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Stadium Project Falling Short Of City's Ambitious Hiring Goals

Contractors Use Fewer D.C. Workers Than Required

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By Daniel LeDuc
Washington Post Staff Writer
Sunday, February 24, 2008

With Washington's new ballpark a little more than a month from its scheduled completion, the project has failed to meet the majority of hiring goals meant to provide construction jobs to city residents, and the District has not sanctioned any contractor for falling short.

An agreement between the District, the main contractors and the region's major unions calls for half of the journeyman construction hours at the ballpark -- the most lucrative jobs -- to be performed by city residents. The actual hours have amounted to 27 percent.

The project also has missed targets that all new apprentices be city residents and that apprentices work at least one-fourth of the hours devoted to construction. About 87 percent of the new apprentices came from the city, and apprentices account for 19 percent of hours, according to construction records.

"At the end of the day, all of those goals should have been met," said Robert C. Bobb, who drafted the agreement two years ago on behalf of then-Mayor Anthony A. Williams (D). "I can't see that there should be a lot of celebration."

The hiring agreement was critical to winning union and political support for the new ballpark and easing concerns of some D.C. Council members who were wary of the city providing the financing for such an expensive project. Supporters touted the ballpark as a source of jobs in a city where pockets of unemployment remain high, and they enlisted organized labor to put its clout behind the stadium.

By the end of December, 2,719 workers had put in 1.7 million hours on the ballpark along South Capitol Street SE. Ironworkers, carpenters, electricians, plumbers, masons and other tradesmen -- with pay ranging from \$10 to \$34 an hour -- have swarmed the 21-acre construction site, many working six days a week to have the stadium ready for a March 29 exhibition game between the Nationals and the Orioles.

Their work has been governed by a 21-page agreement spelling out not only their pay and working conditions but how many of them are expected to be D.C. residents. It sets the terms for journeymen, or experienced, workers, and for apprentices, who are learning their crafts.

Many major public works projects, including the Washington Convention Center, have had these sorts of agreements, but the ballpark called for the most aggressive hiring goals ever set by the District. Besides calling for D.C. residents to get a certain share of hours worked at the ballpark, it required contractors to give the city's residents priority if the businesses needed to make new hires to get the job done.

But the number of construction projects in the region -- including enormous developments such as National

Harbor in Prince George's County -- has made it difficult to find enough skilled city residents for the ballpark, contractors and union leaders say.

"The hiring halls are tapped out," said Gerard M. Waites, a Washington lawyer who helped negotiate the agreement for the unions. He noted that 750 of the new journeymen and apprentices hired by various contractors for the ballpark have been D.C. residents and pointed to that as a sign that the project has helped many in the city.

And the ballpark has met or exceeded two goals in the agreement: Fifty-one percent of new hires are D.C. residents, and 72 percent of apprenticeship hours have been performed by city residents, well above the goal of 50 percent.

Bobb, who was city administrator under Williams, agrees with representatives of nonunion contractors who say that all of the agreement's goals could have been met with more diligence.

"They weren't high or unexpected," said Bobb, who is now D.C. State Board of Education president. "It's how much do you want something?"

* * *

What many of the city's movers and shakers wanted was professional baseball. Williams worked hard to bring a team to Washington, which had been without one since the Senators left in 1971. But that required a new ballpark and figuring out how to pay for it.

The D.C. Council debated for months about how far the city should go in financing the project, initially estimated to cost \$535 million and now about \$100 million more than that. For a while, despite the efforts of the Williams administration, the deal's future was shaky.

Union leaders provided political support, but they also pushed hard for a project labor agreement. Such contracts, known as PLAs, outline wages, working conditions and labor grievance procedures. In return, they typically contain clauses barring strikes -- an important factor in this case, since the construction schedule was one of the tightest ever proposed for a major league stadium.

Throughout 2005 and early 2006, city officials and the trade unions had extensive, closed-door discussions about the terms of the labor agreement. The D.C. Council approved the baseball financing package in February 2006, and the labor agreement was signed the next month. Construction began several weeks after that.

The agreement does not require union workers. But it does demand that all workers be paid union rates and that they pay union dues while on the project -- a major plus for organized labor. For the city, the pact held out the prize of good jobs for District residents.

"The building trades are highly important as a political entity," Williams said in an interview last week. And in dealing with them, the former mayor said, he wanted to set "aspirational" hiring goals for residents.

Although the unions and city came away with potential benefits, the agreement drew the ire of nonunion contractors, who unsuccessfully tried to get Congress to intervene and block it.

"It excludes us from the workplace," said John Magnolia, who owns Joseph J. Magnolia Inc., a nonunion plumbing contractor with 400 employees that has been based in the District since the 1950s.

Supporters of the agreement, including union leaders, said there is nothing to prevent nonunion contractors from working on the ballpark. Many smaller subcontractors do not have union employees.

But Magnolia said that he opposes forcing his employees to pay union dues in order for them to work on the ballpark. If those requirements were not there, he said it would have been much easier to reach the hiring goals for employing more city residents.

The outcome of this debate is important because PLAs are proposed for virtually all city-financed construction projects. Washington's labor leaders call the ballpark agreement a model for the future. Joslyn N. Williams, who heads the Metropolitan AFL-CIO, said he will push to have a similar agreement if a District-backed hotel is built near the convention center.

* * *

Since inheriting the agreement when he took office, Mayor Adrian M. Fenty (D), who opposed the ballpark while on the council, has had little to say about the performance in meeting hiring goals. In a statement, he said, "We will always push to make sure as many District residents are hired for city projects as possible whether a project labor agreement is in place or not."

Thus far, no one has been penalized for failing to meet the targets for the ballpark. A task force made up primarily of construction executives and union officials reviews hiring monthly. And the D.C. Sports and Entertainment Commission, which owns the ballpark, is overseeing the progress of hiring as well. Businesses that fail to meet goals face financial penalties, but the agreement caps the amount at 5 percent of the value of the contract.

Dozens of contractors have received letters asking them to explain why they have fallen short on hiring District residents. Courtland Cox, a sports commission official working on labor issues at the ballpark, said that the overseers are examining whether the contractors made a "good faith effort," as called for in the agreement, before considering taking them to arbitration.

One of the central goals was to win high-paying journeyman jobs for residents. But, Cox said, journeymen "tend to live in Maryland and Virginia."

Labor leaders said the agreement has helped D.C. residents in two key ways. They go to the head of the line in hiring priority when contractors call union halls. And, union officials said, the agreement's focus on apprentices will help with job training and provide a foundation for a city workforce and building a stronger middle class in the District.

Williams acknowledged those successes and rejected the complaints of nonunion contractors, saying that there was enough construction work in the region for everyone. The former mayor, who left office in January 2007, attributed the failure to meet the majority of hiring goals to a combination of factors: Many journeymen were tied up on other projects, the city's workforce was unprepared to qualify for apprenticeship programs, and the agreement wasn't adequately enforced.

But he offered no apologies for the high goals.

"You want to be honest with people," Williams said. "Shoot for high goals and take the consequences."

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Goals Unmet on Stadium Construction Jobs for D.C. Workers

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By David Nakamura
Washington Post Staff Writer
Tuesday, October 2, 2007; B01

D.C. residents have worked about one-third of the total hours of skilled labor needed to build the [Washington Nationals](#) stadium, despite an agreement between the city government and labor unions that half of the hours would go to city workers.

The data, provided by the D.C. Sports and Entertainment Commission, which is overseeing the construction, show that city residents have worked 32 percent of the nearly 650,000 hours worked by journeymen, which include those in trades such as ironwork, electrical, roofing and plumbing.

Although the vast majority of lower-paid apprentice work has gone to D.C. residents -- 91 percent -- the stadium contractors have not met the goal of 100 percent established in the labor agreement signed by former mayor [Anthony A. Williams](#)'s administration, the commission and the labor unions.

The figures have frustrated some D.C. leaders who supported the \$611 million investment of public money for the stadium complex with the expectation that the project would provide many jobs for residents.

"I'm not happy about it," said [D.C. Council](#) member [Kwame R. Brown](#) (D-At Large), who oversees the Economic Development Committee. Although Brown noted that the figures are an improvement from the percentage of hours worked by D.C. residents on the [Washington Convention Center](#), he said: "There's still work to be done."

Courtland Cox, who works on hiring issues for the sports commission, said his agency has had three meetings with subcontractors to explain the hiring requirements. But officials at Clark/Hunt/Smoot, the three-company conglomerate that is building the stadium, said that the subcontractors have had trouble finding enough skilled laborers and that the unions have failed to provide them.

"We're going to do our very best, but if the people aren't there, they're not there," said Chrystal Stowe, a spokeswoman for Clark/Hunt/Smoot. "It's a function of individuals not having the skills required to fulfill the position requirements."

Under the terms of the labor agreement, if a union is unable to provide D.C. workers to meet a request from a subcontractor, it can ask for assistance from the city's Department of Employment Services. If the agency cannot find a qualified applicant within 48 hours, the subcontractor is free to hire from outside the city.

Jerry Lozupone, executive secretary-treasurer of the Washington D.C. Building and Construction Trades Council, which crafted the labor agreement with the city, declined to comment yesterday about the data.

Lozupone said statements he made to the Washington City Paper last month for an article about the hiring figures were taken out of context. In the article, Lozupone appeared to question whether the D.C. government ever took the hiring goals seriously.

The District could seek to impose fines on contractors that do not hire enough local workers, but no firms have been sanctioned. Cox said he will wait a few months before rendering judgment on the firms, because this fall is the peak construction period for the stadium -- which is due to open in April -- and the figures could improve.

Susan Gilbert, an associate director of the Department of Employment Services, said her office has done job fairs, broadcasts, Web postings and other advertising to find skilled workers for the stadium. But in certain trades, such as ironwork, the District traditionally has had trouble supplying enough trained workers.

Some say the labor agreement, which mandated that the ballpark construction jobs go to union employees, was a mistake.

Today, a new group called the District Economic Empowerment Coalition is scheduled to release a study on the figures that paints an even bleaker picture. The report says the share of journeyman hours worked by D.C. residents is 29 percent, based on an analysis of the sports commission's data.

Sam Brooks, a D.C. resident who helped put the study together, said the coalition is a nonprofit organization funded by nonunion construction companies.

The ballpark "is a very public project where we should have hit a home run, but instead we've fallen down," Brooks said. "What about next time? Will they always sign agreements that end up broken?"

But Cox said the labor agreement was a good idea, no matter the final result.

"Even if the story says we didn't have the workforce to do what was necessary, especially in the skilled trades," Cox said, "it tells us where we are and tells us where we need to engage in training programs and begin to work with District residents to get them involved."

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THE DISTRICT LINE

Think Locally, Hire Regionally

D.C. residents lose out on stadium jobs.

By Joe Eaton • September 14, 2007

On work days, Anthony Brown wakes up at 4:15 a.m. and races from his home in Fort Washington, Md., to score a parking spot near the construction site for Nationals Park.

"You got guys coming from as far away as Delaware and Richmond," the 45-year-old journeyman carpenter says early Tuesday standing outside the stadium next to his Toyota SUV. "It's a rat race for parking."

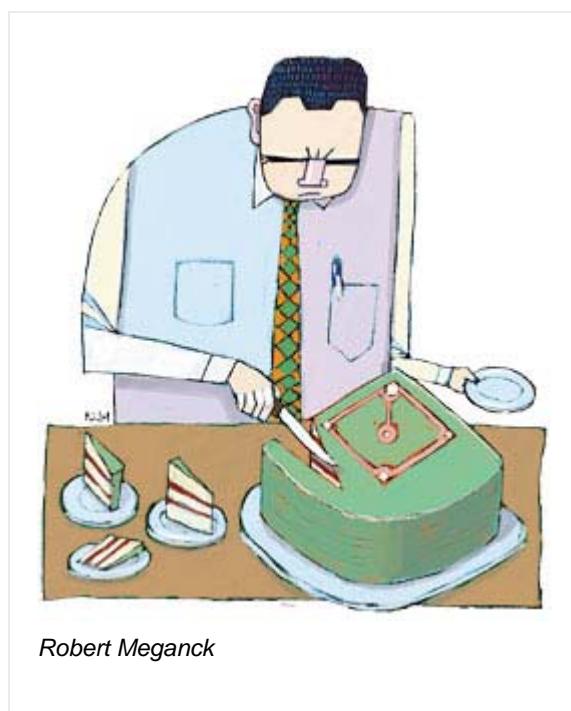
So far, out-of-towners like Brown haven't had to worry much about parking competition from locals.

Although residents were promised a chunk of construction jobs at the stadium, the work hasn't come through.

By the end of June, District residents had worked only 23 percent of the highly paid journeyman hours at the site along the Anacostia River, according to a recent report.

Much of the money fleeing with workers to the suburbs was supposed to stay in the city: In 2006, Mayor Anthony A. Williams fashioned a "project labor agreement" with trade unions, the construction giant Clark/Hunt/Smoot (a joint venture of three construction groups formed for the job), and the D.C. Sports and Entertainment Commission. The agreement promised 50 percent of journeyman hours to local residents.

In addition to the low local journeyman hours, lower-paid apprentices are doing less



Robert Meganck

work than promised. Unions and subcontractors have also fallen short of a pledge to hire D.C. residents for all new apprentice jobs. By the end of June, 1 of 10 lived elsewhere.

At the job site, many suggest that D.C. workers are to blame. Clifton Beynum, a 52-year-old concrete laborer who lives in Kingman Park and has been making \$20 an hour at the stadium for more than a year, says construction work turns off locals looking for easy money.

"Today it was 91 degrees," he says after work Monday. "We was out there in it. You have to have a backbone. They aren't giving you anything."

Beynum sees the issue in terms of race, not residency. "You got a lot of young people who don't want to work," he says. "But the Latinos, they are jumping through the roof for a job. For every D.C. resident who has been fired over there, a Spanish person has replaced them."

Stories circulate about D.C. residents faking credentials to get work. Brown says he has seen District residents come and go from the work site after bosses find out they don't have the skills for the job. "I've seen a few promise some things. Then a few days later you find out they can't do the work," he says.

The view from the trenches is shared by Morris Shearin, the pastor of Israel Baptist Church who chairs the task force that tracks the employment numbers. "The people do not want to go through the training to start themselves on the path," Shearin says. "It's up to the individual. As James Brown used to say: 'We're living in America.'"

Hiring procedures for stadium jobs are spelled out in the agreement. When subcontractors need workers, they are required to ask the unions to dispatch a D.C. resident. If the unions cannot find one within 24 hours, they pass the query to the D.C. Department of Employment Services, which sends available workers to the site. If the department cannot fill the job within 48 hours, subcontractors are free to hire nonresidents.

Jerry Lozupone, executive secretary treasurer of the Washington D.C. Building and Construction Trades Council, says the unions are searching for city residents to work at the stadium, but job-fair returns have been small.

The notion that the stadium would be a boon to the city's unemployed was a pipe dream, Lozupone adds, since most of the unemployed do not have the necessary skills

to work at the site. "I don't care who you are, I'm not putting you to work for \$35 an hour if you don't know a wire nut from a lock nut," he says.

Construction companies and the unions haven't failed on all of the labor agreement's targets. Among all new hires this year, 480 of 868 were from D.C., which exceeds the 51 percent goal. Still, these new hires have had a paltry effect on the amount of hours worked by locals. Lozupone says that's because some subcontractors arrived with out-of-town crews and simply aren't hiring. He seems to be correct. Among the 56 contractors listed on the June task force report, 18 of them did not hire workers this year.

Chrystal Stowe, spokeswoman for Clark/Hunt/Smoot, disputes that rationale. She says subcontractors are asking the unions for residents to meet the requirements, but the unions haven't provided them. "It's not so much that subcontractors are bringing in crews from Virginia," she says. "It's that subcontractors are requesting D.C. residents, and they are not there."

The local hiring issue has come up before, most recently during the 1990s construction of the Washington Convention Center and MCI Center. It's likely to be an issue again with other city projects near the stadium, task force and construction sources say.

There is much hand-wringing over the stadium labor numbers, but some question whether the city ever took the agreement seriously. "I really think they knew it couldn't get met," Lozupone says about the resident worker goals. The bigger issue is getting the stadium built before Opening Day, he says. "Come April next year, nobody is going to give a rat's ass. Everybody forgets it. It goes away."

It may have already gone away. As part of the agreement, subcontractors who fail to meet hiring goals or demonstrate "good faith" efforts can be fined. Grievances can also be filed against the unions. So far, neither has happened.

It's too early for that, says Courtland Cox of the D.C. Sports and Entertainment Commission. There still is much work to be done at the stadium, and Cox expects an increase in District work hours before the job is complete. Still, he doubts all goals will be met.

"I think we knew from early on in our conversations that this was an uphill slog," he says.



The Washington Post

Stadium Deal Calls For Union Workers

Advertisement

Some Doubt Fairness Of Construction Plan

By Robert E. Pierre
Washington Post Staff Writer
Friday, June 17, 2005

Mayor Anthony A. Williams announced yesterday that the city has reached an agreement that requires local unions to hire and train hundreds of District residents for the construction of the new baseball stadium.

Williams made the announcement under a sweltering sun near home plate at Robert F. Kennedy Memorial Stadium, where the Washington Nationals currently play, surrounded by more than 100 union members in the construction trades who are hoping to get a piece of the \$535 million project.

The agreement, struck after nearly a year of closed-door sessions, essentially requires that bidders either have union shops or agree to have their workers join a union in order to participate. The agreement will require the approval of the D.C. Sports and Entertainment Commission.

But the mayor said that's a small concession because the unions agreed that half of all apprentices hired will be city residents, that union members who live in the District will get dibs on every job and that the local unions will create a summer program for city youth. Williams said the deal is additional proof that he was right to lure Major League Baseball back to Washington.

"The return of baseball has proven to be a resounding success," he said. "The team is playing well. The Nats are in first place. You hear people talking about it on the Metro. All of us had a dream for what is happening. And it's happening."

But the euphoria inside RFK was nearly drowned out by protesters gathered outside the stadium, chanting and continuously blaring the horns of heavy construction equipment. They said the agreement will cost the city money, result in delays and cost overruns, and hurt the very residents it purports to help. The fear is that once the project is over, black workers and other minorities will have gotten little, if any, of the project money.

"This is a political payoff for helping [the mayor] in the last election," said Mark Hall, vice president of the Capitol Area Minority Contractors and Business Association, which has sent two mailings in recent weeks urging residents to reject any "union-only" stadium project labor agreement such as the one announced yesterday. One of the mailings featured a character dressed as an umpire behind home plate, yelling "Yooooooooou're OUT!" and claiming that because most D.C. workers are not union members, they won't get the stadium jobs.

"It just doesn't make sense," said Adam Prill, board chairman of the Associated Builders and Contractors of

Metropolitan Washington, which represents more than 500 nonunion private contractors and suppliers throughout the region. Prill said his members agree with the need to provide worker training and hire city residents.

But those things, Prill said, are achievable without forcing workers to join a union. "The city has gutted its vo-tech programs and failed miserably in providing workers with life skills," Prill said. "We all agree with the social part of it and providing city residents with jobs. You can't do that by excluding the majority of [companies] who provide the jobs."

Joslyn N. Williams, president of the Metropolitan Washington Council AFL-CIO, said that despite what critics say, the agreement is a victory for unions and residents. He said workers hired under the agreement -- as with most union workers -- will earn more than their counterparts not affiliated with a union. To ensure that small and minority businesses are not shut out, the agreement applies only to contracts of more than \$10 million.

Those involved acknowledge that the process will not be easy. Many unions and private contractors have not attracted large numbers of city residents as employees and will need apprenticeship programs to increase those numbers. The new agreement sets up an independent board to ensure that those hired meet their pledge.

The goal is to produce more success stories such as Eric Gross, 37, who went from earning \$7 an hour working on the city's convention center to earning more than \$22 an hour through an apprenticeship program. "It did a lot for me," Gross said.

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The Washington Times

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Alarming stadium developments

Published November 30, 2004

Mayor Tony Williams has proposed a stadium financing budget that totals \$435.2 million -- a low figure he uses to make the package more attractive to the public. Both the D.C. Office of the Chief Financial Officer (CFO) and the Office of the D.C. Auditor dispute the estimate. CFO Natwar Gandhi put the total at \$486.2 million, saying the mayor underestimated money needed for infrastructure, renovating RFK Stadium and other costs associated with relocating the Montreal Expos.

A comparative analysis by Auditor Deborah Nichols says both the mayor and the CFO underestimated costs. She put the total at \$583.8 million -- and counting. Land acquisition near the site for the new stadium "may be significantly higher than the \$65 million that is currently budgeted," the auditor said in her analysis. Mrs. Nichols also called infrastructure costs "unrealistic" and said "there is a high probability there will be construction cost overruns."

Delays and cost overruns occur for various reasons, and the auditor cited but three -- design changes, land acquisition and weather. Add labor to that short list. The labor agreement being drafted by the mayor's bring-baseball-to-D.C. panel follows what the Associated Builders and Contractors Inc. of Metro Washington, or ABC, rightly calls a "blueprint" project labor agreement. In short, the agreement would impose union-only and other restrictions on contractors and laborers. For example, contractors would be forced to recognize "designated" unions, and pay union wages and benefits. The workers, meanwhile, would be forced to join a union. Adhering to such restrictions hurts companies and their workers. Stadiums built following union-only labor agreements lead to cost overruns. A perfect example is situated in California. D.C. City Administrator Robert Bobb, who held the same post in Oakland, and Jane Brunner, an Oakland Council member who also is consulting with the mayor's panel, should know that the union-only PacBell Park in San Francisco accumulated \$70 million in construction overruns because of labor shortages. In Detroit, home to Comerica Field, laborers' lawsuits charging race and sex discrimination led to \$25 million in cost overruns. Maryland, on the other hand, is home to three stadiums -- Camden Yards and Ravens Stadium in Baltimore, and the Redskins' FedEx Field in Landover -- that were open to fair and competition and, consequently, were built on time and on budget.

The mayor, it seems, wants to get a D.C. team at all costs. He has said that he wants to ensure D.C. residents are hired and given apprenticeship opportunities, and that he wants to boost participation by minority-owned businesses. But as ABC President Debra Schoonmaker told us yesterday, "a union-only PLA does nothing to advance those goals." We agree.

The council can remedy this situation today on the dais. The clock is ticking on the mayor, but it's up to the council to continue sounding the alarm.



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Nationals Park costs rise, sports commission struggles

By [Michael Neibauer](#)

Examiner Staff Writer 10/21/08

It has hosted 2.3 million Major League Baseball fans, Pope Benedict XVI and a sold-out opera simulcast, but Nationals Park still isn't complete and its cost continues to grow, now approaching \$700 million.

The ballpark's budget hit \$687.5 million by the end of September, according to a monthly report produced by the D.C. Sports and Entertainment Commission, which oversaw the construction of the stadium. Thousands of unfinished work items and a final land acquisition bill \$50 million over estimates have pushed the stadium's price tag 11 percent above the oft-quoted \$611 million figure.

"At this rate it'll take us 100 years to recoup our money on this thing," said at-large D.C. Councilman David Catania, a longtime stadium critic. "What a colossal waste of money. We're never going to get out of subsidizing the Washington Nationals."

The sports commission, meanwhile, is bleeding money. The agency is supposed to cover its expenses with event fees earned at RFK Stadium and the D.C. Armory, but its recent struggles have required a bailout.

The commission received \$2 million in fiscal 2008, \$2.5 million in fiscal 2009 and, on Oct. 7, Mayor Adrian Fenty asked the D.C. Council for another \$500,000. Council members said they are growing increasingly concerned that the commission may not be sustainable, especially in tough economic times.

"I've always had questions on what we're doing over there," said at-large D.C. Councilman Kwame Brown, who has oversight of the commission. "It seems to me we should give them the opportunity to make things happen. They are starting to, and the question is whether or not it will be enough to sustain them."

Maurice Henderson, the commission's chief operating officer, said the agency is "looking at all our financial responsibilities."

"It would be nice if that solves the problems," Henderson said of the most recent \$500,000. "I couldn't say that for sure."

As for Nationals Park, the District over the weekend pledged another \$4 million for stadium upgrades, pushing the budget over \$690 million, while team owners agreed to release \$3.5 million in rent they had withheld over claims the stadium wasn't substantially complete.

Thousands of work items are still to be done, such as repairs to pedestrian ramps and replacement of defective

carpeting. Last-minute change orders and “security and utility costs the team alleges they are owed” could push the budget even higher, the commission warned.

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