to survive and thrive.