



# Community Benefits Agreements

Growing a Movement  
in **Minnesota**



PRODUCED BY THE ALLIANCE FOR METROPOLITAN STABILITY

The Alliance for Metropolitan Stability engages communities in eliminating racial and economic disparities in growth and development patterns in the Twin Cities region.

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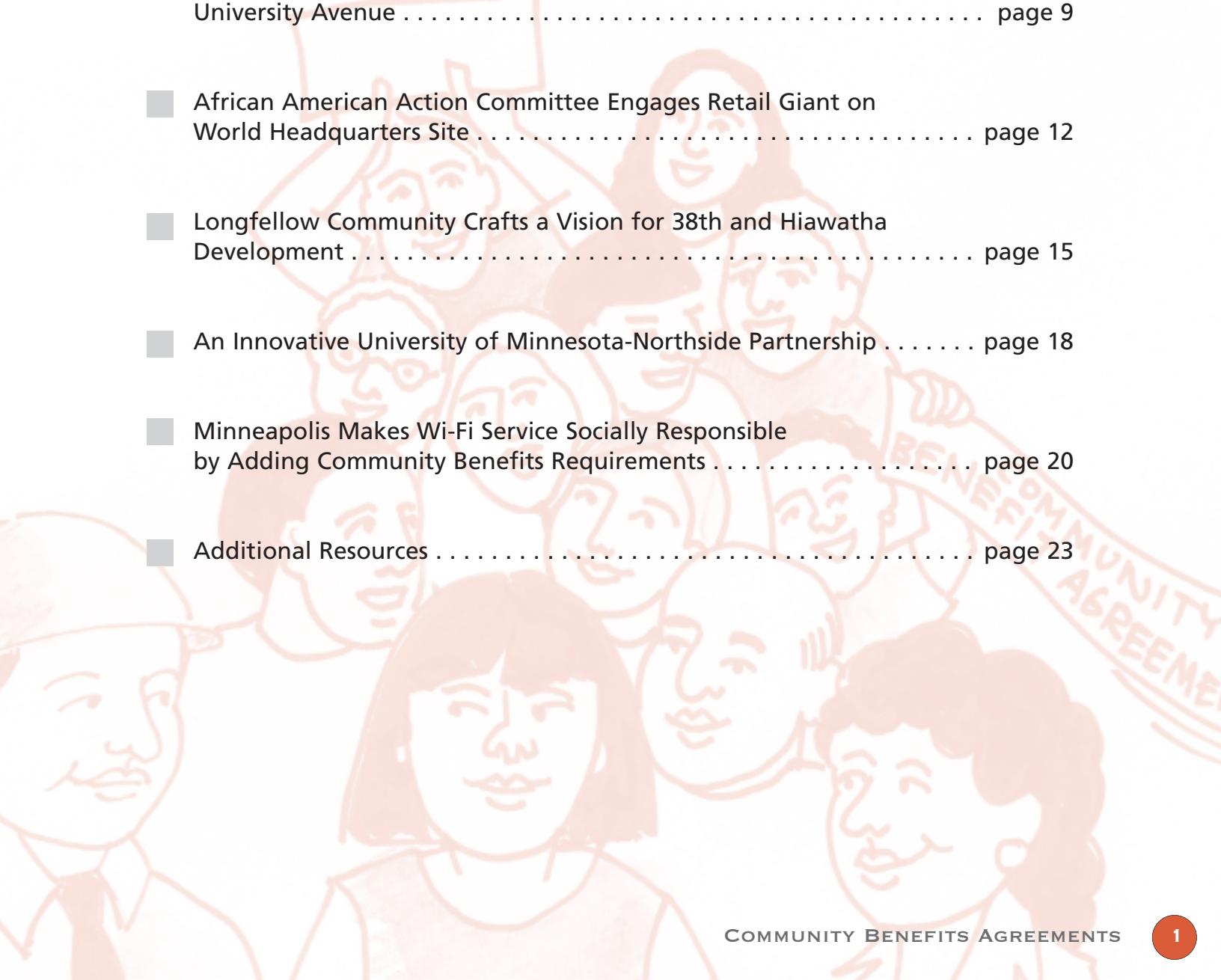
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PRODUCED BY THE ALLIANCE FOR METROPOLITAN STABILITY  
with contributions by Harrison Neighborhood Association,  
Longfellow Community Council, and Northside Residents  
Redevelopment Council

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## Community Benefits Agreement: An Important Tool in the Growing Twin Cities Equity Movement

by Maura Brown, Alliance for Metropolitan Stability

In May of 2001, a broad coalition of community allies in Los Angeles won a major campaign to tie an array of community benefits to the development of a publicly subsidized sports and entertainment complex adjacent to the Staples Center basketball arena. The project is now renowned within equitable development circles, not only because of its significant outcomes for local low-income residents, but because it was the first example of a broad community coalition entering into a legal contract with a private developer to ensure the delivery of specific community benefits.

**THE “STAPLES CBA” BROUGHT A NEW TOOL TO PEOPLE** concerned about how to hold developers accountable to their promises of new jobs, living wages, affordable housing and other benefits for the community. CBA stands for community benefits agreement: a legally enforceable contract, signed by community groups and by a developer, in which the developer agrees to specific outcomes defined by the impacted community. In turn, the community groups agree to publicly support the development.

Often implemented in instances where a project receives public subsidies, the premise inherent in the CBA concept is that public investments should have an equitable impact on the lives of local people. Cognizant of the historical failures of many policies to deliver the results promised to communities, CBAs go the further step of affording those affected an ongoing mechanism

through which to produce, monitor and enforce beneficial outcomes.

Benefits often detailed in CBAs include minority contracting, living-wage requirements, first-source hiring preferences, land banking and affordable housing set-asides, transit integration, and green building techniques.

Ultimately, CBAs are based



on the premise that the particular needs of a community should inform the ways in which development there takes place.

**CBAS ARE NOT A NEW IDEA — THEY BUILD OFF THE HISTORIC STRENGTHS OF GOOD NEIGHBOR AGREEMENTS.**

But there are still relatively few examples of fully implemented CBAs throughout the country, and even fewer in Minnesota. The Alliance for Metropolitan Stability has put this report together to further develop local understanding of CBAs’ potential as a tool that can yield significant results in a wide variety of locations and circumstances. For the past several years, the Alliance has helped a broad range of groups — our member organizations and other community allies — to ensure that local residents benefit from the large-scale redevelopments in our midst. More and more organizations and coalitions are turning to the CBA model to produce meaningful — and, perhaps more importantly, enforceable — outcomes for low-income people and communities of color.

**THE CBA MOVEMENT COMES AT A CRITICAL TIME IN OUR REGION’S HISTORY.**

Despite overall economic growth, racial, economic and geographic disparities have been increasing in the Twin Cities and around the country. Study after study reveal both a growing gap between the rich and the poor and a failure to close wealth, health and achievement gaps between the white community and communities of color. Redevelopment in urban and older suburban areas often achieves many goals shared by progressive community organizations: better transit, preservation and creation of green and open spaces, denser housing and jobs, and generally decreased sprawl. However, it is imperative to push those redevelopment scenarios further, to ensure that redevelopment more meaningfully benefits low-income communities and communities of color.

*CBA stands for community benefits agreement: a legally enforceable contract, signed by community groups and by a developer, in which the developer agrees to specific outcomes defined by the impacted community and the community groups agree to publicly support the development.*

Throughout this report, you will read stories from around the Twin Cities about groups who are making that happen. Each group uses the tool somewhat differently — as is most appropriate to their particular circumstances — and there are lessons to be learned from all of them. The article about the Longfellow Community Council demonstrates the use of a CBA to address a variety of community concerns, including affordable housing, environmental protection, community and economic development, transit-oriented development, living wages and general livability. The stories about the University Avenue, Brooklyn Park and the Harrison neighborhood campaigns demonstrate how CBAs also provide a mechanism through which an honest discussion of racism and its historic and current effects can occur.

Indeed, CBAs are a particularly powerful tool when lower-income communities of color are faced with redevelopment pressures. Such communities have too frequently been left out of decision making and been negatively impacted by development. CBAs provide them with a vehicle for getting and staying involved in decision-making and for guarding against gentrification and displacement. Finally, as you will read in the articles about the Digital Inclusion Campaign and the Northside Residents Redevelopment Council’s efforts, CBAs are so flexible that they are not even limited to physical development projects.

**THE ALLIANCE IS COMMITTED TO CONTINUING TO WORK WITH COMMUNITY LEADERS**

who want to use this tool to redefine the terms of the public debate and talk openly about the current failures of the marketplace and of public policies to substantively mitigate, much less resolve, economic, racial and geographic disparities. Working with the community to shift our discourse and to use this tool — so that people can have an impact on decisions that affect their lives — will make us more effective in fighting for greater equity and is a critical step towards addressing the root causes of the disparities in our region.

## What's in a Community Benefits Agreement?

The community benefits agreement (CBA) process begins with interested members of the community, who identify how a proposed development project can benefit residents and workers. Once a list of potential benefits is determined, community members meet with the developer and representatives of the city to negotiate a CBA. The CBA is a legal document that becomes part of the city's agreement with the developer. It contains numerous provisions stipulating exactly how the development will benefit the community. Each CBA is unique, reflecting the needs of particular communities. The Center on Policy Initiatives (CPI) has developed a CBA menu, which provides a list of potential benefits and how they can help workers and communities. The menu includes:

### QUALITY JOBS

Public financial assistance can be used to create good jobs for our communities. This is one of the most important ways new development can benefit disadvantaged communities. To help create quality jobs, a CBA might include some of the following provisions:

- Living-Wage Jobs
- Locally Owned Operators
- Worker Retention
- Responsible Contractor

### COMMUNITY SERVICES

New developments offer a great opportunity to provide much needed services to communities who lack such services. Often a developer can offer one part of the solution like space, free rent or seed money that can make it possible for community organizations to do the rest.

- Childcare
- Filling Gaps in Neighborhood Services
- Community/ Youth Centers
- Health Clinics
- Neighborhood Improvement Fund

### FIRST-SOURCE/LOCAL HIRING AND JOB TRAINING

First-source hiring and local hiring programs can help link job opportunities to low-income communities surrounding developments. Through a first-source program, employers agree to hire from a specified source like a community group or a one-stop center. Through a local hiring program, employers agree to hire from certain zip codes surrounding the development. First-source programs can help employers by cutting down on their recruitment and training costs. Developers can take steps towards establishing one of these programs in the following ways:

- Agree to Participate
- Provide Seed Money
- Provide Space

### ENVIRONMENTAL IMPROVEMENTS

A healthy environment is part of a healthy community. Especially because development has negative environmental impacts on communities, environmental considerations, above and beyond the legally required Environmental Impact Report (EIR), will help protect the community from environmental dangers.

- Parks
- Construction and Traffic Management
- Mitigation of Negative Environmental Impacts
- Green Building Practices

### AFFORDABLE HOUSING

There is an affordable housing crisis. People do not make enough to afford rent. While we strive for better jobs, it is also important to provide quality affordable housing for all who need it.

- Affordable Units
- Low- or No-Interest Housing Loans
- Linkage Fee
- Land to Build Housing
- Responsible Landlord Policy
- Developer Contribution to Relocation Benefits

### COMMUNITY INVOLVEMENT

The community is the best judge of what it needs. Much of economic development work is meant to uplift communities and the best way to make sure this happens is to involve affected communities in the development approval process.

- Community Input in Development Process
- Community Input in Selection of Tenants
- Community Support

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From the **Center on Policy Initiatives**. For more information, visit CPI's website at [www.onlinecpi.org/index.html](http://www.onlinecpi.org/index.html)

CPI is a nonprofit research, organizing and advocacy organization dedicated to improving the lives of the working poor by building a movement for economic justice in San Diego. Promoting CBA strategies is a cornerstone of CPI's Responsible Development campaign.

## Tales from the Field

*Six Stories from the Growing  
Twin Cities Community Benefits  
Movement*





# Harrison Residents Grasp CBA as a Tool Towards Racial and Economic Equity

*The Harrison Neighborhood Association has been working with the Bryn Mawr Neighborhood Association, local businesses, residents and the city of Minneapolis to develop a master redevelopment plan for the Bassett Creek Valley since 1998. The valley, a 230-acre, largely industrial site that borders both the Harrison and Bryn Mawr neighborhoods is of interest to HNA because of its potential to bring jobs, housing and economic development opportunities to the residents of the adjacent neighborhoods. Yet there is also widespread skepticism about what redevelopment of the valley will really mean for the neighborhood and a desire to make sure this is not business as usual.*

By Mitch Thompson, Harrison Neighborhood Association board president

**T**he Harrison Neighborhood Association’s efforts to promote racial and economic equity through the use of a community benefits agreement (CBA) is creating a buzz in Minneapolis. This article provides a brief overview of the history and context surrounding HNA’s choice to use a CBA in redevelopment efforts.

The Harrison Neighborhood Association is a small - but powerful — geographically based organization located in north Minneapolis representing a constituency that is 38 percent African American, nearly 30 percent Southeast Asian, and just over 20 percent people of European descent. The median income for a family here is a little more than \$21,000. Racial and economic equity are at the forefront of our organizational priorities as a result of potential large scale development and of our proactive efforts to address institutionalized racism and its impacts on our community in a strategic manner.

## “UNDOING RACISM” UNITED THE COMMUNITY AND HELPED TO FRAME CBA

We are a resident-led organization and effectively engaging and representing our diverse constituency has been a long-standing priority for us. Three years ago, the Harrison Neighborhood Association started a concerted effort to be more representative of and accountable to the community it serves by seeking the assistance of the People’s Institute for

Survival and Beyond. Since that time, Harrison leadership has been working through an undoing racism process. This has helped unite our community; it supports our development of a deeper understanding of our current and historic relationships and experiences. It has also helped frame our initiative to negotiate a community benefits agreement for the Bassett Creek Valley that benefits existing residents who are predominately people of color and low-income.



*Community members gather to celebrate and affirm a shared vision for Harrison Neighborhood.*

Many of us now believe that poverty is the number one issue facing Harrison, but racism is the number one issue keeping us from building the social capital necessary to lift our community out of poverty. In north Minneapolis, a well-organized community with an anti-racist analysis is the prerequisite for any poverty reduction efforts. Without those two elements a process of gentrification is the most plausible outcome for successful community revitalization efforts. This statement is well supported by Minneapolis history.

Our efforts to ensure an equitable redevelopment of Bassett Creek Valley are complex and have involved community organizing and participation in a stakeholders group known as the Redevelopment Oversight Committee (ROC) for Bassett Creek Valley. The Redevelopment Oversight Committee has partnered with a major developer, Ryan Companies, to create a Redevelopment Plan for the 230 acres of Bassett Creek Valley. (See map)



Harrison residents attended a CBA community meeting. Photos: Maura Brown

A high level of community engagement by the diverse constituencies in Harrison has led us to ask tough questions. What does development really mean for Harrison? Does the proverbial rising tide actually raise or sink our boats? Will we still be able to live here? Who will be able to access new jobs? How can we make sure that the people who live in north Minneapolis now directly and concretely benefit from any redevelopment?

In response to these questions, we organized two large community meetings that were planned and facilitated by resident leaders. More than 100 residents participated, with more than half being people of color, one-third being immigrants or refugees, and nearly 50 percent being renters. By the end we developed “Guiding Principles,” calling for development that benefits the community and that employs tools to guard against displacement and gentrification. It is these community developed principles that provide the basis for our ongoing CBA work. (See sidebar on right.)

### HARRISON IS SHARING CBA TOOLS AND EXPERIENCE WITH OTHER NEIGHBORHOODS



The CBA model has proven to be an effective tool to educate and empower our neighborhood to represent our interests in a significant, complicated and community-shaping redevelopment process. Our community resonates with and is deeply engaged in the work we are doing. Recently we have been sharing our thinking and the CBA tool with other neighborhoods with similar demographics.

See *Harrison Residents Grasp CBA as Tool*, p. 8

The “Guiding Principles for Redevelopment” were adopted by Harrison neighborhood residents on February 28, 2005, and represent the unified voice of Harrison residents. The guiding principles clearly state residents’ vision for redevelopment, namely that it “improve the lives of the people who currently live and work in the Harrison Neighborhood.” A **Harrison Community Benefits Agreement** will take the guiding principles to the next level by adding numbers to each goal and outlining processes to achieve them so that redevelopment is accountable and better able to meet community needs.

#### RESIDENTIAL/ HOUSING redevelopment shall:

- Preserve and improve existing housing in the Bassett Creek Valley area while safeguarding against displacement and gentrification.
- Create a wide variety of new housing options, both single-family and multi-family, both ownership and rental, at a mix of affordability levels, to meet the housing needs of future, but especially current, residents.

#### ECONOMIC redevelopment shall:

- Provide long- and short-term living-wage jobs for area residents.
- Create work opportunities and resources for existing businesses in Harrison, with an emphasis on those that are minority- and female-owned.
- Establish links between educational and job training resources and neighborhood residents, including youth, to enhance employment opportunities.
- Set minority and female construction participation goals above city minimums; provide for the necessary outreach to attain these goals.

#### QUALITY OF LIFE/ COMMUNITY redevelopment shall:

- Address the basic retail and service needs of the people who live and work in and around the Harrison neighborhood.
- Support HNA in creating a “sense of place” in the Bassett Creek Valley and within the larger neighborhood that reaches across culture and economic classes.
- Create designs that are pedestrian-friendly and fully accessible, that inhibit crime, and that improve the sense of safety.
- Improve linkages to other parts of the city and surrounding areas.

## Harrison Residents Grasp CBA as Tool *continued*

We have been pleased — though not surprised — to find that the idea of changing the rules of the game through developing a CBA makes immediate sense to almost everybody who has had experience participating in or being effected by redevelopment as it has occurred historically in our communities. Several organizations have provided letters of support and other forms of assistance. So far our work has been well received by the potential developer as well. Ryan Companies has agreed in writing to negotiate a “detailed community benefits agreement.”

Further, we believe that our work to secure community benefits from the Bassett Creek Valley effort truly embodies the spirit of our vision for our community. Our vision is that: We are creating a prosperous and peaceful community that equitably benefits all of Harrison’s diverse racial, cultural and economic groups. We will combat racism and other forms of oppression by establishing an environment of stewardship where all individuals can participate through shared power and mutual accountability.

### “THIS IS JUST COMMON SENSE”

This vision, formally approved by 160 residents (70 percent of whom are people of color), is what we hold in front of us to remind us of our path. Because, of course, there is still much work to be done. While we have broad agreement in principle from many city officials and one major developer, we know that is different from a binding agreement which delivers meaningfully to low-income people and people of color. Our eyes are on that prize, and we are working to guarantee that any redevelopment in our area that receives public assistance includes a community benefits agreement. To us, this is just common sense.

For further information about our efforts and how to support this important work, please contact the Harrison Neighborhood Association offices at 612-374-4849.



# Equitable Development and Community Benefits on St. Paul's University Avenue

By Alliance for Metropolitan Stability staff

St. Paul's University Avenue and its surrounding communities have always been places of rich diversity, complexity and change — some of those changes desirable and some not, from the community's perspective. Change along the avenue is speeding up with the planned construction of Central Corridor light rail transit (LRT) that will connect downtown Minneapolis and downtown St. Paul. Community organizations and residents are collaborating to ensure that any new development along the corridor brings benefits to existing residents rather than displacing low-income people, small and ethnic businesses, and communities of color.

The University Avenue Community Coalition (UACC) is a group of community organizations and residents working together to build power in the community to gain equitable development — development that benefits everyone on and near University Avenue. UACC includes organized labor, housing, faith, racial and cultural equity, transit, economic justice, environmental, community development and neighborhood organizations.

The primary purpose of UACC is to organize community members to fight for community benefits for low-income people and people of color. UACC's multi-sector approach allows the coalition to engage a broad cross-section of the residents of the neighborhoods surrounding University Avenue to call for equity in decisions regarding LRT and related development along the corridor. UACC uses a variety of different strategies to engage community members — community forums, candidates forums, trainings, community events and door-knocking campaigns — to keep community members informed and educated about what is happening now and in the future in their community.



*Community members identify where they want LRT stops located: Western, Victoria and Hamline Avenues. Photo: Jo Haberman*

## COMMUNITY BENEFITS – BOTH A TOOL AND A GOAL

UACC draws inspiration from successes around the country on the part of community-based groups and coalitions using CBAs as a tool for equitable development — especially along transit corridors. Since Central Corridor LRT will benefit from a \$1 billion public investment, questions of who benefits from and who makes decisions about that investment are key. Many community members have experienced the disempowerment that followed decisions made when I-94 nearly destroyed the historic Rondo community, displacing businesses and homes that belonged predominantly to people of color. UACC works to be an organized voice for power-shifting to serve and benefit the community. UACC is seeking community benefits in six areas:

1. **Affordable Housing:** Development and redevelopment along University should provide a full range of rental and home ownership choices. Thirty percent

of all new units should be affordable to households at or below an income of \$16,000 for rental (which represents 25 percent of the St. Paul median income) and \$25,000 for ownership (which represents 50 percent of the St. Paul median income), without displacing current residents.

2. **Equal Access:** Minority contractors should be guaranteed equal access, as well as full enforcement of civil rights provisions in economic development laws and policies.

3. **Community Investment for Wealth Creation:** Job training and workforce development, minority and local hiring, small-business and entrepreneur assistance, and

*See Equitable Development and Community Benefits , p. 10*

## Equitable Development and Community Benefits *continued*

programs that assist lower-income people and people of color in attaining home ownership should be a priority incorporated into all development.

**4. Right to Organize for Good Jobs:** Workers in every community should have a living wage, affordable health-care and pensions. They should also have the right to organize and to be fully protected under the National Labor Relations Act without interference from hostile employers. Participating labor unions should be fully committed to representing all workers, supporting local hiring programs and building power in their communities.

**5. Transit:** People of color and low-income people should be a significant part of the workforce that builds Central Corridor LRT. The number and location of stations and development around the stations should reflect community needs and identities. Job and housing densities along the rail line can and should incorporate good jobs and affordable housing. Bus service should be preserved and expanded and should serve the local community.

**6. Cultural Preservation, Enhancement and Development:** Development along University Avenue should preserve and enhance the existing cultural complexity of the community's reflection of a wide variety of world cultural heritage. Revitalization should incorporate creative anti-gentrification tools and promote cultural tourism that would build and sustain wealth creation for existing ethnic communities.

These goals have been adopted by UACC, but they also represent the goals of the twelve unique organizations that are active in the coalition. As Vic Rosenthal of Jewish Community Action explains, "We don't want to reinvent the wheel. This coalition is made up of groups already working on issues that are central to a future of equitable development along University Avenue. We want to broaden and strengthen the voices of those who will be directly impacted, and push together for equitable outcomes."

### PROGRESS AT LEXINGTON AND UNIVERSITY

UACC had some early organizing successes at the intersection of Lexington and University Avenues. That intersection was slated for major redevelopment efforts when Target Corporation announced it wanted to build its first urban SuperTarget on land purchased adjacent to its current location on University. A team of UACC members, including University UNITED, the Lexington-Hamline Community Council, Jewish Community Action, and United Food and Commercial Workers Local 789, quickly sprang into action to work with Target to add benefits for the community to

the development agreement. Discussions were held for denser, transit- and pedestrian-oriented design that decreased the vast parking acreage proposed between the front door and University Avenue. Advocates also attempted to secure agreements for minority contracting, local hiring, living wages, a solid number of full-time jobs with benefits and respect for the right of employees to organize.

While few changes were made to the design of the development, UACC made significant progress in negotiations with Target. Contractors agreed to include 20 percent minorities in building on the site, and Target agreed to seek an estimated 200 new employees from the surrounding neighborhoods to double its staff. In addition, St. Paul Mayor Chris Coleman publicly committed to holding future development along University to higher standards of transit-oriented design and mixed use.

UACC's success with Target reinforced other equitable development wins at the Lexington and University intersection. The nonprofit developer Episcopal Homes committed to build 50 affordable homes for senior citizens. TCF Bank built a second-story job training center at its new site, which is a prime example of both equitable and transit-oriented development advocated for by UACC. And Wellington Management, Episcopal Homes and the Wilder Foundation committed to local hiring in their new developments at the intersection.

### LOCAL POLICY INITIATIVES

In addition to negotiating with specific developers, UACC has spent considerable time working with city officials and task forces to advocate for policies that will encourage equitable development along the Central Corridor. UACC advocated for, and the St. Paul City Council passed, an interim zoning overlay ordinance, which is a tool for increased community control over development decisions on the corridor, requiring new land uses to conform to transit-oriented development standards during a 12-month period. The ordinance will ensure that zoning and development policies, recommendations and strategies are fully considered by the community and the city of St. Paul.

UACC members also attended the city's Central Corridor Task Force meetings to advocate for equity considerations as the task force made recommendations to the city about its development strategy. Many principles and concepts advocated for by community-based organizations and residents made it into the task force's final recommendations. The task force has asked the city to preserve the existing housing stock, promote inclusionary housing, create living-wage

jobs, preserve existing businesses, and create wealth through new home- and business-ownership opportunities. The task force even referred to CBAs in their final recommendations, stating that LRT development should “benefit and strengthen the diverse communities along the corridor (and) should act as a catalyst for ‘lifting up’ the many communities along its length.”

### WHAT'S NEXT

Now that UACC has demonstrated its effectiveness negotiating with private developers and public decision-makers, the coalition is focusing on two specific campaigns. UACC will spend the next several months advocating for an equitable distribution of stops along University Avenue and for a racial impact policy to be passed by the city of St. Paul.

### Stops for Us Campaign

UACC believes that if LRT passes through the neighborhoods along University Avenue, it should provide access where low-income people and people of color already live, work and do business. That’s why the coalition is advocating for the city to change its plans — either by adding new stops



UACC at Rondo Days. Photo: Jo Haberman

or replacing proposed stops — so that the train will stop at Western, Victoria and Hamline Avenues.

Community members have identified the need for stops at these three intersections — places where low-income people and communities of color have established a sense of community, where affordable housing and business opportunities can be found, and where existing residents want to stay. The city of St. Paul is studying the potential for future LRT stops at Western, Victoria and Hamline. The Stops For Us campaign will ensure that community members, allies and partners are part of the process. You can find the most up-to-date information about the campaign at [www.stopsforus.com](http://www.stopsforus.com).

### Racial Equity Policy Campaign

Inclusion of racial impact analysis in economic development planning and public subsidy awards is a pioneering concept. UACC wants to provide a national model for extending the criteria used for analyzing community economic impact and benefit to include racial equity impacts and benefits. The amount of funds made available to local government to allocate for subsidies to private businesses is usually based on the number of low-income people of color in the area. Yet the benefits from those subsidies often completely bypass the very people they were intended to help. A racial impact policy would help communities see the opportunities and pitfalls coming, so that solutions could be created — rather than looking back at development built with subsidies that only benefit wealthy white developers.

These two campaigns are important efforts to organize for community benefits because they will provide new resources to the neighborhoods that border University Avenue — and potentially neighborhoods throughout St. Paul — both now and in the future. Bernie Hesse, of the United Food and Commercial Workers Local 789, sums it up: “We’re saying that land-use decisions are social justice decisions, and we expect the city, the Planning and Economic Development department, the mayor’s office — everyone who has something to say about the future of University Avenue — to take that seriously.”

### UACC MEMBERS

- Aurora/St. Anthony Neighborhood Development Corporation
- Minnesota Senior Federation
- Community Stabilization Project
- Service Employees International Union Local 26
- Got Voice-Got Power!
- Transit for Livable Communities
- ISIAAH
- United Food & Commercial Workers Local 789
- Jewish Community Action
- Community members
- Just Equity
- Staff support: Alliance for Metropolitan Stability
- Minnesota Center for Environmental Advocacy
- Minnesota ACORN

# African American Action Committee Engages Retail Giant on World Headquarters Site

By Jo Haberman, Alliance for Metropolitan Stability

**T**he African American Action Committee (AAAC) in Brooklyn Park was born out of a successful community struggle to stop the demolition of 900 units of affordable housing. Now this new group faces a potentially even larger campaign to restore a living wage for the hundreds of jobs connected to the proposed Target Corporate headquarters in Brooklyn Park—jobs that could benefit many of the same people in greatest need of affordable housing.

## AAAC EMERGES OUT OF 2004 AFFORDABLE HOUSING BATTLE

In the fall of 2004, community groups learned that the city of Brooklyn Park was planning to place a referendum on the ballot that November, attempting to raise taxes by \$35 million in order to “redevelop” some of the longstanding and most affordable apartment buildings in the city. The Alliance supported a community coalition that eventually succeeded in saving the housing by defeating the referendum. The coalition was led by Community Stabilization Project, Service Employees International Union Local 26, HOME Line, Housing Preservation Project, Metropolitan Interfaith Council on Affordable Housing, community members, home owners and small-business owners.

Mari Lecours with the Community Stabilization Project said about the campaign, “We weren’t surprised, because Brooklyn Park had attempted to remove these affordable apartments before — they are home to mostly African Americans, with significant numbers of Latino, Liberian and other immigrant families. The city had tried over the years to paint a picture of the area as crime-ridden, dilapidated and blighted — in order to gain support for demolition and replacement with higher-tax-value development. In fact, while some of the units could benefit from rehab, most of the area is well-maintained, with lovely lawns and gardens. We saw the city’s effort to remove the housing as a racist policy to displace communities of color and lower-income community members.”

In reflecting on the organizing effort, several people identified the need for an organized voice of African American community members in Brooklyn Park. The African American Action Committee was born.

“AAAC has taken on the responsibility of pushing for change in the social, economic and political fabric of the community for the enhancement of the lives of people of color in the area,” says Eugene Dix, executive director of AAAC. “As new development is proposed in our community, we will continue our efforts to organize the community across diverse faiths, ethnicities, political interests and economic means while uniting with the strength of existing organizations to work collaboratively toward common goals.”

## A DEVELOPMENT OF UNPRECEDENTED SIZE

AAAC didn’t have to wait long until its next major challenge arose. The city of Brooklyn Park has signed on to a mammoth development project: Target Corporation’s proposed world headquarters corporate campus in Brooklyn Park, a \$1.75 billion, 340-acre mega-development near the intersection of two major highways. The plan is to develop a new city center, with 3,000 housing units, an 8-acre county library, public green space, and an extensive retail, office and entertainment complex. When completed, the site will be home to 30,000 new jobs (half of those created by Target) and will be the largest corporate campus in the Twin Cities region.



*Community members listened to city and Target officials at a town hall meeting.*



**Target Northwest Campus Corporate Headquarters. Photo: Tracy Nordquist**

AAAC has begun exploring a community benefits approach to this major planned development. Organizers' interest was piqued when they discovered that Target secured \$20 million in tax abatements from the city to offset development costs, along with several major policy waivers. The local policies that were set aside were intended to hold publicly subsidized developments to higher living-wage standards.

In 2006, AAAC's leadership began to approach this development in terms of the broader theme of public accountability. "Without a community benefits agreement with Target, the waivers could represent a stunning setback to the lower-paid workforce in our community," said Christine Goepfert, former board chair of AAAC. "These are some of the same community members whose affordable housing needs we fought hard to preserve. Target has negotiated with our city government for \$20 million in tax abatements — that public subsidy should come with some accountability, some benefits for those who are working hard to make a living and struggling to make it in our community."

When it was learned that Target also planned to approach Hennepin County for another \$20 million tax abatement to match the city's contribution, AAAC realized that there needed to be a strong community voice asking for specific public outcomes to ensure that promises made by Target would be promises kept.

### **COALITION FORMS TO PRESS FOR COMMUNITY BENEFITS**

A diverse coalition of community-based, faith, economic and racial justice groups came together to explore how to leverage the opportunities represented by this large-scale development. Working under the title of the Building Our Community Coalition (BOCC), they paid special attention to how the needs of underserved populations and people of color could be met by creatively applying the lessons of

other CBA campaigns to this local example. The members of BOCC include:

- **African American Action Committee**
- **Alliance for Metropolitan Stability**
- **Citadel for Hope Church**
- **Community Stabilization Project**
- **Housing Preservation Project**
- **ISALAH**
- **Moving On Up Church**

The groups decided that working with the city, Target Corporation, the master developer and Hennepin County officials could allow all parties to unite around a specific set of beneficial public outcomes for the local community. BOCC quickly set down cross-sector organizing plans to examine the implications of the development deal and then engage a variety of agencies and organizations to identify positive outcomes that could be secured from the Target development.

### **HOUSING AGREEMENT HAS STRONG AFFORDABILITY COMPONENT**

There was one bright spot in the development agreement negotiated between Brooklyn Park and Target Corporation — a commitment to build 600 units of below-market-rate housing on the site, equally divided between ownership units and rental units. Furthermore, the city asked that half of the ownership units (150 homes) be affordable to households making up to \$47,100 per year (60 percent of the metro median income) — this would be a home that sells for approximately \$155,100. The agreement also calls for half the rental units (150 apartments) to be affordable to families making up to \$23,550 per year (30 percent of the median income) — these units would rent for \$588 or less.

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*See African American Action Committee Engages Retail Giant , p. 14*



## African American Action Committee Engages Retail Giant *continued*

There is a potential loophole in this agreement: the affordable housing goals are contingent on the master developer securing adequate financing to deliver the units. BOCC members are committed to making sure this part of the development agreement is completed. On April 12, 2007, the coalition sponsored a town hall meeting to discuss the development with officials from the city, the county, the Metropolitan Council and Target Corporation. About 125 local citizens and church members attended the 2-hour meeting, which surfaced ideas about how to maximize local resident access to the jobs generated at the site, how to connect the transit-dependent community to the corporate campus and how to fulfill the development's affordable housing goals.

The meeting's crowning achievement was sitting a panel of six nonprofit housing development organizations next to the invited officials for a series of presentations of suburban affordable housing projects. The message was: "We can find the financing, we just need a willing partner who has access to developable land."

### A "TARGETED" FIGHT FOR WORKING FAMILIES

Another complicating factor is that the city of Brooklyn Park waived several business subsidy policies in the development agreement with Target Corporation. Local leaders fear that the original tax abatement and policy waivers will set the stage for many of the new jobs to be filled by part-time contract workers who will be paid less than what the city normally requires in a publicly subsidized development. The same holds true for other jobs created by food, commercial, retail and other businesses that lease space on the site. Policies that were waived unanimously by the city council include:

- The policy that no more than two employees can constitute one full-time equivalent position; Target won't be limited to the number of employees who can make up a single full-time equivalent.
- The policy that the great majority of jobs have to be permanent, full-time positions; Target won't have a required percentage of their jobs that need to be permanent full-time positions.
- The policy that requires wage levels to be at least three times the federally mandated minimum wage, or \$15.45 an hour. Target will be allowed to average all employee wages, so that some workers can earn less than the minimum usually required by Brooklyn Park's business-subsidy policy.

### WORKFORCE DEVELOPMENT PLAN

The members of BOCC believe that some of the jobs expected to emerge at the site will pay a living wage (either during the construction phase or afterwards). Led by Eugene Dix, ISIAH staff member Maureen Geddes and ISIAH leader Roxanne Smith, they have laid plans to ensure that local residents are able to take advantage of these employment opportunities by preparing them for a variety of positions. The BOCC is working with several partner institutions — including North Hennepin Technical College, North Hennepin Community College and Anoka Technical College to develop a workforce-development and training program to respond to the Target development and other employment opportunities throughout the metropolitan area. All partners agree that training and workforce development is needed and the community colleges would provide customized training to fit the needs of the employer.

### MOVING FORWARD

Julia Grantham, AAAC assistant executive director, said: "The deal between Target and Brooklyn Park needs to be improved, and we call on Target and the city to work with the community as the phases of this development move forward. All members of our community should benefit when millions of tax dollars are invested in a project, especially when you're talking about an already-huge company like Target. The vision should be that if you clean the offices, work at the pizza place in the Target building, or work as a nursing assistant at the clinic down the hall, you should be able to work full time, make a decent wage and have benefits. That's what will lift our families out of poverty here in Brooklyn Park. We seem to be saying to some parts of our community — you'll need to work several jobs to make it here, and even when you do, you can't live here because there will be no housing you can afford... Those are not the values this country aspires to."

For more information on the Target development, contact BOCC co-chairs Eugene Dix, AAAC Executive Director, at 763-503-0158, or Roxanne Smith, ISIAH leader, at 763-425-6505.

# Longfellow Community Crafts a Vision for 38th and Hiawatha Development

By Katie Hatt, former executive director of Longfellow Community Council and Russ Adams, Alliance for Metropolitan Stability

The development of the Hiawatha Light Rail Transit (LRT) line was a watershed moment for our region’s transit system. In its first work-week in 2004, 93,000 people rode the trains — a route that brought people to downtown Minneapolis on one end, and to the airport and Mall of America at the other end. Within the first two years of operation, the Hiawatha LRT exceeded ridership projections for the year 2020.

With all its success, the line was missing one very large component that most rail starts across the country take for granted: a concurrent land development strategy along a two-mile stretch of the line, in the heart of a residential portion of Minneapolis. In the Longfellow neighborhood, a multi-block portion of the eastern side of the line hosts a row of old grain elevators and silos that have outworn their usefulness. A major development is envisioned for this area that would bring the kind of mixed-use, residential, transit-oriented development that typically is built while an LRT line is being completed, not several years later. However, the timing of this development proposal has allowed the local neighborhood group to organize themselves and their ideas for improving their community, and allowed them to initiate a community visioning process unlike any other in this section of the city.

## LOCAL SETTING

The Longfellow Community Council (LCC) is the citizen-participation organization for the Longfellow, Cooper, Howe and Hiawatha neighborhoods of south Minneapolis, which together are home to more than 20,000 residents and 400 businesses. LCC is bounded by significant landmarks: the Mississippi River to the east, Minnehaha Park to the south, the Midtown Greenway biking and walking trail to the north, and the Hiawatha Light Rail Transit (LRT) corridor to the west.

Three LRT stations lie adjacent to LCC neighborhoods: the Midtown/Lake Street station, the 38th Street station and the 46th Street station. With the success of LRT, interest in redevelopment opportunities along the Hiawatha Corridor is very strong, and the community is committed to understanding and influencing development.



*Longfellow residents envision the possibilities for the 38th Street and Hiawatha Avenue area. Photo: Longfellow Community Council*

The Longfellow community has been involved in an intensive process involving many community members to influence the planning and development of the area around the 38th Street LRT station. As part of this, Longfellow is creating a community benefits agreement for a portion of the development area. The CBA is proving to be a valuable tool for helping shape the community’s goals for this development.

## DEVELOPERS’ IDEAS SPARK NEIGHBORHOOD ACTION

As 2005 drew to a close, the city of Minneapolis was on the verge of approving a master plan for the 38th Street Station area, a process which had involved a citizen task force in creating design and land use recommendations over the preceding few years. In the fall of 2005, LCC was contacted by Dale Joel of Capital Growth Real Estate, a developer with an interest in a four-block area adjacent to Hiawatha within the larger station area radius. The developer expressed a desire to pursue a project that would realize the principles of transit-oriented development (TOD), to potentially include a broader mix of uses (residential, commercial, office, recreational) and higher densities than were suggested by the draft station area plan.

To solicit input from residents, businesses and property owners on the new concepts, LCC organized a community

*See Longfellow Community Crafts a Vision for 38th & Hiawatha , p. 16*

## Longfellow Community Crafts a Vision for 38th and Hiawatha *continued*

meeting which drew more than 60 community members, many of whom were not involved as volunteers with LCC and who brought a range of perspectives and backgrounds. The community was very interested in pursuing a partnership with the developer and city to pursue the developer's ideas. LCC, with the support of City Council Members Gary Schiff and Sandy Colvin Roy, took action by creating the framework for a community-based task force and process.

*"The CBA process is an extraordinary opportunity to involve many Longfellow residents in influencing Capital Growth's proposal for one of the first large-scale developments along the LRT corridor. The grassroots effort of the task force shows how much neighbors care about the future of Longfellow as it grows and changes. Through the CBA process, residents are influencing new developments and ensuring that their hopes and goals are included."*

— Katie Hatt, former LCC Executive Director

The first priority of the task force was to ensure adequate community input throughout the process. They wanted to work with city planners to amend the city's draft station area plan to better reflect TOD principles and to work with the developer to flesh out components of a redevelopment proposal for the four blocks along Hiawatha between 35th and 39th Streets. Ultimately, the task force had a goal to draft a CBA to be ratified by the Longfellow community, the developers and the city of Minneapolis.

### A NEIGHBORHOOD-LED VISIONING PROCESS

After approval by LCC's Neighborhood Development Caucus and board of directors, LCC engaged in extensive outreach efforts, and the task force was launched. The task force coalesced into a group of approximately 20 volunteers who committed to attend meetings twice per month

for six months. Several other residents and businesses attended a portion of the meetings.

Together with the developer, city of Minneapolis staff, and Seward Redesign (the area community development corporation), LCC staff and volunteers developed interactive segments at all task force meetings to encourage lively dialogue and discussion. Input gathered from the participants became the task force's "Principles and Priorities for Development," which

reflect the values and goals the community hopes to realize through this and other development projects. The task force solicited additional input from Longfellow community through neighborhood forums, e-mail and the LCC web site.

The "The Principles and Priorities" document outlines goals in several key areas including:

**Housing:** Offer opportunities for a range of income levels and household sizes.

**Environmental Issues:** Promote effective storm water management practices and environmental certification.

**Commercial/Retail:** Focus on local and complementary businesses, living-wage jobs and synergy between new businesses and those already in the area.



The 38th Street station area, pictured above, is the focus of the Longfellow community's planning efforts. Photo: Longfellow Community Council

**Design:** Encourage interaction and connection between new development and the surrounding neighborhood, create safe environments, reflect and build on architectural characteristics of the community, and consider industrial influences.

**Public Spaces and Benefits:** Improve safety and include public outdoor and indoor space, art, and green space. Use public space to connect development with the community.

**Access, Circulation and Connectivity:** Create a safer crossing at Hiawatha, create a development that is pedestrian- and bicycle-friendly, and reduce traffic congestion.

### CBA HELPS TRANSLATE COMMUNITY'S ASPIRATIONS

The task force welcomed the Alliance for Metropolitan Stability to meetings to help the community learn more about CBAs. Using their “Principles and Priorities” as a starting point, task force members began work on a preliminary CBA, including quantifying the community’s goals and priorities.

Task force members convened a Community Benefits Committee (CBC) to guide the research and writing of a CBA that would be specific to the site south of 38th Street, under purchase option by the developer. The CBC, comprised of more than 15 volunteers, was aided by staff at LCC and Seward Redesign. The CBC reviewed other CBAs, met with experts, and wrote drafts of the CBA. Detailed outlines of recommended content for the CBA were presented to the community in the fall of 2006, and the negotiation process with the developer began. Dale Joel was enthusiastic about entering into a CBA with LCC, often mentioning it in his discussions with elected officials and local media.

Throughout this process, LCC sought to facilitate clear and ongoing communication between participants, community stakeholders and elected officials about task force activities and CBA efforts, including: regular features in the neighborhood newspaper; posting information and updates to the LCC website ([www.longfellow.org](http://www.longfellow.org)) and e-mail list serves; and hosting community forums every few months at locations ranging from parks to a neighborhood coffee shop. The forums drew scores of people curious about what’s in store for the grain mill sites and how the community is involved.

Following several negotiating sessions between Dale Joel and the task force negotiating team, language for a CBA was accepted by task force members in the summer of 2007. The negotiating team moved toward finalizing CBA language with Dale Joel in the fall of 2007.

Sarah Nassif, chair of the CBA effort, commented, “An active dialogue with the community is so important in preserving cultural integrity, especially of older neighborhoods such as Longfellow, as new development takes place. We look forward to completing the CBA by working with the city of Minneapolis, Hennepin County, and the developer in arriving at a set of goals that are achievable for the developer and also represent the community’s wants and needs in full. We also hope to connect with other Minneapolis neighborhoods during our process in order to build momentum behind all CBA efforts in the Twin Cities. I believe that collaborative efforts between communities and the developers will result in more successful developments while giving citizens a greater sense of ownership in change around the city.”

For more information, please visit LCC’s web site at [www.longfellow.org](http://www.longfellow.org).

### The CBA articles include the following components:

- **A commitment to transit-oriented development principles** – including reduced parking requirements, pedestrian safety, transit passes for residents and safe access to the LRT.
- **Environmental Commitments** – including “good neighbor” agreements surrounding the demolition and construction process to mitigate noise and air pollutants; taking account of green building strategies and environmental certification.
- **Embracing Community, Design and Place-Making** – emphasizing multi-modal access, circulation, public spaces and connectivity to the surrounding neighborhood; including an arts and neighborhood history component; encouraging “great design, materials, massing and scale;” and maintaining support for community-based organizations.
- **Affordable Housing** – including rental housing at a range of prices and a balance of incomes on the site; incorporating a mix of affordable and market-rate housing in each building.
- **Economic Development and Employment** – creating hiring and wage goals compatible with city requirements; dedicating space to non-franchise, locally owned businesses and start-ups; and establishing a ban on “big box” retail stores.

# An Innovative University of Minnesota – Northside Community Partnership

By Makeda Zulu Gillespie, Northside Residents Redevelopment Council

The largest urban land grant university in the country, the University of Minnesota, has proposed to develop a facility in the Near North and Willard Hay neighborhoods in Minneapolis. The proposed research facility, at the intersection of Penn and Plymouth Avenues, would consist of centers for early education, business economic development and a family life center. Some community members have opposed the University’s plan because of concerns about a proposed mental health research center.

Local neighborhood organizations have been facilitating communications between the university and the community through the University-Northside Partnership. The partnership envisions a working relationship that enhances the quality of life in north Minneapolis through investment of resources in health, education, economic and employment opportunities.

## THE GRASSROOTS PROCESS

The neighborhoods held four community meetings to get community input. Then they formed a community advisory committee of residents of Near North and Willard Hay to review information about the proposed facility. They

looked at feedback from community meetings, leadership meetings and responses to surveys conducted by the university. Community members used values and guidelines based on equitable development principles, and examined the university’s plan. Using these evaluations, advisory group members proposed starting a University of Minnesota-Northside Community Partnership with the adoption of a community benefits agreement.

If finalized, the University-Northside Partnership would create a community relationship which enhances the lives of north Minneapolis residents by investing resources in education, health and economic opportunities, with the community as its guide. The Near North and Willard Hay residents who are involved hope that this partnership will result in self-reliance, stable housing, access to social and health services, and the creation of employment and economic opportunities. Other expected outcomes of the partnership are that it would implement principles adopted by the community, including reducing regional and local economic disparities, by opening up avenues for housing development, small business assistance, and, ultimately, a thriving lifelong learning community.



Site of the future development. Photo: Tracy Nordquist

Additionally, Northside Residents Redevelopment Council (NRRC), the citizen participation and community-development organization for the area, is asking that the university share its vision by pledging long-term stability of its programs, reversing the economic deficit in the community and providing a clear explanation of its research and practices.

### OUTCOMES SOUGHT:

To accomplish these goals, NRRC is advocating that the university enter into a CBA that adopts the vision and principles of Near North and Willard Hay and quantifiably measures the outcomes of the following:

- A long-term contract for accountability for private development and facility ownership
- Other commercial opportunities within its facilities
- Employment opportunities and a workforce that accurately reflects the surrounding neighborhoods
- Development designs that are reviewed by community members
- Utilization of community business for contracts and services
- An environmentally sound development
- Educational opportunities for the residents of the Northside area

Roger Banks, a NRRC member, believes that the CBA process can be wielded as an organizing tool that can surface serious concerns in lower-income neighborhoods and in communities of color. In an article by Sandy Gerber of the Federal Reserve of Minneapolis magazine, Banks explains, “We want to have a say in how research is conducted in our neighborhoods, because past research has resulted in significant costs to the African-American community. The CBA is a beautiful mechanism for responding to the fears of the community, establishing what the expectations are and setting up measures to determine the extent to which those fears are being addressed.”<sup>1</sup>

For more detailed information on the community recommendation, call the Northside Residents Redevelopment Council at (612) 335-5924 or see [www.nrrc.org](http://www.nrrc.org)

## Elements of the proposed University-Northside CBA

The University-Northside Partnership was formed to alleviate community concerns about proposed mental health research to be conducted at the new University of Minnesota facility. The project’s working groups drafted a list of desired benefits from the university, including:

- Collaborative decision-making with the community
- Research translated to lay terms
- Research accessible to the community
- Investments in the community
- Training programs for youth and adults
- Adult and youth scholarship programs
- Non-research programs such as an extension office
- Diversity curriculum development
- Teacher-development programs
- Access to technology
- Mentorship programs

## Equitable Development Principles

Development principles adopted by the community are:

- Integration of people and place
- Reduction of local and regional disparities
- Promotion of a return for investors and social and economic benefits
- Development of housing, small-business assistance and employment
- Assurance of a meaningful community leadership, participation and ownership

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<sup>1</sup> Roger Banks, Policy and Research Analyst, Council on Black Minnesotans. As quoted in the article “Community benefits agreements: A tool for more equitable development?” by Sandy Gerber, *Community Dividend*, Issue No. 4, 2007 (forthcoming), Federal Reserve Bank of Minneapolis.

# Minneapolis Makes Wi-Fi Service Socially Responsible by Adding Community Benefits Requirements

By Russ Adams, Alliance for Metropolitan Stability

Throughout the U.S., there is a growing movement to bridge the “digital divide” — the social, racial, and economic disparities inherent in digital technology and Internet access. Major cities are beginning to create wireless broadband (Wi-Fi) systems as a way to deliver reliable, speedy Internet connections for their citizens. Municipal Wi-Fi systems have become particularly useful to provide Internet service to the small businesses, nonprofit organizations and families who can’t afford — or don’t have access to — broadband service.

There’s now a new model for elevating digital divide concerns, thanks to the advocacy work of the Alliance for Metropolitan Stability, the Community Computer Access Network (CCAN), the AmeriCorps Community Technology Empowerment project, and other partner groups who formed the Digital Inclusion Coalition. They managed to persuade the city of Minneapolis to require that **community benefits** language be written into a major new municipal Wi-Fi vendor contract.

Minneapolis has made an unprecedented effort to address the digital divide by developing a community-wide Wi-Fi network and attaching specific requirements to the vendor contract for addressing community technology needs.

## IMPROVING ON THE CITY’S RFP CRITERIA

In pursuit of a legal, cost-effective and technologically sound community computer network, the city of Minneapolis issued an open request for proposals (RFP) to forge a public-private Wi-Fi vendor contract in 2005. This partnership would benefit institutional, business and residential customers, and result in significant cost savings to the city.

Although many smaller cities have been investing in Wi-Fi systems themselves (owning and operating a Wi-Fi service and providing below-market rates to citizens), city staff rejected a municipally owned model, citing economic risks of the technology itself, as well as litigation fears from large, local telecommunications companies. That decision

proved very controversial with members of the digital technology and policy community. The media and individual citizens began asking questions concerning what the city would be getting out of a vendor contract valued in the millions of dollars.



Community stakeholders participated in city-sponsored meetings to discuss the impact of a community network on underserved residents, small businesses and nonprofits. These meetings helped the city articulate bandwidth, access and information needs within the RFP. The competing vendors were expected to address community development needs and digital divide efforts in their proposals.

Community benefits were listed in the RFP as “desired services.” The community groups’ strategy was to elevate these community-based criteria into required services by organizing a coalition to advocate that any city-approved system that used the public right-of-way had to serve a higher public purpose: to benefit communities historically underserved by internet technology, municipal programs and information systems.

## ADDRESSING THE DIGITAL DIVIDE

Understanding the depth and consequences of the digital divide is critical to fully utilizing an affordable wireless broadband network. According to the Pew Internet and American Life Project, 73 percent of Americans have access to the Internet, yet only 42 percent have broadband Internet access at home. Age, race and education all play a role in whether or not people have regular access to the Internet: only 32 percent of Americans age 65 and over use the Internet, 57 percent of African Americans, 37 percent of Latinos, 40 percent of those without high school diplomas, 53 percent of households with less than \$30,000 annual income and 38 percent of Americans with disabilities.

The Alliance decided to seize the opportunity to make Wi-Fi socially and economically relevant to the broader community by forming the Digital Inclusion Coalition. The organization

engaged partner groups in discussions about the possibility of closing the digital divide in low-income communities and communities of color; as well as connecting local community-based organizations to emerging technology to promote grassroots activism. The Alliance reached out to a number of cultural constituency groups that it had not had a previous relationship with and engaged community media organizations (neighborhood press, community radio stations, newspapers serving racial and cultural communities) to consider the potential of a Wi-Fi network for connecting residents to neighborhood news and information. Ultimately, 35 community-based organizations joined the coalition to fight for community benefits to be included in the Minneapolis Wi-Fi contract.



*Teens work on their computer skills in a guided activity at Hope Community in south Minneapolis. Photo: HOPE Community, Inc.*

## COMMUNITY BENEFITS

The proposed wireless system would rely on access to city-owned light poles to broadcast and receive signals, thus requiring the city to grant the vendor access to a public right-of-way. The **Digital Inclusion Coalition** focused on asking what public interest would be served by this arrangement. If the vendor was likely to profit from this arrangement, didn't it make sense to ask how city residents could enjoy some public benefit as well?

Some early media coverage hinted that the RFP might be the first step towards a public giveaway of the wireless Internet system. There was confusion about what the city would receive in return for being a "major anchor tenant" of the system, and the city was still being pressured to explain why they had decided not to pursue a municipally owned system. The Digital Inclusion Coalition saw an opportunity to demand additional community-desired outcomes from this initiative. Under these conditions, the Alliance and coalition partners were able to advance a community benefits agreement approach.

The Alliance hosted 16 roundtable sessions that gathered local nonprofit organizations, community technology centers (CTCs), neighborhood activists and other citizens interested in digital technology efforts.

The group's vision was to create a CBA that promoted digital inclusion, including:

- **Access to and the ability to use digital technology**

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*See Minneapolis Make Wi-Fi Service Socially Responsible , p. 22*

### **Final community benefits provisions of the vendor agreement include:**

- **\$500,000** provided by the vendor up front to a new Digital Inclusion Fund (to be administered by the Minneapolis Foundation). The fund will be used to promote affordable Internet access, low-cost hardware, local content and training.
- Annual contributions of **5 percent of ongoing pre-tax net income** to the fund. The Digital Inclusion Fund is estimated to grow to as much as \$11 million over the 10-year life of the vendor contract.
- **Two percent of any additional profits** from adjacent community contracts to the fund.
- **Subsidized services** to over **100 nonprofit agencies**, and **vouchers** for trial accounts to CTCs to distribute to constituents and volunteers.
- **Free limited-time service** available in some public locations, such as parks and plazas in Minneapolis (**5 percent** of city area will be designated **free hotspot zones**).
- **A free "civic garden"** level of wireless service **available to all city residents** featuring important neighborhood, government and community services information — such as neighborhood portal pages, city web sites, and public safety information.
- **One hundred percent** of portal page advertising revenue directed to the Digital Inclusion Fund.
- A content management system and community server for use by neighborhoods and community groups.
- A guarantee of **network neutrality** (fair access to the system for all Internet service providers).

*\* from the Digital Access web site ([www.digitalaccess.org](http://www.digitalaccess.org))*



## Minneapolis Makes Wi-Fi Service Socially Responsible *continued*



### Organizations participating in Digital Inclusion Coalition activities included:

- Alliance for Metropolitan Stability
- Asian Media Access
- Brian Coyle Community Technology Center
- Community Computer Access Network/Community Technology Empowerment Project
- Cedar Riverside Neighborhood Association
- Centro Campesino
- CommonBond Communities
- Community Members
- Eastside Neighborhood Services
- Franklin Library
- Greater Twin Cities United Way
- Headwaters Foundation
- Hope Community Inc.
- Hosmer Library
- Immigrant Freedom Network
- ISAI AH
- MICA H
- Minneapolis Parks and Recreation Board
- Northway Community Trust
- Neighborhood Revitalization Program - Cedar Riverside
- Osiris
- Phyllis Wheatley/Minneapolis Public Schools
- Pillsbury United Communities
- Project for Pride in Living
- Resource Center of the Americas
- SeniorNet
- Somali Action Alliance
- St. Paul E-Democracy
- Twin Cities Daily Planet
- Teaming 4 Technology
- Triangle Park Creative
- Twin Cities Media Alliance
- Urban Hope Ministries

will not be predictable by race, ethnicity, neighborhood, disability status, age or income level

- **Effectiveness of electronic communications** between residents and the city will be equal for all neighborhoods and communities within the city
- **Equivalent benefit to all neighborhoods** of any city investment in communications infrastructure
- **City content published in necessary languages**, and
- **The broadband Internet system will help eliminate the achievement gap** in Minneapolis schools.

The final product of the sessions was the adoption of a set of community benefit principles, released in June 2006, to be applied in the upcoming contract negotiations. The “Recommendations for the Wireless Minneapolis Community Benefits Agreement” report examined how the Wi-Fi system could serve the public interest, what role the city could play in leveraging the strongest vendor agreement possible, best practices from other cities in major metropolitan regions that have negotiated with vendors, and how to secure and direct funds that would address digital literacy, access, hardware and training needs.

The report also recommended that the selected vendor provide at least \$500,000 in seed money up front to be placed in a Digital Inclusion Fund and transfer 5 percent of its annual revenues to the fund. These funds would be spent on strategies to address computer literacy, online access and other community technology needs during the 10-year contract. See the report at <http://www.metrostability.org/news/article.php?id=38>.

### CONTRACT APPROVED!

Using the CBA model made sense to the partner groups because the final vendor agreement would be a legally binding document. Although the coalition worked to get community benefits language incorporated into that final vendor document, it was not able to secure a separate agreement between us and the vendor. Nevertheless, the city council approved a Wi-Fi contract with US Internet in October 2006, forming a binding agreement that incorporated all of the coalition’s community benefits language and finalized a nationally unique, socially progressive model for launching a city-wide Wi-Fi network.

This agreement represents the first time in Minnesota history that community benefits language was passed by a local city and inserted in a vendor contract. It is also the only example anywhere in the U.S. of a community benefits approach being applied to a municipal Wi-Fi initiative. The cities of Chicago, Houston and Oakland are studying this model for their own systems.

For more information on organizing campaigns to decrease the digital divide, contact Catherine Settani at Community Computer Access Network at 612-724-9097.

# Additional Resources

**ADDITIONAL RESOURCES** regarding community benefits agreements and racial and economic disparities efforts:

**Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities** a report by the Brookings Institution  
[http://www.brookings.edu/metro/pubs/20051027\\_mindthegap.pdf](http://www.brookings.edu/metro/pubs/20051027_mindthegap.pdf)

**The Racial Wealth Divide Project**  
a project of United for A Fair Economy  
<http://www.colorofwealth.org/>

**Pulling Apart: A State-by-State Analysis of Income Trends**  
a report by the Center on Budget and Policy Priorities  
<http://www.cbpp.org/1-26-06sfp.htm>

**Community Benefits Agreements: Making Development Projects Accountable**  
a handbook by Good Jobs First, California Partnership for Working Families, Los Angeles Alliance for a New Economy, East Bay Alliance for a Sustainable Economy, and the Center on Policy Initiatives  
<http://www.goodjobsfirst.org/pdf/cba2005final.pdf>

**Fact Sheets on racial disparities in health, wealth and education in MN**  
by the Minneapolis Foundation  
<http://www.minnesotameeting.com/disparities/facts.htm>

**The State of the Dream: Enduring Disparities in Black and White**  
a report by United for a Fair Economy  
<http://www.faireconomy.org/press/2004/StateoftheDream2004.pdf>



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The Alliance's work to advance the Community Benefits Agreement movement in the Twin Cities has been supported by: the McKnight Foundation, the St. Paul Foundation, the F. R. Bigelow Foundation, the Headwaters Fund for Social Justice, the Otto Bremer Foundation and the Emma B. Howe Memorial Foundation.