
P3s Can Spur Economic Development by Providing Good Jobs, Training Opportunities, Study Says.

Publicly funded infrastructure projects have proved to be a reliable source of local job creation and economic advancement, providing many socially and economically disadvantaged residents with a pathway to join the middle class. Projects procured through public-private partnerships can provide these opportunities as well, according to a new report published by In the Public Interest and the Partnership for Working Families.

The report, Building American While Building Our Middle Class: Best Practices for P3 Infrastructure Projects, outlines best practices that can be incorporated into P3 agreements, such as the adoption of policies that set job quality and income thresholds, inclusive hiring, apprenticeship and other types of training opportunities and oversight of efforts to ensure fair employment practices. The report also recommends that P3 partners enter into community workforce agreements (CWA), potentially with labor unions, "that establish targeted hiring goals, training opportunities and jobs for communities of need."

Providing P3-based job opportunities for those who are struggling to climb the economic ladder can benefit not only those who step into these roles but the projects themselves. Job accessibility and training ensure the future supply of a cadre of skilled workers who can replace those who retire or move on to different types of jobs. Such projects also are likely to attract public and community support, the lack of which can delay or ultimately derail a P3, the report points out.

Specific examples of the types of employment policies P3s could incorporate include meeting prevailing wage standards, classifying workers as employees rather than contractors to ensure that they receive benefits, and recruiting and providing training opportunities for workers from socially or economically disadvantaged and minority communities.

The report describes several municipal infrastructure projects that helped low-income and socially disadvantaged residents to significantly enhance their economic status.

According to a 2014 study conducted by the University of California, Los Angeles, only 6 percent of Seattle's workforce lived in the city and only 25 percent resided in surrounding, largely impoverished King County. After the city entered into a CWA — designed to recruit low-income workers into construction jobs — to conduct the Elliott Bay Seawall Replacement project, local workers in low-income areas had earned more than $4.6 billion by June 2015. This was achieved in part by a commitment to put new graduates of a union apprenticeship program to work on the project. The city also passed an ordinance that year to improve access to construction careers for women, people of color and others with social and economic disadvantages on city construction projects of $5 million or more.

Los Angeles Metro entered into a project labor agreement to employ low-income residents for the second phase of a $1.6 billion light-rail project. Several years later, the project has exceeded its targeted hiring goals by 49 percent and its disadvantaged worker requirement by 27 percent,

providing employment for 1,120 workers.

The Chicago Transit Authority's "Second Chance Program," which provides apprenticeships for low-income residents with non-violent criminal records had, by April 2015, seen 113 of its more than 500 graduates obtain full-time agency jobs, seven of whom have been promoted into management positions.

Measures cities and states can take to ensure that infrastructure P3s incorporate these types of objectives include passing P3-enabling legislation that emphasizes local job creation and targeted hiring practices, and emphasizing these priorities in the requests for proposals and contracts they issue, the report suggest.

CWAs and other types of labor recruitment agreements that emphasize local hiring, recruitment of low-income and other disadvantaged groups, training opportunities and the availability of skilled and semi-skilled jobs can be negotiated among public and private partners, labor organizations and community stakeholders as well.

P3s already are being conducted, or will soon begin, that are designed to achieve these goals.

One example is a community-based public-private partnership project that is being conducted in Prince George's County, Md., to prevent polluted stormwater from entering the Chesapeake Bay and its tributaries. Corvias Solutions is conducting this $100 million green infrastructure retrofit with the county's Department of the Environment. In the first phase, Corvias is retrofitting 2,000 acres of public and private land with stormwater management infrastructure over three years to help the county comply with EPA regulations.

Corvias is receiving availability payments for reaching certain milestones, which range from meeting construction deadlines to ensuring that local residents will comprise 15 percent of the workforce in year one and reach 50 percent by the end of year three. The firm already had already exceeded this goal by mid-January, having contracted $5.7 million in work to small contractors, 85 percent of whom are minorities, women and small businesses, reported Corvias.

The firm also mentors subcontractors, teaching them how to write proposals and get certified as small disadvantaged businesses, and is training local businesses, the workforce and students who may go into the stormwater arena as engineers or in other roles.

Maryland has committed to providing local and employment training opportunities through its 16-mile Purple Line light-rail project.

The state has included targeted hiring provisions in its RFP documents, which include requirements that at least 33 percent of all construction work hours be performed by socially and/or economically disadvantaged workers and that up to half of all construction work hours be performed by helpers or other unskilled laborers.

"[T]houghtful design of infrastructure projects with the inclusion of job quality and equity policies, not only builds much needed public work projects that we all critically rely on, but can also build middle class pathways for those living the shadows of poverty. Regardless of how a public infrastructure project is funded, policymakers and stakeholder must advocate for wise use of that funding, ensuring maximum economic and social benefit. Building America must also mean building our middle class," the report says.

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