

# Progressive Planning

The Magazine of Planners Network

## Progressive Planning in the American South



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**Race, Housing, Community Planning and Economic Development  
in the South**

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## *Local Hiring in Durham, North Carolina*

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**E**CONOMIC DEVELOPMENT in the US South relies heavily on offers of public incentives and promises of low-wage workforces to attract companies. Although this strategy often continues unabated, activists and practitioners have in some cases pushed for performance control measures for the firms receiving incentives. These measures involve linking the incentive offers to wage standards, job creation thresholds, and other community benefits. In the aftermath of the Great Recession, however, the competition to attract firms has intensified. In turn, efforts to hold corporate recipients of public money to certain accountability standards have largely been weakened or abandoned.

Durham, North Carolina, has managed to subvert this trend through the recent adoption of local hiring standards for corporations receiving public incentives, while designing and framing these provisions as mutually beneficial to both city residents and businesses. Beginning with pressure from organized community interests and building upon progressive roots within city government, the Durham Office of Economic and Workforce Development (OEWD) and the Greater Durham Chamber of Commerce have balanced community-side concerns about job access with concerns about maintaining competitiveness. The resulting policy couples workforce development opportunities with local hiring requirements, leverages state resources for training, and emphasizes a creative salesmanship approach aimed at influencing firm perception of these added requirements.

This approach is important given Durham's large and politically active African American community and the persistent high unemployment within that community—a factor that in other cities might have resulted in resistance to interventions

that had the potential to discourage business investment and job creation. Instead, the City of Durham, in partnership with community groups, has positioned itself as a pioneer in incentive reform in North Carolina. Durham provides a replicable model of local incentive reform fostered through a mutual evolution of grassroots activism and “high-road” economic development.

### **Adopting Local Hiring in Durham**

Local hiring in the City of Durham is formalized through a binding workforce agreement. Incentivized businesses that sign the agreement commit to giving Durham's JobLink Career Center priority (or at least an opportunity) in recruiting and referring applicants for job openings. The Durham JobLink Career Center is a federally-funded employment agency jointly managed by Durham and North Carolina Department of Commerce staff. It operates under the auspices of the Durham Workforce Development Board—a public/private partnership that was created by the federal Workforce Investment Act of 1998 and formalized in an inter-local consortium between the Durham



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City and County governments. Individual incentive contracts and accompanying workforce agreements memorialize the numbers of jobs to be created on a particular project, the incentive amount per job, and any base thresholds needed to qualify for incentives, time constraints for job creation, and any additional provisions.

As with most local hiring policies in the United States, Durham's is not mandatory. It is based on "good-faith" principles and a strong reporting system that enables city officials to establish clear hiring goals in line with what the private entity originally proposed in order to qualify for the incentive. Employers, while not required to hire or even interview all applicants that are referred from JobLink, are required to document the referrals that they receive and the eventual outcome of their applications in quarterly compliance reports. By establishing a long-term relationship with workforce development specialists at JobLink, incentivized businesses provide city officials with information that is useful for assessing industry skill needs and evaluating the effectiveness of local training supports in addressing them. As a result, Durham has one of the most sophisticated and institutionally embedded local hiring systems in North Carolina.

### **Years of Planning and Advocacy**

It took years of planning and advocacy to get the City of Durham to this point. In 2006 a local so-

cial justice coalition, Durham Congregations, Associations and Network (Durham C.A.N.), requested research assistance from the Department of City and Regional Planning (DCRP) at the University of North Carolina-Chapel Hill. Durham C.A.N. is affiliated with Saul Alinsky's Industrial Areas Foundation and its members are primarily faith-based organizations with a large African American constituent base. In response to Durham C.A.N.'s request, UNC's DCRP developed a semester-long economic development workshop course under the supervision of

C.A.N. leaders trusted us and shared their deliberations, and we were able to inform the conversation with our ideas and research."

Durham's economic development practitioners, especially Alan DeLisle and Kevin Dick, were immediately receptive to the idea of introducing local hiring provisions to business incentive deals. They were already familiar with performance controls, as DeLisle had worked years earlier with members of Durham C.A.N. to incorporate living wage standards in all city and county business incentive deals.



professor Nichola Lowe, co-author of this article. The workshop enabled planning graduate students to investigate Durham County and City's incentive granting processes and make recommendations for improvements based on a review of best practices. Durham C.A.N. used the results of this analysis to establish a dialogue about incentive reform and local hiring more specifically with city and county officials. Workshop participant Brady Gordon (Master's in Regional Planning '08) stated, "our work was exciting right from the start because we knew Durham C.A.N. didn't just want a report. They wanted us to participate in a conversation about what was possible in Durham.

Beyond this, local practitioners were also mindful of the need to promote progressive policies that melded equity and business development goals—a conceptual coupling that Durham had institutionalized decades before with a forward-thinking decision to combine economic and workforce development functions under one roof. While Durham C.A.N. motivated action through its community organizing efforts, city officials ultimately took the local hiring issue to the next level, shepherding it through the halls of government—which required convincing initial skeptics—and eventually making local hiring an integral part of Durham City's incentive granting process.

To date, Durham's OEWD has established six workforce development agreements with businesses receiving incentives to locate or develop within the City of Durham. Furthermore, the workforce agreement model has evolved and strengthened since it was first applied to information technology firm EMC in 2009. The core requirement of meeting job creation quotas within a specified timeframe remains the same. More recent agreements for the redevelopment of the Hill Building in downtown Durham have added explicit provisions for targeted youth hiring and training—a much welcomed addition given Durham's high youth unemployment rate.

### **Beyond Local Hiring to Industry Clusters**

However, Durham illustrates more than just the successful integration of local hiring requirements. By implementing the workforce development agreements as a part of a larger comprehensive economic development strategy, Durham has managed to both improve the likelihood of voluntary local hiring from recruited firms and avoid the potential danger of frightening away prospective businesses with the additional requirements.

Key here is Durham's ability to make incentive-granting part of larger economic development strategy that is focused on recruiting firms that fit within diverse but pre-determined cluster industries. Businesses seeking incentives from

the City are expected to fit into one of these targeted cluster industries. In turn, Durham positions itself as a competitive location for these specific industries, touting and investing in the specific infrastructure and labor force features that will make firms in these industries successful. For example, the City of Durham, and the Durham Chamber of Commerce, focused on recruiting firms that needed the specific skills available in Durham's labor pool, a strategy that allowed the city to match laid-off workers with openings at ACW, an electronics manufacturing firm recruited in 2010 with a modest incentives package of just under \$70,000.

Durham's OEWD, with help from the Chamber, also approaches recruitment as salesmen rather than as bureaucrats. OEWD and Chamber staff work closely with potential firms to understand their workforce and infrastructure needs throughout the recruiting process. The workforce development agreement is also couched in this "salesmanship" approach, with Durham framing the agreement and the JobLink career center as beneficial resources for incoming companies rather than burdensome requirements. JobLink receives positive reviews for its assistance to firms in recruiting, screening and training workers, and both large and small firms take advantage of its services. ACW, a smaller firm with a one-person HR department, worked closely with OEWD's Darrell Solomon, who in turn worked with JobLink to provide referrals to fit the firm's needs. ACW hired 28 of its initial 45 employees

through JobLink. Larger firms use JobLink to complement existing HR work, tapping into the local career fairs and other workforce development outreach that JobLink and its training partners provide in the area. For example, Save-A-Lot Food Stores in Durham recruited 20 of its 21 initial hires through JobLink.

Finally, OEWD's approach allows Durham to leverage existing state incentive programs toward their recruitment efforts. Durham has streamlined communication between local community colleges, JobLink, and incoming firms to use Customized Training (NEIT) or Incumbent Worker Training (IWT) grants, which assist with or subsidize the cost of employee training through JobLink or Durham Technical Community College. Once local employees are found and hired, employers can customize training to fit the specific needs of their workforce and business. Together with JobLink's screening and placement support, these grants and services are portrayed successfully by OEWD as a full-service human resources package provided by Durham, and incoming firms use Customized Training or IWT funding frequently to upskill their workforces. Even if firms using Customized Training or IWT relocate from Durham in the future, they leave behind a better trained and more employable workforce. This represents a high cost-benefit trade off for Durham, and reinforces the view that local hiring is mutually beneficial for businesses and community alike.

The City of Durham is the only jurisdiction in North Carolina's Research Triangle region with the workforce development agreement addendum as a requirement to an incentive contract. Other communities have experimented with considerably weaker versions of local hiring, in most cases offering extra incentives once a company chooses to hire local residents, but forgoing a mediated process for influencing those hiring decisions by institutionalizing connections to

JobLink centers. Durham offers a more encompassing and inclusion-ary workforce development solution by requiring all incentivized firms to sign a workforce agreement and brokering, from the start, a relationship with JobLink and local vocational training programs.

Some critics of Durham's policy have argued local hiring requirements may hurt recruitment efforts, yet the City of Durham has been selected over other counties

that have offered considerably larger incentive packages and without local hiring conditions. In other words, the Durham case shows that local governments don't have to pay more to ensure that more of the benefits of investment are shared locally. Durham officials understand this winning formula. The next planning challenge is to convince other communities to push for similar progressive standards. **P<sup>2</sup>**

## REGISTER NOW!

# Beyond Resilience: Actions for a Just Metropolis

PLANNERS NETWORK CONFERENCE • JUNE 6-8 • NEW YORK CITY

**Superstorm Sandy**—and other cataclysmic events across North America and throughout the world—laid bare the ongoing crises in low-income communities: unemployment, foreclosures, homelessness, and service cutbacks.

During Sandy, historic patterns of racial discrimination isolated the most vulnerable while wealthier, better-connected residents had the privilege of mobility. Traditional planning is partially responsible for these injustices. Now, community-based organizations and activist networks are mobilizing, networking, and filling the gaps exposed by the failures of local and federal responses. This organizing continues beyond simple resilience, toward building a more just collective future.

Join us June 6-8 in New York City for a progressive, practice-based planning conference that explores these alternatives to urban development and planning practice. At this conference, planners, architects, designers, activists, and neighborhood advocates come together to exchange ideas and perspectives to promote alternative, more sustainable, and just ways of preserving and developing the metropolis.

### Full registration includes:

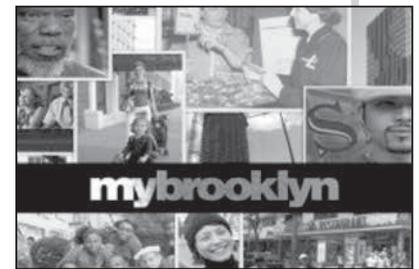
- Screening of the acclaimed documentary, *My Brooklyn*, and a discussion with the filmmaker at Hunter College.
- A full day of dialogues and tours with neighborhood organizations and residents
- A kick-off party at Pratt Institute in Brooklyn—a celebration of justice and action!
- A full Saturday of diverse conference panels, interactive workshops, and plenaries.
- The conference will wrap up Saturday evening with a performance by the dynamic Reverend Billy and the Church of Stop Shopping.

### Featured speakers:

- John Davis *Burlington Associates*
- Mindy Fullilove *NYS Psychiatric Institute, Columbia University*
- Rachel LaForest *Right to the City Alliance*
- Erminia Maricato *University of São Paulo*
- Peter Marcuse *Columbia University*
- Marla Nelson *University of New Orleans*
- Miguel Robles-Durán *Parsons/New School*
- Tony Schuman *New Jersey Institute of Technology*
- Aixa Torres *Smith Houses Resident Association*
- And dozens more!

### Community dialogues and tours:

- East Harlem gentrification and planning
- South Bronx waterfront
- Brooklyn waterfront bike tour
- Corona/Flushing Meadows, Queens
- Downtown Brooklyn redevelopment
- Far Rockaway, Queens after Sandy



Full information and registration at  
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