Richmond opens the door to economic opportunity and security

When opportunity comes knocking, how should a community answer?

Case study by Sharon Cornu
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The City of Richmond is a 108,000-resident jewel on the cusp of its second renaissance, set on an East Bay waterfront in the red-hot San Francisco Bay Area. Unlike the city’s last boom, when thousands of African American workers migrated from the South to build Liberty Ships during World War II, when opportunity comes knocking today, it knocks on fewer doors.

The boom across the Bay, in San Francisco’s tech and real estate sectors, may spill over to the land in Richmond and its East Bay sister cities, but not to its people. Without intervention, new development and new businesses will mean displacement for many Richmond residents, already burdened by educational disadvantage, employment discrimination, and redlining.

As community leaders take up this challenge, they must right decades of disinvestment by the private and public sectors, evidenced by trusteeship of the local school district, loss of manufacturing jobs, and flight of private capital. They have strong precedents in established community benefits agreements and commitments by private institutions that their investments will deliver measurable benefits to community members. Yet their efforts are set against the context of national and regional economies increasing income inequality, especially for communities of color.

What policies can community leaders and elected officials pursue to develop a stronger, more resilient local economy? Should new residents – particularly major institutions – honor the house rules and their hosts by risking capital and investing in current residents? Can voluntary partnerships and programs overcome the legacy of discrimination and disinvestment?

“It is Richmond’s turn,” says California Assemblymember Tony Thurmond, a Richmond social worker elected in 2014 and the only African-American Assemblymember from the Bay Area.¹

“Other communities have had a little boom… It’s happened around Richmond. Richmond is very well positioned. We’re still relatively affordable, we have great amenities…I’m worried about existing residents. Short of our coming up with a plan, they will get pushed out, as we saw in the foreclosure crisis and the housing bubble.”

With nearly 1000 [African-American] women employed as burners, welders, scalers, and in other capacities at the Kaiser Shipyards in Richmond, California, women war workers played an important part in the construction of the Liberty Ship, SS George Washington Carver, launched on May 7th, 1943. Welder-trainee Josie Lucille Owens plies her trade on the ship.
RICHMOND, CENTER OF POLICY INNOVATION, COMBATS HIGH POVERTY AND UNEMPLOYMENT RATES

The City of Richmond became a leader among California’s policy-innovating municipalities through recent crises. It was the first city in the U.S. to leverage eminent domain powers against banks to prevent foreclosures, the first to approve (then repeal) rent control in California in 40 years, and a leader in the creation and monitoring of Good Neighbor ordinances that compel refineries to inform the public when toxic gases are released. The Richmond Progressive Alliance and a Green Party mayor helped move through land-use policies like a General Plan Update that incorporated resident health into all elements.

Innovation is urgently needed in Richmond. Poverty and unemployment rates are higher here, and residents are recovering from the Great Recession more slowly. While Richmond continues to host food processing and distribution centers, jobs lost in manufacturing and on military bases like the Point Molate Fuel Depot (site of a casino proposal in 2000) have not been replaced at scale. Poverty and low wages impact too many residents.

In 2015, employment has increased significantly, as Mayor Tom Butt broadcast, “Unemployment is now 5.4%, the lowest in years, the third lowest since the end of World War II.”

Workforce experts see the changes in unemployment rates in the context of continued need. RichmondWORKS Director Sal Vaca has been involved in the city’s workforce system for three decades, and he sees many of the new employers locating in Richmond as positives for both the City and for its employees. “Companies like Galaxy and Nutiva looked at other cities but came here because their workforce was here,” he remarked. “Land or rent was more affordable, too.”

“In more companies are coming to Richmond, including Hello Fresh, Blue Apron, Williams Sonoma and Whole Foods. New businesses are attracted by the city’s strategic location, sensible real estate values, strong business climate and diverse residential communities. Additionally, our Employment and Training Department – and nonprofit agencies like Rubicon Programs, the Reentry Success Center and the Stride Center – are working with residents to prepare them with soft and technical skills, as well as motivation to excel in the workforce,” says Mayor Butt.

Diane Aranda, Program Manager at The California Endowment, remains concerned about the representation of boys and men of color within unemployment statistics, “We must understand the population that needs opportunity, has challenges and barriers…For boys and men of color, success would mean employment, living wages or even good wages, and industries where their contribution is valued…Can boys and men of color see a place for themselves in Richmond’s future?”

SYNERGIZING GROWTH OF RICHMOND’S MAJOR EMPLOYERS AND WORKFORCE DEVELOPMENT

Richmond has pushed policy boundaries with several of the city’s major employers, including Kaiser Permanente and Chevron, to attach workforce training and employment pathways to new economic activities.
Kaiser, a 3.8 million-member healthcare provider in Northern California, is again in expansion mode, as changes under the Affordable Care Act drive growth. “Kaiser has always had a commitment to a diverse workforce. Today, cultural competency gives people from communities of color a huge leg up in communicating and delivering quality care,” says Peggy Hilden, Healthcare Education Management Director. Kaiser is a leader in workforce partnerships with extensive commitments to training programs, internships, and leadership development opportunities across the region.

Kaiser maintains productive relationships with community colleges, workforce investment boards, local governments and businesses, and is leveraging these relationships to seek opportunity to engage traditionally disenfranchised community members.

“Kaiser has a huge presence in construction, procurement, information technology, and business. We did just have an employer roundtable on [career pathways for boys and men of color] organized by Jeff Oxendine (Assistant Dean at the UC Berkeley School of Public Health),” says Hilden, adding, “If you hear from anyone that they know where the jobs will be in the future, this should be questioned. We did a hard-to-fill report, and in one year those positions were no longer hard to fill.”

Her colleague, Angela Jenkins, Director of Community Benefit Funded Programs, adds, “Our true community benefit is to focus on the early pipeline and mentorship, to try to get people ready to come into these positions. This work includes mentorships, getting the community and young people ready, helping them get the soft skills, and providing them exposure opportunities. Our summer employment program – we would like to expand it to serve more young people – and also shift it so it’s not just a summer job, but a launching pad for career readiness, focusing on the skills that Peggy highlighted.”

Despite this activity, Kaiser has been challenged to recruit an adequate pipeline of Latino workers with language and cultural capacity, to keep pace with the sheer size of the community. “We are intrigued by the possibility of connecting with or partnering with other employers about employment of boys and men of color,” Hilden says.

Chevron operates a 2,900-acre, 1,200-employee refinery in Richmond and maintains its global headquarters 35 miles away in San Ramon, CA. When Chevron proposed a Modernization Plan to upgrade its refineries, City leaders negotiated a benefits package with economic and environmental justice initiatives.

“The City of Richmond and Chevron agreed to an Environmental and Community Investment Agreement (ECIA) as part of Chevron’s Modernization Plan. Through the ECIA, Chevron will provide $90 million dollars to the Richmond community over the next ten years. This includes investments in community programs, competitive community grants, community-based greenhouse gas reduction programs and a photovoltaic solar farm,” says Mayor Butt.

Vaca credits Mayor Butt and the City Council with expanding Chevron’s original proposal from $24 million, “which we originally thought was the ceiling,” to $90 million, and including workforce training, business assistance and capacity building (with monthly reporting goals), a photovoltaic solar farm and $6 million in community grants.
Vaca highlights the need for policies that improve prospects for Richmond workers and businesses. “We’re looking at policies that enhance opportunities on the front end, rather than how do we support people on the back end. How do we be more pro-active?” He points to three areas of work under the Chevron Modernization Plan to improve employment and procurement opportunities in Richmond:

“First, in construction, we’re building on our relationship with unions to increase local hiring. Second, we’re creating a Contractors Resource Center, because we currently only have 42 contractors, actually only four general contractors who can do jobs over $5 million. Many of our contractors have bonding issues on projects over $500,000. Third, we’re working on career pathways and operational jobs with a game plan to connect high schools, community colleges, four-year institutions, and map out the pathways.”

Richmond’s workforce department administers both the local hire and the business opportunity ordinance, and Director Vaca says they can “work hand-in-hand so we have a tool to create opportunity for residents…They each have accountability components, that are not punitive or heavy-handed approaches.” However, he sees advantage in the department’s position in city government and its access to information about new projects or employers.

“Community benefits agreements like Chevron Modernization or Pulte Homes are huge,” says Vaca. “50% local hire is the new floor, making real that green jobs promise.”

ANCHOR INSTITUTIONS PROMOTE VOLUNTARY AGREEMENTS WITH GOALS AND ACCOUNTABILITY

Anchor institutions are large organizations, geographically rooted in communities, with capacity to nurture community change by leveraging their institutional investments, purchasing, and hiring policies.

The Insight Center’s research team, led by Mahvish Jafri, compiled a landscape scan of six national institutions, considered anchors in their communities, who are working to improve their surrounding neighborhoods. Building on the framework created by the Initiative for a Competitive Inner City (ICIC), the Insight Center examined each institution's community development efforts through the lens of five key roles for anchor institutions. Anchor institutions have an opportunity, through each of the five roles listed below, to contribute both to their bottom line and the economic health of their host community:

1. Real Estate Developer
2. Purchaser
3. Business Capacity Builder
4. Employer
5. Workforce Developer

A developing movement around the role of anchor institutions in communities highlights the role of investments in increasing equity and opportunity, in the context of increased economic activity and standard of living – the old-fashioned rising tide that lifts boats too long in dock.

Steve Dubb and Ted Howard of the Democracy Collaborative, a think tank at the University of Maryland, studied this theory, and found that strategic investments by anchor institutions, when connected to local businesses and workers through voluntary or negotiated policies, delivered greater impact than anticipated.

“Convention would suggest that most of the economic impact comes not from new activity, but from transfer of jobs from other regions and countries where the purchasing formerly took place. Although true in some instances, such a view vastly understates the creative process unleashed in implementing such anchor purchasing strategies, which often result in the development of new lines of business rather than mere replacement of existing production…In short, combining the direct jobs from focused procurement with their multiplier effects could sustain a very significant portion of a target area’s economic activity.”
UC BERKELEY SITES ITS GLOBAL CAMPUS AT RICHMOND BAY

In 2014, the University of California’s Berkeley Campus announced it would construct the Berkeley Global Campus (BGC) at Richmond Bay at the 152-acre Richmond Field Station, in partnership with public and overseas universities, as well as private business. The Global Campus projects an “unabashedly bold” vision for educational and research facilities by planting the University’s foreign-facing campus on-shore – in Richmond.

“One thing that hasn’t changed regarding plans for the Richmond campus is our commitment to the community,” said Chancellor Nicholas Dirks, vowing to make BGC “a catalyst for developing the city’s south shoreline into a vibrant mixture of high-intensity light industrial, commercial and residential uses.”

The University convened a community working group to examine potential policies and draft suggestions for review by the Chancellor. The group examined employment, workforce development, and procurement strategies employed by anchor institutions across the country.

In August 2015, more than 50 businesses and 25 service providers attended a breakfast hosted by The California Endowment, Healthy Richmond Initiative and Richmond Main Street to learn about procurement strategies and recommend policies that would help their businesses grow in Richmond. Attendees, primarily certified local vendors already engaged in procurement with hospitals, school districts and cities, reported a continuing need for more information and support services. Through the breakfast and an online survey, they voiced a need for comprehensive business development services, including marketing, bid preparation, access to capital, and mentorship.

Kyra Worthy, Executive Director of For Richmond, attended the breakfast and serves on the Community Working Group as a business representative. She says, “For Richmond is a nonprofit organization dedicated to promoting job, health, safety and educational opportunities for Richmond residents. Working together with all community members, we seek to actively transform the city we call home.” She is most proud of the organization’s barrier removal program, which helps Richmond residents gain meaningful employment. For Richmond has reached 20,000+ people in 2015 through word-of-mouth and weekly newsletters.

She works to develop scholarships to Historically Black Colleges and Universities for Richmond youth, using summer placements and a national network to help talented students secure college degrees. “These homegrown professionals will come back into the community, into city government, into big industry, some as entrepreneurs, [to fill] the gap [from] the loss of African-American professionals,” she says. “It’s not so much displacement, it’s an Exodus, as people can’t afford to live here anymore.”

In making promises about jobs and small business, Worthy cautions:

“We have to be very descriptive in dealing with a vulnerable population that has been told ‘A’ and got ‘Z’ in the past. We have to build some immediate trust between residents, business, the City, schools and community…Investors can feel the lack of trust. It’s a little black cloud hanging over Richmond.”
WHAT IS THE ROLE OF METRICS AND ACCOUNTABILITY IN VOLUNTARY AGREEMENTS?

“The question is, how do we attract business on the right terms?” asks Rubén Lizardo, Director of Local Government and Community Relations, UC Berkeley.

“The City Council and Mayor are on the right track. Getting designation as a Priority Development Area for transit conductivity is important for the campus and in attracting other partners. Once they have transit, the private sector will come. Richmond will be more attractive with transportation amenities compared to other places where land costs more.

“We are ready to work with the RichmondBUILD Pre-Apprenticeship Training Program and the new Contractor’s Assistance Center. We would be doing this voluntarily whether a community coalition asked for this or not, because these two programs are key to the realization of our commitment to increase the numbers of Richmond residents and businesses that get an opportunity to work on BGC construction projects.”

Some community leaders have concerns about the efficacy of voluntary or isolated approaches in overcoming decades of disinvestment, deep poverty and disenfranchisement. Roxanne Carrillo Garza, Hub Manager for the Healthy Richmond Initiative, The California Endowment’s place-based initiative, says:

“There is a strong interest in capitalizing on Richmond’s promise. We’re at the very beginning of the Richmond Renaissance. But I’m surprised by the lack of connections and infrastructure…We need a comprehensive approach that invests in business development, commercial corridors, affordable homes, education and business together. It would take that kind of innovation to succeed.

“We need an intermediary to identify and map the current strategies, and keep people at the same table to tap strengths. We’re working with partners to develop a health career pathway system and are aligned with local Richmond workforce projects focused on STEM, ICT, and construction pathways – we need some way to coalesce and create a more integrated system. We don’t have the nonprofit industrial complex like other cities. The gravitational pull is toward other cities, but Richmond is poised to innovate and strengthen its business and workforce infrastructure.”

Similar to strategies employed by anchor institutions, communities across the country have developed parallel strategies to leverage local assets with their own distinctive resources. Richmond leaders are seizing this moment to conceptualize the build-out of business development capacity. Sal Vaca envisions:

“In economic development, we need to be ready to do 10 year plans… Workforce planning is in 2 to 3 year cycles along the federal model. The planning department works on 5 to 10 year timelines.

“We need to grow our strength as a city, not just react. We need a broader strategy with longer-term impact. We need to be thinking bigger and bolder. You can do more, you should do more.”

Vaca cites the Chevron Modernization Plan as a promising example, where upfront investment in building capacity for workforce training, small business and community development will deliver results.

“We can meet a high goal if we have an equal investment in preparation. If we have a goal we have to have an accountability component. When there is no recourse, there’s no enforcement.
“We want to recommend to the Chancellor that they include 50% local hire for operations jobs in all bid documents, partnership agreements, and contracts...In preparing for the campus to open, we know they will buy more of what they buy now. We don’t have the procurement details to identify the opportunities, but we want to strengthen the network of Richmond suppliers.”

Lizardo cautions, “The University’s mission is not to do small business development. The way to get opportunity is to have a local entity. We can name the folks who will be part of the supply chain and make a supply-chain commitment. We’re unlikely to set a goal on non-construction, because the state and federal governments as well as the UC President prohibit set-asides. We’ll make a commitment to partner, yes; but goals, no. The honest-to-goodness truth is we need to finish these recommendations, so the people who can make the decision can decide, so we can get to the most important work, bringing the commitments to life in partnership with local leaders and organizations.”

**CREATING A BUSINESS CAPACITY CENTER**

While the Global Campus is a significant investment in Richmond’s future, it is not the only entry into the local economy. Private companies and private foundations are prioritizing Richmond. The California Endowment will invest $2 million per year, on average, over its 10-year initiative, and it seeks to leverage the work of others in philanthropy as well. Aranda, from The California Endowment, foresees “new relationships developing across organizations that did not work together before we raised the bar for the capacity and impact of grantees, elevating issues of equity. We put enough fuel in the tank for groups to move ambitious initiatives forward, but we need more muscle.”

Partnerships are critically important to the Mayor's Office. Mayor Butt points to the City’s partnership with the Yellow Brick Road Project on a $6.2 million state grant for community beautification in the Iron Triangle Neighborhood, collaborations with the West Contra Costa Unified School District to expand internet access in low-income communities, and encouraging the construction of affordable homes and apartments by both private and non-profit developers.

But economic opportunity remains a key focus. Mayor Butt says, “One of my top priorities is ensuring our residents can fully participate in the Bay Area’s booming technology economy – and other emerging industries...Progress Richmond is gearing up to train and employ 3,000 low-income Richmond residents in the IT industry before 2020. New initiatives like the Richmond Promise help ensure our youth have a chance to prepare for not only the booming technology industry, but also other industries that may emerge in the future.”

**Oscar Dominguez**, Director of the Contra Costa Small Business Development Center (SBDC) in Pleasant Hill, is eager to synergize investments in new businesses and Richmond’s existing workforce.

“We are positioning the SBDC to be a training program building the human capacity of not just business owners, but also their employees. We help our businesses to scale with access to capital and markets including small business certifications, contracting/procurement and International Trade opportunities. We don’t want to see employees, however, left behind as our businesses scale and are offering workshops such as project management and customer service to build their skills and increase earning potential. Eventually, we’d like to leverage Employment Training Panel (ETP) funds to deliver management/leadership training to businesses in our priority sectors of manufacturing, food processing and construction.

“All investments in the SBDC are leveraged with matching SBA funds and the infrastructure of our host, the Workforce Development Board and myriad community partners. Our ultimate goal is to make our program as accessible as possible and leveraging resources is the key to our no-cost service delivery model.”

A business capacity development center would continue Richmond’s rich tradition of municipal policy innovation, with a comprehensive set of services and strategies to help companies and employees grow together. With input from a national movement of anchor institutions and evidence-based policy development, a Richmond-based business capacity center would grow locally-owned businesses, which in turn will grow local employment. Leveraging the opportunity created by UC Berkeley’s
Global Campus and other new businesses coming to Richmond with existing programs at Kaiser and Chevron, strategic investments made now can build community wealth and more broadly share the resulting prosperity.

WILL WE BE READY?

Assemblymember Thurmond remains concerned about residents’ preparation for the changes in housing and employment, and the potential for lost opportunities.

"Without massive job training and affordable housing funds when the boom happens, people will be pushed out…The City of Richmond could create an economic development organization to set up businesses to become good private employers. We need more than a few dozen internships or employees will be drawn from outside into the new campus.

“The infrastructure is there, at the College, at RichmondWORKS, in the training programs – but it’s not at scale. It needs investment from the larger companies and paid job training programs so young people can earn and learn.”

Diane Aranda, from The California Endowment, reflects on Richmond’s history and continued potential, and hopes the City, its business partners and residents will be ready for the opportunity that is knocking now.

“Looking back on the Richmond Shipyards, the profound influence they had on development as an industrial center that drove the whole city and population growth. When I think forward, I think about all the small businesses, the mom-and-pop stores on 23rd – that’s today, where people get their foot in the door. In the future, I think of the Berkeley Global Campus, what it signals about connecting Richmond to the innovation economy.

“When we think about the Bay Area and what it’s known for, Richmond has been disconnected. That’s going to change now. Will we be ready?”
Educational institutions serve as community “anchors” and can have a great economic impact on the communities surrounding their campuses. Below is a landscape scan of six institutions who have taken on one or more of the following roles in the respective communities: Real Estate Developer, Purchaser, Business Capacity Builder, Employer, and/or Workforce Developer.
UNIVERSITY OF PENNSYLVANIA

Location - Philadelphia, Pennsylvania

Driver - Precipitating factors included increased crime rate in the vicinity of campus and a high profile murder of a Penn staff member in 1996.

Modality - Real Estate Developer, Purchaser, Business Capacity Builder, Employer, Workforce Developer

Impact - In FY 2013, the University spent $109.2M at local community businesses.¹

Links - Economic Inclusion Report
http://www.evp.upenn.edu/docs/Ec_Incl.pdf
Anchor Toolkit
www.nettercenter.upenn.edu/anchortoolkit/timeline
West Philadelphia Initiatives: A Case Study in Urban Revitalization
http://www.fels.upenn.edu/news/new-report-urban-revitalization-1
The Partnership Community Development Corporation
https://partnershipcdc.wordpress.com/

REAL ESTATE DEVELOPER The Partnership Community Development Corporation (CDC) works with the University of Pennsylvania, health care institutions, local companies, and neighborhood associations, to build affordable housing, to create jobs and to facilitate economic development in West Philadelphia. It has invested more than $64 million dollars into the local community.²,³

Penn’s Economic Opportunity Plan set a target for awarding 20-25% of contracts on major projects ($5 million and above) to minority- and women- owned businesses, as well as targets for minority and female labor force participation on construction projects. The University’s estimated statewide economic impact from capital expenditures (direct and leveraged private investment) is $768 million and 6,160 jobs.⁴

PURCHASER Penn adopted a comprehensive program, “Buy West Philadelphia”, aimed to increase the University’s spending with local minority-owned businesses. The program is a national model and Ted Howard from the Democracy Collaborative has profiled the effort, which includes “requirements that all contractors partner with local vendors, incentives tying purchasing staff’s evaluation to local businesses, requirements for partnerships with community-based organizations to facilitate community involvement, and provisions for technical assistance to local businesses.” Since then, the University has directed 10 percent of its annual purchasing toward local vendors within West Philadelphia and injected over $94.8 million into that neighborhood’s economy.⁵

BUSINESS CAPACITY BUILDER In 1989, the University founded the Enterprise Center in collaboration with the Wharton School of Business as an incubator for local businesses. Since then the Center has gained a full-time staff and has shifted to training and empowering minority entrepreneurs with the goal of community revitalization in distressed, low-income communities.⁶,⁷

EMPLOYER Penn is the largest private employer in Philadelphia. Its outreach strategy focuses on local residents, especially minorities with career fairs, outreach to local religious leaders, and conferences.⁸

WORKFORCE DEVELOPER Programs include partnering with a welfare-to-work program, sponsoring an apprenticeship program to help local minority and women in skilled labor professions enter trade unions, offering paid afterschool and summer opportunities to local high school students, and contracting with a women/minority-owned temporary staffing service focused on recruiting local candidates.⁹
UNIVERSITY OF CHICAGO

Location - Chicago, Illinois
Driver - Desire to spur economic development and strengthen communities surrounding campus.
Modality - Real Estate Developer, Purchaser, Business Capacity Builder, Employer, Workforce Developer
Impact - One in three staff members reside near the University (Mid-South Side) and account for $230 million in wages. Of the vendor network, 271 employees in Mid-South Side and account for $6.5 million in wages10

Links - UChicago Local
  Office of Business Diversity
  http://businessdiversity.uchicago.edu/
  741 Collaborative
  http://www.741partners.org/
  Chicago Anchors for a Strong Economy (CASE)
  http://www.worldbusinesschicago.com/case/
  VIDEO
  http://news.uchicago.edu/multimedia/uchicago-local

REAL ESTATE DEVELOPER The University invested in several multi-million dollar projects to help revitalize the 53rd Street corridor with retail, housing, and public facilities near the campus.11

PURCHASER The new UChicago Local initiative, launched in 2014, supplements existing diversity programs (directed at women and minority suppliers) with tools to connect local job seekers and businesses to opportunities.12,13

As part of UChicago Local, the University and Medical Center identified eight procurement areas (through an independent examination of purchasing practices, partially funded by the Surdna Foundation) to focus on. The goal is to transfer business to competitive local vendors, attract businesses to locate near the University, and/or facilitate the launch of new businesses to meet the procurements needs.14 The categories include: consulting and professional services; plant and maintenance services; food supplies, dining and social activities; non-shop supplies and equipment; transportation and delivery services; shop supplies and equipment; equipment lease and rental; and, space lease and rental.

BUSINESS CAPACITY BUILDER Chicago Anchors for a Strong Economy (CASE) is a partnership of local anchors, including universities, hospitals, and local government and helps the anchors identify small, local suppliers to meet their procurement needs. In partnership with CASE, UChicago Local provides training to help local businesses grow by focusing on core business skills, including: talent management; finance; strategy; and, marketing.15,16 UChicago Local is also partnering with Sunshine Gospel Ministries’ Sunshine Enterprises to provide “business education and coaching specifically tailored to small, neighborhood-based entrepreneurs.”17,18

The University hosts regular forums for local businesses to showcase their products and services to purchasing staff, as well as other staff, faculty and students. Also, there is a directory of local businesses and new staff receive marketing materials and coupons in their new hire packets.19

EMPLOYER In fiscal year 2014, UChicago paid $230 million in salaries to “local” staff residing in the mid-South Side neighborhoods (~6,000 employees or one-third of their total staff).20 The University partners with Chicago organizations to connect local businesses and job seekers to opportunities at the University and its vendor network.

WORKFORCE DEVELOPER UChicago is working with 741 Collaborative Partnership, which consists of ten non-profit agencies coordinating to provide employment opportunities for local residents. As direct service providers, the partner organizations work together to offer “the right combination of recruitment and job placement services for every employer and job seeker.”21,22
Location - Cleveland, Ohio
Driver - Prospective students and employees were bypassing Cleveland and University Circle, which resulted in “a cycle of disinvestment and low expectations among residents and their neighbor institutions.” Desire to redevelop strategic areas to draw new residents and businesses.
Modality - Investor, Business Capacity Builder, Purchaser
Impact - The initiative has stimulated hundreds of millions of dollars of new investment in the neighborhoods of Greater University Circle.

Links - Cleveland Foundation Case Study

Evergreen Cooperatives
http://www.evgoh.com/

Greater University Circle Initiative Progress Report & Evaluation
http://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?article=1694&context=urban_facpub

VIDEO
Interview with Democracy Collaborative’s Ted Howard https://youtu.be/CfkuE6dHgHs

VIDEO
How the Evergreen Cooperatives Build Community Wealth https://www.youtube.com/watch?v=s_kLye_6VBc

REAL ESTATE DEVELOPER The Greater University Circle Initiative (GUCI) consists of: the Cleveland Foundation; Cleveland Clinic; University Hospital; Case Western Reserve University; City of Cleveland; other local philanthropic and financial institutions; and, community groups. The Cleveland Foundation initiated the partnership in 2005. The Initiative is responsible for more than $140 million in new, public-private commercial and residential development, including a biotechnology corridor aimed at helping startups grow and attracting business from outside of the region. The participating institutions also encouraged employees to live in and near the redevelopment zone through an employer-assisted housing program.

INVESTOR/BUSINESS CAPACITY BUILDER/PURCHASER Worked-owned cooperatives, Evergreen Cooperatives, have been incubated by the Initiative. The goal is to create local suppliers with scale large enough to serve institutional needs, to employ neighborhood residents, to support environmental sustainability, and build community wealth. The cooperatives include eco-friendly industrial laundry facility, a weatherization and energy conservation company, and a hydroponics farm that produces organic foods. Potential ideas for co-ops “were vetted to determine marketability, profitability and viability. The intent is to create profitable businesses that not only pay back their start-up loans, but also contribute to a fund that seeds additional startups in the cooperative.”

PURCHASER Greater University Circle institutions strive to purchase local with 28 percent of their combined $3 billion in purchasing on goods and services going to suppliers within Cuyahoga County and about 14 percent were located in the City of Cleveland.
UNIVERSITY OF SOUTHERN CALIFORNIA (USC)

**Location** - Los Angeles, California

**Driver** - Improve safety of area surrounding campus, increase amenities for students and staff, and support “healthy, vibrant and engaged communities” around its campuses.

**Modality** - Purchaser, Business Capacity Builder, Employer

**Impact** - USC’s local hire program puts $5 million in annual salaries back into the neighborhood.  

**Links** - Small Business Diversity Office  
https://businessservices.usc.edu/for-suppliers/supplier-diversity/  
University Policy  
http://policy.usc.edu/diverse-supplier/

**PURCHASER** The University of Southern California has committed to directing 15 percent of its $125 million in purchasing to local businesses. USC’s Local Vendor Program encourages local firms to bid on university projects open to competitive bidding. Local businesses are listed in an online Supplier Diversity Services directory, “an online publication used by more than 900 senior USC business officers, staff and faculty members, and 200 off-campus organizations.”

**BUSINESS CAPACITY BUILDER** Through a variety of programs, USC has taught 60 small business owners the skills to obtain $61 million dollars in capital, contracts and loans. One program, Bridges to Business Success, is a public-private collaboration between USC, Citi Community Development, the L.A. Mayor’s office, and other key partners that certifies minority business enterprises for contract bidding and offers business capacity building training.

**EMPLOYER** USC, the largest private employer in Los Angeles (2013), has implemented programs to increase employment from neighborhoods immediately surrounding its campus. Local recruiting includes regular job fairs, information sessions and a drop-in recruiting center. An online job application site allows applicants to archive a resume and be notified of additional opportunities. In one recent period, one out of every seven applicants for staff positions was hired from the seven zip codes nearest the campus. USC’s local hire program puts $5 million in annual salaries back into the neighborhood.
UNIVERSITY OF CINCINNATI (UPTOWN CONSORTIUM)

Location - Cincinnati, Ohio
Driver - Desire to improve public safety, transportation, economic and community development.
Modality - Real Estate Developer, Investor
Impact - Consortium is responsible for $400 million+ in redevelopment, new construction and neighborhood improvements in Uptown Cincinnati. Consortium members employ ~50,000 people, have a payroll of $1.4 billion, produce an annual economic impact of ~$3 billion.38

Links - Uptown Cincinnati
   http://www.uptowncincinnati.com/
   2014 Uptown Consortium Success Report
   Economic Impact of Uptown Neighborhoods On the Cincinnati MSA
   http://uptowncincinnati.com/sites/default/files/EconomicImpactofUptown-FINAL.pdf
   Report on Current and Potential Impact of Local Procurement by Anchors

REAL ESTATE DEVELOPER, INVESTOR Uptown Consortium is a non-profit community development corporation dedicated to the “human, social, economic, and physical improvement of Uptown Cincinnati.”39 Consortium members include Cincinnati Children’s Hospital Medical Center, Cincinnati Zoo & Botanical Garden, UC Health, TriHealth, Inc. and the University of Cincinnati. The trustees of the University of Cincinnati have allocated $100 million from the university’s $1 billion endowment to finance development (lent out at a below-market rate), helping to leverage over $400 million for community renovation work.40
UNIVERSITY OF MINNESOTA, TWIN CITIES

Location - Minneapolis, Minnesota

Driver - Extend the assets, resources, and knowledge of the University to help find innovative solutions to real-world social-economic problems in urban communities.

Modality - Purchaser, Business Capacity Builder

Impact - The University is dedicated to spending 10% on local, minority, and women-owned businesses.

Links - University Policy
   - Business Development Services
     - https://diversity.umn.edu/bced/bds
   - Supplier Diversity Page
     - https://diversity.umn.edu/bced/supplier-diversity
   - Campus Compact Report
   - Vendor Databases
     - http://purchasing.umn.edu/db/db.html

PURCHASER The University requires that at least 10% of all base contracts are made with local, minority and women-owned businesses. In 2008, $75 million of the $700-million spent on goods and services went to women- and minority-owned businesses. The Office for Business and Community Economic Development oversees local economic inclusion programs, which includes training and technical assistance to vendors and local business, as well as incentives for University departments to purchase from the local businesses. The Purchaser AIR (Awards Incentive & Recognition) program awards financial rewards to departments for their support of and purchases from targeted firms (women/minority/disabled owned business enterprises – WMDBEs). The program also recognizes individual staff for their efforts to champion local purchasing.

BUSINESS CAPACITY BUILDER The University works with beginning-stage entrepreneurs, start-ups, and established business owners, to help them “master business fundamentals, build capacity, improve their performance and profitability, increase innovation, enhance learning, and develop the leadership skills of key executives.” Topics include: management assistance; technical assistance; legal resources; accounting tools; workshops; seminars; and, direct coaching support.

The University also provides opportunities for contractors to network and potentially form joint ventures at a Construction Expo. The Small Business Networking Fair brings together businesses selling goods and services with departmental buyers from across the University.
ADDITIONAL RESOURCES


ENDNOTES

1 http://www.purchasing.upenn.edu/supply-chain/sup_diversity.php
2 http://community-wealth.org/content/partnership-community-development-corporation
3 http://partnershipcdc.wordpress.com/about/
4 http://www.epv.upenn.edu/docs/Ec_Incl.pdf
5 https://bealocalist.org/leveraging-anchor-institution-purchasing-benefit-communities
6 http://theenterprisecenter.com/about-tec/history/
7 http://www2.nbia.org/resource_library/review_archive/1299_02.php
8 https://www.nettercenter.upenn.edu/anchortoolkit/tools-of-change-4
9 www.nettercenter.upenn.edu/anchortoolkit/tools-of-change-4
12 https://businessdiversity.uchicago.edu/
13 http://news.uchicago.edu/article/2014/03/17/university-chicago-launches-uchicago-local
14 http://news.uchicago.edu/article/2014/03/17/university-chicago-launches-uchicago-local
15 http://www.worldbusinesschicago.com/case/
16 http://businessdiversity.uchicago.edu/
17 http://news.uchicago.edu/article/2015/04/30/uchicago-partners-sunshine-enterprises-support-neighborhood-based-entrepreneurs
18 http://chicagoinno.streetwise.co/2015/04/30/uchicago-partners-with-south-side-incubator/
19 http://news.uchicago.edu/article/2014/03/17/university-chicago-launches-uchicago-local
21 http://www.741partners.org/
22 http://news.uchicago.edu/article/2014/08/22/university-chicago-forms-new-partnerships-support-local-hiring
24 https://www.clevelandfoundation.org/grants/our-priorities/greater-university-circle/
26 http://community-wealth.org/content/clevelands-greater-university-circle-initiative
28 http://www.evgoh.com/about-us/
31 https://communities.usc.edu/about/quick-facts-about-uscs-commitment-to-the-community/
32 http://www.icic.org/ee_upload/publications/UIFINAL.PDF
33 http://community-wealth.org/programs/#21
34 https://pressroom.usc.edu/usc-program-for-local-entrepreneurs-generates-more-than-400-jobs/
35 http://www.icic.org/ee_upload/publications/UIFINAL.PDF
37 https://communities.usc.edu/about/quick-facts-about-uscs-commitment-to-the-community/
39 http://uptowncincinnati.com/uptown-consortium
40 http://community-wealth.org/content/uptown-consortium
41 https://bealocalist.org/leveraging-anchor-institution-purchasing-benefit-communities
42 http://community-wealth.org/policy-brief/Stimulating-Economic-Growth-through-Local-Purchasing
43 http://engagement.umn.edu/community-partners/trainings-and-workshops
44 https://diversity.umn.edu/bcad/bds
45 https://diversity.umn.edu/bcad/special-events

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