The Gates Cherokee Redevelopment Project: “A huge step forward for low-income people in Denver”

After a three-year campaign, a broad coalition supported in part by Making Connections Denver has helped establish a new standard for the community benefits that should be expected when government provides large subsidies to development projects in Denver.

City Councilman Doug Linkhart joins with the Campaign for Responsible Development to support a public subsidy for the redevelopment of the Gates Rubber Company plant.

“I’ve done a lot of organizing but nothing as big as this that is this beneficial to the community. It’s something that benefits everyone.”

—TIM LOPEZ, BAKER NEIGHBORHOOD RESIDENT

By Tory Read
Three hundred fifty affordable housing units. One thousand construction jobs paid at the prevailing wage. As many as 10,000 temporary and permanent jobs over the next decade, with preference for residents of nearby neighborhoods, two of which are target neighborhoods for Making Connections Denver.

To say that the redevelopment of the Gates Rubber Company manufacturing plant on the west side of Denver is a large project is an understatement. “This project is a huge economic generator for the city,” said Bar Chadwick, the city’s Special Projects Manager for Gates.

In addition, two Making Connections neighborhoods that border the Gates site – Baker and La Alma/Lincoln Park – stand to benefit significantly from the project.

“The Gates deal has the promise of high quality jobs at close to family-supporting wages,” said Making Connections Denver Site Coordinator Susan Motika. “This is a critical part of our efforts to build a path to economic success, giving residents a chance to develop their skills and income.”

The deal also sets a precedent for future economic development projects subsidized by the City of Denver. Three more large projects are now in the works, including the redevelopment of Union Station.

Indeed, its impact could well extend beyond Denver. “People are looking to us nationwide as an example,” said Chadwick.

This precedent-setting deal took more than three years to achieve. It came about as a result of an effort led by the Campaign for Responsible Development, a coalition that included a range of community groups and union organizations. The coalition was put together by the Front Range Economic Strategy Center, or FRESC.

In exchange for $126 million in subsidies from the city of Denver, this coalition helped get the developer of this project – Cherokee Denver, LLC – to agree to many conditions:

- Affordable housing.
- Good wages for many construction jobs.
- First-source hiring for residents of nearby neighborhoods.
“The Gates deal has the promise of high quality jobs at close to family-supporting wages. This is a critical part of our efforts to build a path to economic success, giving residents a chance to develop their skills and their income.”

—Susan Motika

Located in the center of Denver, the old Gates Rubber plant will be redeveloped into a mixed-use, mixed income project including residential, retail and office space, as well as parks and public plazas. Affordable housing and quality construction jobs are part of the deal.

- Regular communication between the developer and these neighborhoods about environmental clean-up at the site.
- No big-box stores such as a Wal-Mart SuperCenter.
- Hiring a construction manager that pays good wages and provides benefits.

“A lot of people put a lot of effort, 10 hours a week, 40 hours a month on a regular basis for three years,” said Baker resident and coalition member Tim Lopez. “I’ve done a lot of organizing, but nothing as big as this that is this beneficial to the community. It’s something that benefits everyone.”

The story of how this campaign achieved such a ground-breaking community benefits package is both interesting and instructive.

Among other things, it shows the critical role that Making Connections can play both in supporting a long-term campaign like this one as well as getting key players – the city, the developer, community groups and unions – to overcome their differences and sit down together.

Making Connections is also playing an important role in implementing the community
benefits at Gates, helping build a pipeline between its neighborhoods and the new jobs, recruiting residents and co-designing a pre-apprenticeship training program to help residents prepare for jobs at the site.

The Making Connections support – two grants totalling $75,000 – helped FRESC do some initial research on public subsidy programs and develop its strategies for building the coalition and accomplishing its objectives.

But Making Connections’ other role as a connector may have been even more important. “This Gates deal shows the importance of strategic partnerships,” explains Garland Yates, Denver’s long-time site team leader. Because Making Connections (MC) had already pulled together a broad range of people from city agencies, community organizations and private funders, it had “a forum for the city and these folks to engage.”

One such forum was the MC governing body, called the partners, which included a representative from the city. When this group reviewed the initial grant request from FRESC, all the partners looked at the proposal. “A long discussion followed, and not everyone saw eye-to-eye about supporting it,” said Yates. “In the end, we all agreed to fund the proposal because the work FRESC proposed had the potential to tie Making Connections’ resident engagement strategy to creating quality jobs and affordable housing.”

This discussion “helped lay the groundwork for everyone coming together around the community benefits package,” Yates added. “The idea is not that people will fall in love with each other, but that they will work through their divisions to get something done.”

In the end, the city and the developer factored in the coalition’s requests and hammered out a deal that can benefit everyone, including nearby residents, the people who often get displaced by mammoth projects like this one.

FRESC’s Policy Director Chris Nevitt agrees that Making Connections’ support helped build the Campaign for Responsible Development’s ties to the city. “One of the things that changed with the Making Connections support was our ability to spend our time focusing on city staff and their role. We were able to meet more often with people there that we hadn’t been meeting with previously.”
The coalition itself also helped bring together a wide range of people and interests, building understanding among these diverse groups. “Working with community groups opened my eyes to what other people’s struggles are,” said coalition member Dwayne Stephens of Sheet Metal Workers Local Union 9. “I don’t know many people in wheel chairs and to talk to them and hear what they need in a housing project was pretty interesting to me, because it’s stuff I never thought of.”

“What I knew about unions, I learned on TV,” said La Alma/Lincoln Park resident Jim Kittel of Save Our Section 8 (SOS 8), a campaign member that focuses on the housing needs of the disabled. “I thought they were all goons that work for the mob. I found out they are just people, not trying to take things away from others, but just trying to survive.”

The community benefits package also showed the critical role that community organizing can play in helping shape policies and actions that will benefit lower-income communities.

“The deal is significant for the high level of community engagement in a very complex economic negotiation,” Motika explained. “We want to have a community role in helping shape and drive policy in Denver. The Gates experience allowed that to happen.”

La Alma/Lincoln Park resident and coalition member Jim Kittel works the Save Our Section 8 information booth with friend Rae Chirechigno at a neighborhood fair. Working with the coalition helped Kittel overcome stereotypes he had of union members.
The “high level of community engagement” also allowed the focus to stay on the need for community benefits during a process that took three years. City Councilman Rick Garcia said that FRESC and the coalition “helped keep the focus on what we needed to get done in order for this project to get done. Cherokee knew that these issues had to get dealt with for the project to get the support it needed at Denver City Council.”

The organizing also had an impact on the city, which wasn’t always comfortable with FRESC’s and the coalition’s strategies and tactics. Ultimately, several city departments realized that they needed to coordinate what they wanted in exchange for the Gates subsidies rather than have each department competing to get its interests met.

The process empowered Making Connections’ residents and organizations. “It’s the most important thing I’ve ever done,” said La Alma/Lincoln Park resident Jim Kittel. “Every housing unit in the development will be wheelchair accessible.”

“Being involved in community stuff is fun, and I’m involved in a lot, but I feel I really accomplished something here,” said Kittel. “We established some norms that we will be able to expect in the future. Gates Cherokee is a huge step forward for low-income people.”

“It’s something that benefits everyone,” added coalition member Tim Lopez. “There’s going to be new employment here. There’s housing opportunities. Schoolteachers and firemen, the folks who are living in public housing, senior citizens living on fixed budgets – for the first time, they will be able to afford a place in a high-quality development.”

Changing Denver’s expectations about development projects

The dilapidated Gates Rubber Company factory sits on 50 acres of environmentally contaminated industrial land located in the heart of Denver. Cherokee Denver, LLC, an environmental remediation and development company, wants to tear down the sprawling plant and replace it with eight million square feet of residential, retail and office space, as well as parks and public plazas.

Not only is the Gates site centrally located, it is also on a light rail stop next to the Platte River and an interstate highway. As a result, the Gates project is one of the first major transit-oriented developments in the city.

With the deal, Denver has joined the ranks of other forward-looking cities across the country – including New York, Los Angeles, San Jose and Milwaukee – that have required developers to provide quality jobs and affordable housing in exchange for public subsidies.

“By virtue of Blueprint Denver [the city’s umbrella planning document, created by more than 250 citizens] and by virtue of all the significant infrastructure investments that have been made over the last two decades, we are in the very enviable position of being able
to have development and not have to accept whatever developers propose,” said John Huggins, Director of Denver’s Office of Economic Development.

“We created a new precedent that from my point of view is the right sort of outcome for similarly situated projects, of which there are likely to be quite a few, because of FasTracks,” said Huggins. FasTracks is the region’s 12-year comprehensive plan to build high-speed rail lines throughout the metro Denver area.

“The process and the deal changed city expectations of what it can get from a developer,” said Baker resident Steve Harley, a leader in the successful community effort to work with the developer to make contamination and clean-up information on the site accessible to the public.

“The project was a turning point for the policy debate,” said Denver City Councilman Rick Garcia. “We need to have certain values and expectations in the public sector. If we are going to entice someone through a [public] subsidy

“*We created a precedent that is the right sort of outcome for similarly situated projects, of which there are likely to be quite a few.*”

—John Huggins
to make a project happen, we have an obligation to ensure at a minimum that competitive wages are being paid with health benefits.”

“We are excited by the prospect for long-term economic development policy change in Denver and for the concept of community benefits becoming the norm,” said Making Connections’ Motika.

“The City of Denver has never before spoken about paid sick days,” said coalition co-chair Linda Meric of 9to5, which works for policies that support low-wage and no-wage women. “Seventy five percent of low-wage workers don’t have paid sick days. We laid the groundwork to make more progress the next time.”

“FRESC and the coalition believe that having a sustainable economy requires paying attention not only to developers and business and keeping a local economy chugging along, but also to who is building it, which is the workers and the employees and to the people living in the community,” said Robin Kniech, program director and staff attorney at FRESC.

The “accountable development” movement has a long history tracing back at least to the 1980s in Boston and other Eastern
“FRESC and the coalition believe that having a sustainable economy requires paying attention not only to developers and business but also to the workers and employees and to the people living in the community.”

—Robin Kniech

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<th>Results</th>
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<td><strong>Impact:</strong></td>
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<tr>
<td>■ 350 affordable housing units – 200 rental and 150 for sale. The rental units will be affordable for people with very low incomes (30% and 50% of Area Median Income).</td>
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<td>■ About 1000 project-related construction jobs to be paid at the prevailing wage.</td>
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<td>■ First-source hiring for roughly 10,000 temporary and permanent jobs over the next decade, with preference to residents of neighborhoods adjacent to the site.</td>
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<td>■ Best value contracting in selection of subcontractors by the developer.</td>
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<td>■ An agreement banning big box stores such as a Wal-Mart Supercenter.</td>
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<td>■ The deal sets a precedent for future projects seeking public subsidies in the city.</td>
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<td>■ It moved the conversation about family-friendly jobs policies forward in Denver.</td>
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<td><strong>Overall Significance:</strong></td>
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<td>■ The deal created new opportunities for low-income families.</td>
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<td>■ The process empowered Making Connections Denver residents and organizations on the Westside.</td>
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<td>■ The coalition built relationships and understanding among diverse groups.</td>
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<td>■ Denver has joined the ranks of other forward-looking U.S. cities by requiring developers to provide quality jobs and affordable housing in return for public subsidies.</td>
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<td>■ The Gates experience supports Making Connections Denver’s overarching theory, which is that community organizing and strategic partnerships lead to measurable results for kids and families living in low-income neighborhoods.</td>
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In the Staples CBA, the developer agreed to provide jobs at family-supporting wages, affordable housing, local hiring, responsible contracting, and a significant investment in parks and recreation.

Since the Staples CBA was signed in 2001, developers around the country have entered into community benefits agreements for publicly subsidized projects that include NoHo Commons in Los Angeles, the Park East redevelopment in Milwaukee, the Atlantic Yards project in New York, and the Beltline project in Atlanta.

Influence:

- Denver’s Office of Economic Development has begun to take a coordinated, big-picture approach to development in Denver.
- Denver has changed its thinking about what it can ask developers to deliver in exchange for public subsidies.
Building an Accountable Development Movement in Denver

After Cherokee bought the Gates site in 2001, FRESC decided to recruit a coalition of community and labor groups to seek community benefits at this high-profile project.

Gates is located on Denver’s Westside, where over the years residents have experienced major displacement in the face of urban development. FRESC wanted to make sure that Westside residents had a voice in the Gates project and that those with low incomes would have a fair shot at quality jobs and housing opportunities at the site.

Created by leaders of the Denver Area Labor Federation as its economic development research and advocacy arm, FRESC’s mission is to foster a long-term strategic partnership of labor and community groups that want to support responsible, community-centered development along Denver’s booming Front Range.

For the unions, it was a chance to reinvent themselves. “I’ve been a member of Sheet Metal Workers Local 9 for 25 years,” said Dwayne Stephens. “Over that time, the union movement has eroded to the point where we are all scratching to survive and hang on. What we are doing together with the coalition and FRESC is fighting back.”

“The city went through a dramatic administrative transition around the same time when a new mayor was elected, 75% of city council seats turned over, and a vacancy occurred at the helm of the city planning department, but FRESC and the coalition stayed the course.”

For community groups, it was a chance to join forces with union groups to have more political power.

Initially 25 unions and community groups agreed to work together in a coalition that they called the Campaign for Responsible Development. The coalition has since grown to include 55 groups (see page 11).

The coalition contacted Cherokee for the first time in early 2003. Later that year, the developer signed an agreement with the coalition that blocked construction of a low-wage big-box grocery store such as a Wal-Mart Supercenter. In return the group testified in support of Cherokee’s rezoning application.

Riding Out Big Changes in the City and at the Site

Ongoing conversations about a broad community benefits agreement went on hiatus when the head of Cherokee left his job in late 2003.
“The City of Denver has never before spoken about paid sick days. Seventy five percent of low-wage workers don’t have paid sick days. We laid the groundwork to make more progress the next time.”

—Linda Meric

The Campaign for Responsible Development Partners

- 9 to 5, National Association of Working Women – Colorado
- Advocates for a Diverse Denver
- Agape Christian Church
- American Federation of State, County & Municipal Employees (AFSCME), Local 158, Council 76
- Association of Community Organization for Reform Now (ACORN) – Colorado
- Atlantis Community Corporation/Adapt
- Bayaud Industries
- Capitol Hill Ministries
- Centro Bienestar San José
- Colorado AFL-CIO
- Colorado Alliance for Retired Americans
- Colorado Building & Construction Trades Council (CBCTC)
- Colorado Catholic Conference (CCC)
- Colorado Environmental Coalition (CEC)
- Colorado Federation of Public Employees (CFPE)
- Colorado Fiscal Policy Institute
- Colorado People’s Environmental and Economic Network (COPEEN)
- Colorado Progressive Coalition (CPC)
- Colorado Public Interest Research Group (CoPIRG)
- Colorado Women’s Agenda
- Communication Workers of America (CWA), Local 777
- Community Outreach Service Center
- Community Resource Center
- Denver Area Labor Federation (DALF)
- Denver Area Youth Services
- Denver Classroom Teacher’s Association (DCTA)
- Denver Inner City Parish
- Denver Reintegration Working Group (Employment Committee)
- Denver Urban Ministries (DENUM)
- El Centro Humanitario
- Eco-Justice Ministries
- The Empowerment Program
- Ethical Trade Action Group (E-TAG)
- Hotel Employees & Restaurant Employees (HERE), Local 14
- International Association of Machinists & Aerospace Workers (IAM), Local 1886
- International Brotherhood of Electrical Workers (IBEW), Locals 68 and 111
- International Union of Operating Engineers (IUOE), Local 9
- International Union of Painters and Allied Trades (IUPAT), Local 79
- Job with Justice – Colorado
- Labor’s Community Agency
- Laborer’s International Union of North America (LIUNA), Local 720
- Metropolitan Organizations for People (MOP)
- Micro Business Development Corporation
- Mountain West Regional Council of Carpenters (MWRCC)
- National Association of Letter Carriers (NALC), Branch 5996
- Pipefitters (UA), Local 3
- Progress Now!
- Project WISE
- Renters Education Association for Colorado Tenants (REACT)
- Save Our Section 8 (SOS 8) – Colorado
- Service Employees International Union (SEIU), Local 9
- St. Francis Employment Center
- United Food & Commercial Workers (UFCW), Local 7
- Washington Park United Church of Christ
- Westside Ministry Alliance
Denverite Ferd Belz took over as head of Gates Cherokee in 2004, and conversations with the coalition resumed.

In the same year, a major trichloroethylene (TCE) dump was discovered at the Gates site. TCE is an industrial solvent that the Environmental Protection Agency has listed as a probable carcinogen.

“Guys were drilling for a new light rail line that passes through Gates, and when they were putting up one of the bridge pillars, they struck a pocket of TCE,” said Baker resident and coalition member Tim Lopez. “The workers were overcome by toxic fumes.” Cherokee was just as surprised as everyone else. They began immediate testing and the tests suggested there might be off-site migration into nearby neighborhoods. As a result, Cherokee began immediate remediation.

Residents who met at a large community meeting to learn more about toxic contamination at Gates decided to form the Voluntary Cleanup Advisory Board (VCAB). With support from a toxics expert on FRESC’s staff, VCAB successfully convinced the state to strengthen its standards.

According to state law, all documents related to a site’s cleanup are public record. However, citizens must go to a state office to access these documents. At VCAB’s request, Cherokee agreed to make documents related to the cleanup at Gates available to the public at Decker library, located in a neighborhood adjacent to the site. [For more on VCAB, see page 14.]
In 2005, FRESC released a three-part series of studies (supported by a Making Connections grant) examining a public subsidy program called tax increment financing (TIF), which is available to developments in blighted areas of the city. Gates Cherokee was preparing to apply to the city council for one of these subsidies, and FRESC wanted to educate policymakers and the public about the history and impact of other TIF-funded projects in the city.

In the same year, FRESC got support from Making Connections Denver to hire community organizers for the two MCD neighborhoods close to Gates. As a result, the coalition hosted a well-attended public meeting at the laborers’ hall in La Alma/Lincoln Park neighborhood. More than 200 residents and six elected officials turned out to talk about quality jobs at Gates.

The Coalition Ties Its Agenda to the City’s New Plan to End Homelessness

In September 2005, FRESC and the coalition saw an opportunity to link their message about quality jobs and affordable housing at Gates to a major city council discussion about the mayor’s 10-year plan to end homelessness.

“Homelessness was a hot issue,” said FRESC community organizer Julie Gonzales. “We went to city council and coalition members testified. They said, ‘In order to end homelessness, we have to have places where people can afford to live. Well, you can make that vision real at Gates.’”

—Julie Gonzales
The Voluntary Cleanup Advisory Board (VCAB) consists of residents in the six neighborhoods adjacent to the Gates Cherokee development site. More than 20 people are active participants in the steering committee, and some meetings have attracted more than 100 residents. After it formed in 2005, VCAB worked with Cherokee Denver to test for contamination in nearby neighborhoods and to share information about contaminants with community members. Cherokee also agreed to make all documents related to testing and site cleanup available to the public. “At Decker library, there are stacks and stacks of information that anyone can review,” said Baker resident Tim Lopez, who helped form VCAB. VCAB also brought expertise to the community. They invited toxics consultants to come to meetings to explain pollutants at the site. When some residents were concerned about the impact of possible contaminants on their resale value, VCAB brought in a realtor to discuss the issue, and homeowners were reassured.

“VCAB has been very effective at communicating with a lot of people about the pollutants at Gates,” said developer Ferd Belz.

The VCAB steering committee met recently to discuss changes they hope to make in the state’s voluntary clean-up law. They want affected communities to have a direct voice in clean-up plans for contaminated sites.

―Steve Harley
“It was a different way of talking about Gates,” said Gonzales. “Instead of saying, ‘Gates is happening, we should do something about it,’ we said, ‘Homelessness is a problem, and you can fix some of it using the coalition and Gates.’”

A Deal is Struck

After weeks of meetings with the city to arrive at a subsidy amount that both the developer and the city thought was reasonable for the project, Cherokee announced in early December it was seeking $85 million in tax increment financing, plus another $41 million in metro district financing subsidies. The total of $126 million equaled roughly 13% of the total project budget of $1 billion.

“City council held a ton of economic development committee meetings,” said Gonzales. “The room that they put up was small, and it was packed – standing-room only. It was winter, and they had to turn on the air conditioner.”

“Listening to the city council members, it was obvious that we had done our homework talking to them, because they asked a lot of good questions that we had brought to them,” said union leader and coalition member Dwayne Stephens.

“VCAB is the one community thing I am doing that is most effective right now,” said Baker resident and long-time VCAB member Steve Harley. “We pushed forward an agenda, and we accomplished it. People got reassured that the toxic situation was under control and that Cherokee was cleaning it up.”

“We’ve been successful at Gates, but VCAB has a bigger mission,” said Harley. “We want to change the process designated by the state’s voluntary clean-up law.”

Under the law, if developers analyze their site for contaminants and lay out a plan to clean up, they get an official letter verifying that they have done this and they can proceed with their project. The state reviews and approves the plan on behalf of the public. VCAB wants the statute changed so that affected communities have a direct voice in the process.

VCAB is also requesting that the state’s public health and environment department provide resources for communities to hire independent consultants to review testing and clean-up documents and explain them to residents.

The group wants relevant documents to be made accessible to community members electronically and in hard copy, and it has asked that the state and city health and environment departments attend relevant community meetings.

VCAB is currently working with Rep. Jerry Frangas to draft an amendment to the state law. Should this effort fail, the group has his support to pursue administrative rule changes.

“We created a model for how this can work,” said Harley. “We now have a group of people who are committed to this issue beyond the initial concern in our own community. We are working on policy change.”

“It was a different way of talking about Gates,” said Gonzales. “Instead of saying, ‘Gates is happening, we should do something about it,’ we said, ‘Homelessness is a problem, and you can fix some of it using the coalition and Gates.’”
Committee meetings are televised and open to the public, but there is no public testimony, so coalition members wore big signs that said such things as, “Good jobs now at Gates,” “Make the vision real,” and “$126 million, not without good jobs.”

“Union members, SOS 8 members, other coalition folks were watching how the political process works, and how if you are there, you may not say anything, but you still have an impact,” said Gonzales.

During the committee meetings, Cherokee committed to a solid affordable housing plan and best value contracting, and the city agreed to a first-source hiring policy that gave priority to residents of neighborhoods close to Gates.

“Having a lot of community interest and spotlight on the development helped us to negotiate a better affordable housing deal, because it put us in a highly charged political environment,” said Jacky Morales-Ferrand, director of Denver’s Housing and Neighborhood Development. “From my perspective, it helped to have an engaged community that was asking for more. They help me appear reasonable.”

The Coalition Weighs the Gains

As the final city council vote on the subsidy approached, FRESC and the coalition were in a quandary.

“We had won affordable housing, we had won environmental testing in the neighbor-
hoods, Cherokee had committed to communicating with the VCAB whenever there were any new findings during the clean-up, and we had won first-source hiring for residents in neighborhoods closest to the site,” said FRESC’s Gonzales.

“The big elephant in the room was, we still didn’t know where the developer stood on construction,” she said. “We were trying to figure out, is the coalition going to support this subsidy, or are we going to come out against it.” The sticking point was that although Cherokee had made a commitment in principle to best value contracting, it had yet to hire a construction manager. For the commitment to have practical meaning, Cherokee needed to choose a construction manager that was in turn committed to best value contracting.

In the 72 hours leading up to the council vote, coalition members were in constant contact with one another. Baker resident Tim Lopez was calling in progress reports to Making Connections Denver every few hours.

The day of the vote, Cherokee announced that Kiewit Construction was going to be the construction manager. “We breathed a big sigh of relief,” Gonzales said. “We knew carpenters had a great relationship with them.”

“Kiewit has a history of providing health care,” said Kniech of FRESC. “They have a history of providing pensions and training for certified apprenticeships.”

At a press conference right before the city council hearing, the coalition announced its

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“From my perspective, it helped to have an engaged community that was asking for more. They help me appear reasonable.”
—Jacky Morales-Ferrand
support of Cherokee’s subsidy request. “At the hearing, we all lined up – people who had been there for three years, people who had been there for just a couple of months – one by one they got up and talked about why they as a neighborhood resident, or as a union member, or as a community organization were supporting this project,” said Gonzales.

“Without FRESC and the coalition, would we have acted differently as a council? It’s hard to say,” said Councilman Rick Garcia. “But they helped keep the focus on what we needed to get done in order for this project to get done.”

“The coalition had put together the laundry list of dreams,” said Gonzales. “To actually have made huge steps forward, through one campaign – people were astounded. We learned that you can, through organizing, through being strategic politically, and also by having research to back up your demands, you can make a change.”

Why the Deal Happened in Denver

1. New Partnerships Made it Possible.

Through the coalition, groups that had never before worked together forged strategic partnerships and a unified voice that could not be ignored. Each group brought different strengths to the effort.

“Different coalition partners brought different resources into the picture,” said Kniech of FRESC. “For example, Linda Meric of 9to5 brought experience as a labor union leader who had negotiated contracts with employers, so she understood the idea of negotiation. The unions brought political clout – labor is recognized as a supporter of elected officials. Turnout partners like SOS 8 were great machines at helping to spread the word and engage their members.”

More than 50 groups contributed to the coalition’s effort.

The push for quality jobs and affordable housing at Gates was also a result of the coalition’s partnerships with Making Connections Denver and some city staff.
Making Connections Denver (MCD) provided support at an important point in the campaign, in part because of Tim Lopez, a coalition member who also represented the Baker neighborhood on Making Connections’ partners group. “I brought the project in to get funding,” said Lopez. “I argued on their behalf to the partners. Some of the partners were skeptical at first.”

“Making Connections took a chance on what some thought was a pretty risky proposition, and the FRESC work has produced benefits in many different ways,” said MCD Site Coordinator Motika. “Making Connections could have said, ‘This is too contentious, there’s no payoff here, there’s no immediate win.’ But it also had potential. We were looking to support organizing that would lead to jobs and housing for low-income people in our communities.”

“I was glad when the partners gave them funding,” said Lopez. “It took the risk, and it paid off for both parties. Making Connections definitely got a return on its investment.”

Making Connections Denver has supported FRESC and the coalition with $75,000 during 2005 and 2006, in addition to providing seed money in earlier years.

Making Connections also played a key role in getting people to talk with each other. “There were conversations with people like Cec Ortiz, Jacky Morales-Ferrand and Myrna Hipp in the city that FRESC and the coalition could talk to through Making Connections that helped put things into perspective,” said Lopez. “Making Connections was an ally.”

Before she accepted her appointment to the city, Ortiz had been Making Connections Denver’s site coordinator. Jacky Morales-Ferrand had long been a friend of MCD, and Myrna Hipp represented the city in the MCD partners group.

2. The city was primed to move forward on first-source hiring and affordable housing.

First-source hiring has been a city policy for about a decade. “Since before the Gates deal came up, I’ve been concentrating on clearing up what first source is and making it work effectively,” said Ortiz of Denver’s Office of Economic Development.

In housing, Morales-Ferrand was looking for an opportunity to create more affordable units in Denver. “Our mission is to provide a diversity of housing. The Gates project is a transit-oriented development that has tremendous opportunity to provide us with affordable housing. My role was to negotiate as many units as possible.”

3. As a developer, Cherokee Denver values community input.

“Our mission is a little bit different than that of a typical real estate developer,” said Cherokee’s Belz. “We take infill and environmentally challenged sites and convert them back into productive use, not only for standard real estate, but for sustainability. Sustainability includes equity. It includes mixed-income and mixed-use.
Cec Ortiz, the former site coordinator of Making Connections Denver, played an important behind-the-scenes role in keeping communication channels open between the coalition and the city.

“The first thing we do on a project is meet with community organizations and businesses,” Belz continued. “We don’t come in with a plan, we seek community input first.”

“As we engaged in the process, it became clear that the developer acknowledged that the needs that we were presenting existed, and that they were willing and interested in doing something about them,” said coalition co-chair Meric of 9to5.

It is standard operating procedure for Cherokee to seek community input on all its projects. In 2002, the developer invited the 13 registered neighborhood organizations and business organizations located within a half-mile of the Gates site to participate in the Cherokee Denver Redevelopment Advisory Committee (CDRAC). Each organization appointed two representatives to serve on the committee, which meets every month.

“We used the advisory committee to establish what is important to neighborhoods in terms of physical layout, the environmental piece, and access,” said Cherokee’s Ferd Belz. “We do a similar community involvement model in almost every major redevelopment that we do.”

Both CDRAC and the coalition played important roles in the deal. CDRAC influenced the physical plan and design. The coalition championed quality jobs and affordable housing. Both groups supported the developer’s efforts to address environmental clean-up at and around the site.

“All of these interactions make for a better project,” said Belz.
“As we engaged in the process, it became clear that the developer acknowledged that the needs that we were presenting existed, and that they were willing and interested in doing something about them.”

—Linda Meric

Obstacles and Challenges

“Difficulties are but opportunities in working clothes.”

—Charles C. Gates, founder, Gates Rubber Company

Getting to “yes” wasn’t always easy. A number of challenges emerged during the three years it took to seal the deal at Gates. A look at these obstacles is instructive for Denver and for other cities that are considering community benefits in future development projects.

1. Attitudes about what is and isn’t possible in Denver were a barrier at the outset.

“The biggest obstacle was the obstacle of implausibility,” said FRESC’s Chris Nevitt. “When we first started talking about our ideas, some city leaders said privately that we had a point, but this is Denver and that’s not going to happen. We stuck to our guns, made the case and didn’t go away, and it became apparent that, yeah, Denver could do this, this could happen in Denver.”

2. Numerous meetings with the developer didn’t yield substantive outcomes and frustrated coalition members.

Throughout 2004 and 2005, a team of coalition members met regularly with the developer to discuss community benefits. Developer Belz says he learned a lot from these discussions, and he took coalition research and ideas seriously.

From the beginning, the coalition thought of these meetings as negotiations, whereas the developer thought of them as conversations. “The coalition was trying to negotiate with Belz, and he was patiently listening to them,” said Chadwick, the city’s manager for the Gates project, who attended almost every meeting between the coalition and Cherokee Denver.

The meetings were long, draining and time-consuming, and at times coalition members got frustrated and wondered where it was all going. FRESC and coalition leaders had to
work hard to keep everyone together. “It could have been a source of tension, maybe even a source of break up,” said FRESC’s Nevitt.

“It felt like the developer was stringing us along,” said coalition member Lopez.

“I wasn’t stringing them along,” said Belz. “I was having a lot of other meetings at the same time to figure out what we could and couldn’t do in response to the coalition’s demands. For example, I couldn’t commit to affordable housing until I knew that it made economic sense.”

3. The city was focused on reinventing the way it negotiates with developers and the coalition was perceived as disruptive to that process.

In its negotiations with Cherokee, Denver city staff were deliberate about coordinating departments and coming up with a coherent list of requests.

“Denver has a reputation for being difficult to deal with for developers, because of miscommunication among city departments,” said Chadwick, the city’s Special Projects Manager for Gates. Under Mayor John Hickenlooper, Denver wants to change this reputation, and that means changing the way it does things.

“We didn’t do that here. We actually met with the mayor before we started the negotiations and said, ‘This is our cut at what we think we can get.’ We knew then what our objectives were and we knew we wouldn’t get an end-run by some department head going to the mayor.”

“It was useful because it didn’t pit us against each other,” said the city’s Morales-Ferrand. “It forced us to consider what is most important. It got us better coordinated on
“City staff, as a team, determined what our priorities were, taking into account the needs and interests of all the various city departments. This process of getting all the city interests sorted out in advance was new.”
—John Huggins

Baker resident and coalition member Tim Lopez makes a presentation about the Osage Mercado, another Making Connections-supported effort in his neighborhood.

what we were trying to get out of the development, so we were speaking with one voice.”

Enter FRESC and the coalition, who went at various times to city council members, city staff and even the mayor to push their agenda. These activities were perceived by some city staff as disruptive.

The Gates project posed other unique challenges for city staff. “It was a new type of project for us in terms of the size and scope and the complexity of all of these interrelated parts,” said the city’s Huggins.

In addition to what registered neighborhood organizations and local businesses were requesting through the neighborhood advisory committee and what unions and community organizations were requesting through the coalition, at least six city departments – planning, public works, parks, economic development, the budget office and environmental services – were asking for significant benefits from the Gates deal.

“We had all these interests competing, a very complex deal, a lot of mouths to feed,” said Huggins. “At the same time, the developer was in front of us for public assistance, because he couldn’t make the project as proposed work financially, even before all of these requests were layered on.”

“It’s a fine line between giving away the ranch and doing what is economically astute,”
“It’s a fine line between giving away the ranch and doing what is economically astute. The developer has to have a bottom line. It’s business.”

—Bar Chadwick

4. FRESC’s demand-oriented style was challenging for the city and the developer.

“FRESC didn’t always need to knock down the door, but it seemed like they wanted to,” said Ortiz.

“Their approach for a long time was essentially to insist on a premier place at the negotiating table, above the interests of other community groups,” said Huggins. “They have a particular set of interests, just like any organization does. They have equal right to have a voice and opinion on things, but I believe no organization should have a superior position to, say, the neighborhood organizations that exist out there already.”

said the city’s Chadwick. “The developer has to have a bottom line. It’s business.”

Although the path was rocky, pre-existing relationships between some city staffers and individual coalition members helped move things along. “In a coalition, many of the players have some kind of relationship with different people in different places in the city, and so you can use those points of connection to keep communication open,” said coalition co-chair Linda Meric of 9to5.

Ortiz, Making Connections former site coordinator who now works for the city, had relationships with people in both the coalition and in city departments, and she often served as behind-the-scenes interpreter.
“We realized as we approached the negotiations that we on the city side needed to be internally consistent and we needed to settle our differences and really hang together.”
—John Huggins

“In part, the coordinated approach that [the city] developed was a reaction to that,” said Huggins. “We realized as we approached the negotiations that we on the city side needed to be internally consistent and we needed to settle our differences and really hang together.”

The developer also found FRESC’s style challenging. “When I got involved in this process, there had already been a lot of head-butting between FRESC and Cherokee,” said Belz. “I wonder if their style has to be adversarial in order for them to be effective.”

FRESC stands by its approach. “Although the community benefits model and our work at Gates are both focused on dialogue and achieving consensus, we do not come to the table with the same amount of power as developers and city officials,” said Leslie Moody, co-chair of the coalition, executive director of FRESC and president of the Denver Area Labor Federation.

“Like all social movements, we use organizing to move from reluctance to change, and we recognize that can be challenging.”

5. Groups within the coalition had different approaches to getting what they wanted, and this created some internal tension.

“For some coalition members, the tactic of negotiating was new,” said FRESC’s Kniech. “SOS 8, for example, is used to very militant actions. You block the door with your wheelchair until officials listen to you and respond. In addition, the idea that what you asked for on day one may not be what you get at the end is a new idea. The idea of convincing the developer to do something, versus making them do something, was new for some.”

But working together led groups like SOS 8 to try new approaches. “At SOS 8, we weren’t used to getting things without being antagonistic,” said La Alma/Lincoln Park resident Jim Kittel. “People will agree to sit down with us at SOS 8 out of fear that we will lie down in front of the cement trucks, and they wanted to avoid the bad press. This was totally different. We focused on what it would take, what we could agree on, instead of raising Cain. It was a new strategy for me. You don’t have to play antagonistic to get things done.”

6. Commitments to community benefits are spread across multiple agreements and may be hard to enforce.

There is concern among some city council members that the developer’s public benefits commitments are not consolidated in a single binding document.

“They spread the community benefits out over so many different agreements, I think it is going to be difficult to enforce,” said Councilwoman Kathleen MacKenzie, who represents the district where the Gates project is located. “There should have been a single agreement that the public had more control over through council members. I’m a big believer in having [a single clear agreement] because the players change so often.”
For some coalition members, the tactic of negotiating was new. The idea of convincing the developer to do something, versus making them do something, was new.”

—Robin Kniech

“The council had a lot of deliberation – what are the assurances?” said Councilman Garcia. “There are at least five different contracts that deal with these things. So the person in charge of housing, for example, can modify the contract in the future, and we wanted to know, what about the role of the council? If I’m still in council, I can call a public hearing and take testimony. But can I legally compel the city to listen to that? No.”

For discussion purposes, the city did create a chart that summarizes the public benefits at Gates. “We called it a public benefits framework, to encapsulate the big ideas,” said the city’s Huggins. “There are six or seven separate agreements related to the project. The framework document took the main pieces and put it before council and said, ‘This is how the whole thing is going to work.”

Typically, in other cities, a single community benefits agreement between a coalition and a developer is attached to the contract between the city and the developer.

The Road Ahead

The people involved with the Gates Cherokee deal see several tasks that need to be accomplished for the deal to have the community impact that it is supposed to have. They are very aware that community benefit commitments mean little if the community benefits never materialize.

1. Monitor and implement community benefits.

“I want to see the outcome of the community benefits,” said Councilman Garcia. “We did the work to call it out and to get it contracted, in exchange for giving Cherokee the subsidy. As the project gets built out, the real lesson is in three, five, seven, ten years: has the community experienced what we expected it would?”

Affordable housing at Gates will be jointly monitored by housing and planning. “We have a proposed map and plan of how many units will come down in each section that they sell off,” said the city’s Morales-Ferrand. “Cherokee has smartly encouraged, as part of their contracts, that the city be involved in making sure the building developer understands what the requirements are under the plan.”

First-source hiring will be monitored by the city. Prevailing and living wage agreements will be monitored by the city auditor.

Coalition members are meeting with Cherokee and the companies that will build the infrastructure and the first phase of construction to discuss issues such as best value contracting and family-friendly job policies, including paid sick days.

2. Create the pipeline from Making Connections’ residents to jobs at Gates.

Establishing a first-source hiring agreement that gives priority to residents in neighborhoods directly adjacent to the Gates site is
half the battle. The other half is recruiting residents, getting them ready for jobs at Gates and getting them in those jobs.

*Making Connections Denver* is working with Denver’s Division of Workforce Development and other groups to create a pipeline that will funnel job-seeking residents into the jobs at Gates. “We see our role as that of convener and catalyst, and also to capture results and lessons learned,” said MCD Site Coordinator Motika. “We all want this to succeed.”

The first step was to create a coordination and strategy group that includes staff from the city, *Making Connections Denver, FRESC,* the coalition and neighborhood residents. One of this group’s duties is to oversee the creation of a new pre-apprenticeship program targeted at residents who want to be in unions.

“If people can’t make it into the union apprenticeship programs, if they can’t get in that door, then this deal isn’t going to mean much for MCD residents,” said Bob Giloth of The Annie E. Casey Foundation.

The group’s second major duty is to coordinate first-source hiring for *Making Connections* residents. They are initially focusing on 230 residents who recently registered with the city’s workforce development office to assess training needs and determine which residents are right for which jobs that will be available at Gates. Their goal is to get residents ready for work and to ensure that they get job announcements as soon as they become available. Cherokee is insuring that job announcements go to Denver’s Division of Workforce Development in a timely manner.

Meanwhile, the city is developing a data gathering and monitoring system for all first-source jobs and has established a job information and resource site at Mi Casa Resource Center for Women, located in the La Alma/Lincoln Park neighborhood.
“We are looking for ways to incorporate some of what we [won] with into city policy, so that the coalition, the city and developers don’t have to go through this entire process over again.”
—Linda Meric

3. Continue economic development policy discussions in the city.

The community benefits package at Gates has sparked a bigger conversation in Denver about what citizens and city officials can expect from development projects that seek public subsidies. “We are looking for ways to incorporate some of what we came out with in city policy, so that the coalition, the city and developers don’t have to go through this entire process again,” said coalition co-chair Meric.

“Anything that gets public subsidies, anything the city negotiates or contracts out, I think this is the way it should be done,” said Baker resident Lopez. “As a city, I hope we can set some kind of standard policy,” added Councilman Garcia.

John Huggins isn’t so sure. “Development is a cork that floats on the economic ocean, and right now the tide is sort of rising, par-

tically for Denver, with all of this investment and potential,” he said. “Things are looking pretty good. But there will be a time in the next 10 or 20 years when that won’t be true. It’s important not to get carried away by the great times or by the bad times, to try to maintain some consistency of objectives.”

FRESC’s Kniech agrees that every development is different and that each project and its surrounding communities will have site-specific needs. The key is to make room for community voices on issues and to establish policy that can accommodate the specific needs of diverse projects.

4. Keep FRESC and city staff working together.

“Relationships between FRESC and city staff weren’t adequately developed,” said Ortiz. “We all have to keep working on it.” “FRESC did
a good job for their constituency groups, and now their task is to help make it work,” said the city’s Chadwick. “Let’s show that we can work together to create a system that works.”

Chris Nevitt says that FRESC does recognize the importance of building relationships. “At some point in the game, we thought, we need to build relationships with city staff, and we hadn’t done that before. We’d relied on the political power and the relationships that we had with elected city council members, but not with staff. If we had to do it again, we’d do it sooner.”

“Educate yourself before you talk to your elected representatives,” said Baker resident Lopez. “If you come in there and you aren’t ready with the facts and figures, you’ve pretty much wasted their time and there’s a good chance you are not going to get their time again.”

“Nobody knew if this strategy was going to work and everything was geared toward getting the commitment from the developer and the city,” said Motika. “When you get that commitment you have to be ready.”

“Look at big development projects that are seeking public subsidies as vehicles for addressing wage and housing and other economic development issues, and look at them as opportunities to engage residents in significant ways,” said MCD’s Motika.

“Start grassroots organizing earlier to reach more residents who aren’t part of an established group.”

“I was an early citizen supporter, and early-on FRESC and the coalition didn’t connect to individual citizen supporters as well as they connected to groups,” said Baker resident Steve Harley. FRESC and the coalition learned this lesson early on and redoubled its efforts to reach individual residents through a grassroots organizing campaign with support from Making Connections Denver.

Know what you are talking about before you talk to your elected officials.

“Educate yourself before you talk to your elected representatives,” said Baker resident Lopez. “If you come in there and you aren’t ready with the facts and figures, you’ve pretty much wasted their time and there’s a good chance you are not going to get their time again.”

Start planning implementation of first source programs early.

“Nobody knew if this strategy was going to work and everything was geared toward getting the commitment from the developer and the city,” said Motika. “When you get that commitment you have to be ready.”

Think big when it comes to having an impact on economic development.

“At some point in the game, we thought we need to build relationships with city staff, and we hadn’t done that before. If we had to do it again, we’d do it sooner.”

—Chris Nevitt

Lessons
Build a diverse coalition.
FRES built a broad coalition that included groups whose members were directly affected by a variety of issues at the site, had expertise with those issues, and had some connections with the city administration in different departments.

Create a sense of shared fate.
“Each interest group in the coalition had its goals,” said Nevitt of FRES. “Early on, we agreed that if we are going to get anything, we all had to get something, and everyone had to support everyone else’s issues.

“We also knew that not everyone would get everything they wanted and that, in the end, some people might have to understand that the average of what everyone else got means they have to support the deal even though their particular group didn’t get enough.”

“This is the first time that SOS 8 has really joined together with other groups for a common purpose,” said La Alma/Lincoln Park resident and coalition member Jim Kittel. “We would never have gotten the housing on our own. Others in the coalition went out on a limb for us on low-income housing, because they knew that I’d stand up for them on jobs and wages. In the future, we plan to work with other groups more.”

Have a coordinated, multi-faceted strategy.
“What happens at the negotiating table can’t be in isolation, because that isn’t where you build power,” said coalition co-chair Linda Meric of 9to5.

“Each interest group in the coalition had its goals. Early on, we agreed that if we are going to get anything, we all had to get something, and everyone had to support everyone else’s issues.”
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Campaign Strategies That Worked

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Get training in key topics important to the deal.
“We hired a consultant who did trainings for us, for some city council aides and for some of our allies, on the nuts and bolts of affordable housing and affordable housing finance,” said FRES’s Nevitt.

“We wanted more affordable housing, but learning the details of housing finance and knowing what could and couldn’t be done bound us to reality. If it turned out the money wouldn’t work, we couldn’t then be demanding something that we knew was unrealistic. It was worth the risk, because showing that we understood housing and housing finance helped build our credibility.”

Talk to elected officials.
“Lobbying elected officials and educating them was important, because a lot of folks have just never seen business done this way before,” said Baker resident and coalition member Lopez. “In Denver, a community benefits agreement has never been done, but they’ve been done across the United States. We gave city councilors several
“FRESC refined its position over time to get to something that they could win. They kept narrowing their list of demands, and that’s a good thing, because it shows credibility. Otherwise you just get ignored for being off-the-wall.”

—Jacky Morales-Ferrand

Examples. Once they realized that those were actual options, they were interested.

Have regular contact with all parties to the deal.

“Their communication of the issues to different officials was effective,” said developer Ferd Belz. “We met with city council and city officials all the time, and FRESC and the coalition had gotten their message to those people. Whether developers like it or not, communicating with all the right officials is a valuable tool for these organizations. I would suggest that they continue to use that tool, because I can tell you, it does affect the process.”

Refine your list of demands over time.

“FRESC refined its position over time to get to something that they could win,” said Jacky Morales-Ferrand, Director of Housing and Neighborhood Development for the city. “They kept narrowing their list of demands, and that’s a good thing, because it shows credibility. Otherwise you just get ignored for being off-the-wall and unreasonable.”

Don’t give up.

“One of FRESC’s strengths was its stick-to-it-iveness, their constant, never-give-up attitude,” said Denver’s Special Projects Manager Bar Chadwick, who met regularly with the developer and the coalition.

9to5 Director and coalition co-chair Linda Meric endorses Cherokee Denver, LLC’s request to the Denver City Council for public subsidies, at a press conference before the final city council vote.
“The deal is significant for the high level of community engagement in a very complex economic negotiation. We want to have a community role in helping shape and drive policy in Denver. The Gates experience allowed that to happen.”

—Susan Motika

The Diarist Project

This is one of a series of publications about the Annie E. Casey Foundation’s Making Connections Initiative put together by The Diarist Project. The project is a new approach the foundation is using to learn from its efforts to strengthen families and transform struggling neighborhoods.

Diarists work to capture strategies and insights of the people who are leading the neighborhood transformation work. In Making Connections, the diarist works closely with the staff people who lead the work in each city, the Site Team Leader and Local Site Coordinator.

This article was written by Tory Read. It was edited by Tim Saasta. Photos copyright 2006 by Tory Read (pages 4, 5, 18, 20, 23, 24, 32), Tim Lopez (1, 3, 13, 16, 17, 21, 22, 27, 31) and Virginia Jimenez (7, 8, 14, 28).

Making Connections is a Casey Foundation initiative to support work that demonstrates the simple premise that kids thrive when their families are strong and their communities supportive. What began in 1999 as a demonstration project in selected neighborhoods in 22 cities is now an intricate network of people and groups committed to making strong families and neighborhoods their highest priorities.

The Annie E. Casey Foundation works to build better futures for disadvantaged children and their families in the United States. Its primary mission is to foster public policies, human service reforms and community supports that more effectively meet the needs of today’s vulnerable children and families.

For more information about The Diarist Project or to receive copies of its publications, contact: Tim Saasta, The Diarist Project, c/o Charitable Choices, 4 Park Avenue, Suite 200, Gaithersburg, MD 20877 (240-683-7100; Tim@CharityChoices.com), www.DiaristProject.org.

Making Connections Denver is an initiative to improve life for families living in four lower-income Denver neighborhoods—Baker, La Alma/Lincoln Park, Sun Valley and Cole. Its philosophy is that children succeed when their families are strong and families get stronger when they live in supportive neighborhoods.

For more information, contact Gloria Marrujo, 720-891-4911. www.MakingConnectionsDenver.org