

## Community Benefits Agreements

By: Patricia A. O'Malley

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Plans for the new Penguins' arena and the new casino have been in the news a lot recently. Community groups in both areas want Community Benefits Agreements (CBAs) for those projects. A CBA is a legally binding contract between the developer of a major construction project and community groups in the area where the project is located. They usually happen when the developer obtains public benefits for the project, such as public funding, tax deferment, land, licenses, or other things. The purpose is to spread the benefits of publicly subsidized projects to more than just a single private company.

The Pittsburgh Penguins will get a place to hold their hockey games – partially paid for with your tax dollars – compliments of the Pittsburgh-Allegheny County Sports and Exhibition Authority. The Pennsylvania Gaming Control Board gave Don Barden's PITG Gaming, developer of the Majestic Star Casino, the only license to operate a slots casino in Allegheny County. Since the two companies are getting public property to benefit their private businesses, community groups in the Hill District and North Side expect the Penguins and PITG Gaming to compensate the communities most directly affected by those developments.

Ideally, the parties should sign the CBA *before* the development plans are finalized. That gives community groups a chance for input in the planning process to discuss their concerns. That didn't happen in Pittsburgh, and that's why there's so much controversy now. Pittsburgh is a latecomer to the CBA concept. There have been many successful CBA projects in other cities, including San Diego, Los Angeles, Minneapolis, Milwaukee, New York, Denver, and Washington, DC, and Gary, Indiana. The agreements have not discouraged development in those cities.

The One Hill CBA Coalition is asking for a grocery store, historic preservation in the neighborhood, jobs, job training, and youth programs for the community residents. North side groups want similar compensation for the casino project. While local officials are new to this process, Mr. Barden is no stranger to community benefits agreements. Among other things, his riverboat casino in Gary, Indiana has paid for police cars for the Gary police department and computers for the Gary schools.

Without a CBA, developers often make empty promises to community representatives, just to make them go away. Those promises are rarely kept. That's one of the arguments of the current group of CBA advocates. Benefits promised during the construction of the Civic Arena and *three* stadiums on the North Side never appeared. Pittsburgh and Allegheny County leaders have missed many opportunities to gain benefits for their neighbors.

Really, it's only fair. Developers must learn to understand that their major projects have major impacts on communities. If you're going to get something of value from the public to benefit your private business, then you must give something back to the community. I would expect most large-scale developers to prefer having a specific contract in place. Then, both parties know what to do and what to expect, and it limits surprises and difficulties in the long run.

Community benefits agreements are here to stay and it's a good idea for local officials to learn how to develop good, solid agreements. Pittsburgh-UNITED is an alliance of local community, faith and

labor organizations working to improve the local economic development process. The group is working on both the arena and casino projects. Allegheny County Councilman Bill Robinson, D-Hill District, has introduced legislation to require all developers who receive county funds to enter into a CBA. That's a step in the right direction.

For more information, look at

Pittsburgh-UNITED  
412-231-8648  
[www.pittsburghunited.org](http://www.pittsburghunited.org)

and

[www.communitybenefits.blogspot.com](http://www.communitybenefits.blogspot.com)

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