



Battling for the Big Ones

Reformers get mixed results in targeting major projects

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Photo by Debra Dipaolo Two years back, when the downtown Staples Center sports complex — and its \$70 million in public funds and financing — still needed City Council approval, arena developers played the labor card.



After an ardent courtship that saw Denver billionaire Philip Anschutz and his partner, L.A. real estate mogul Edward Roski, commit to unobstructed union organizing at the new project, the Hotel Employees & Restaurant Employees union (HERE) and the Los Angeles County Federation of Labor enthusiastically endorsed the deal, lobbying City Hall with cheering workers and warm praise for the arena plan.

But the labor leaders never got their deal written down on paper, concedes HERE senior research analyst David Koff, and now, just six months before the complex is set to open, the thrill is gone. According to union organizers, the Staples Center has stalled for months on signing a standard neutrality agreement that would allow a union campaign without a cumbersome National Labor Relations Board election. Staples Center managers protest that the issue is not with the arena partners, but with their food-sales contractors. Union officials see a double-cross and threaten to put up picket lines outside the Democratic National Convention, set for the Staples Center in 2000.

The tempestuous Staples-HERE affair is one of several Los Angeles corporate-community relationships in which labor and activist organizations have attempted to attach conditions to large development projects financed with public moneys. It's part of a growing trend that has drawn the attention of living-wage advocates, labor and other interests around the country.

Greg LeRoy, director of the Washington, D.C.-based Good Jobs First, says that L.A. is ahead of the curve in the growing national movement toward attaching strings to public expenditures. "If things were not to work out at Staples, it might be a setback locally. But there still are terrific precedents, terrific ongoing research in L.A."

The New York urban-policy magazine *City Limits* has dubbed this movement "growth with

equity." The idea is to leverage the activists' clout with local government officials. But it's not easy to do.

One grassroots group, the Los Angeles Metropolitan Alliance, learned the hard way. They targeted the nascent DreamWorks motion-picture studio with a specific set of demands. The studio, the activists reasoned, will receive upward of \$70 million in subsidies; the community should receive something in return.

In recent weeks, however, Metro Alliance was jilted by the new film giant. Organizers say they met with representatives of DreamWorks over a period of several months to hammer out plans to establish show-biz-technology training academies at L.A. community colleges, and proposed that the studio kick in start-up funding of \$5 million to \$10 million, and guarantee jobs. DreamWorks ignored the pitch and ended its contacts with the group.

Metro Alliance was further disappointed when DreamWorks co-founder Jeffrey Katzenberg recently joined Councilwoman Ruth Galanter, whose 6th District includes the proposed studio development, in announcing DreamWorks' own version of a plan to advise community colleges on film-training curriculum. The company will also fund an office to link up young people with jobs.

Metro Alliance maintains that the agreement fails to hold DreamWorks to any dollar amounts or specific commitments. "There's a tremendous amount of public money going toward this industry — the return can't just be a 'Well, maybe' kind of thing," says Alliance organizer Adrienne Shropshire.

But Andy Spahn, head of corporate affairs at DreamWorks, says you can't fix a dollar amount to the DreamWorks–community college relationship. "We've been very clear that the dollar figure is not the only nor certainly the best measure of the worth of a program."

He also points to a \$100,000 DreamWorks-financed training program in four L.A. high schools. "I'll run on our record any day, anywhere," Spahn insists.

Metro Alliance organizers hope to persuade City Council allies to attach a job-creation plan to yet another DreamWorks tax-incentive proposal up for council approval as soon as next month. But Galanter's initiative slows the grassroots group's momentum.

The one success story for local activists has come in Hollywood, where Councilwoman Jackie Goldberg incorporated key agreements as conditions for City Council development approvals. Goldberg's office negotiated a complex deal involving developer TrizecHahn's multimillion-dollar development at the corner of Hollywood Boulevard and Highland Avenue, a project that will benefit by a \$37 million public outlay over five years.

TrizecHahn has agreed to comply with the city's living-wage ordinance, and to press prospective retail tenants to comply as well. The developers will also kick in to a trust fund to enable retailers, who are not bound by the ordinance, to provide low-cost health benefits.

In sharp contrast to the Staples Center scenario, TrizecHahn has agreed to sign a no-interference compact with HERE Local 11.

And like everything else on the Trizec Hahn deal, the agreement is in writing.

Local 11 didn't think to get that done at Staples Center. The dispute centers on Ogden Entertainment, a subcontractor that will handle the beer, hot-dog and soda sales at the new downtown facility. Ogden currently handles the concessions at the Great Western Forum, home to two of the teams that will move to the downtown arena.

Tom Walsh, president of HERE Local 814, which represents the concessions workers at the Forum, estimates that at least 80 percent of Forum business will move to Staples Center and that most of the workers will want to follow. But Ogden insists that the Forum workers, many of them 20- to 30-year veterans, must compete with new workers and reapply — this despite a formal labor contract that guarantees jobs at the Staples complex for Ogden's 400 to 500 Forum employees.

"We negotiated it in our contract — but they have now said that they are only willing to give preference, that they will interview and give preference to our members over someone from the outside. But no guarantee — and they use those words — *no guarantee*," says Walsh.

Helen Mitchell, a cashier and beer tender at the Forum for 29 years, laughs a little at a question about why Ogden would want entirely new workers to apply for the positions. "They want us to lose seniority and benefits and start from the bottom. I get a good salary where I am, but if I reapply and go over there, they'll drop it to five bucks an hour."

Ogden Entertainment refused to comment on the dispute.

Another Staples contractor, Levy Restaurants, which will handle fine dining at the center restaurant and luxury suites, signed a neutrality agreement with the union this week. This arena managers did not participate in that pact.

Koff, at HERE, contends that the Staples Center management could easily pressure contractors into dealing fairly with the union. Local 814 organizer Kurt Peterson agrees. "Were they to say to Ogden, 'You must guarantee those jobs,' they'd do it in a second."

Of course, this is the same management group that, Koff says, agreed to stay neutral on labor issues in their building. Koff says he was surprised to see the arena partners renege. "A lot of things in this world are done by a handshake," Koff says.

The union still has two trump cards to play — the AFL-CIO national convention, set for Los Angeles days before the Staples Center's October opening, and the 2000 Demo-cratic convention, to be held at the new arena. L.A.'s proposal to the Democratic National Committee, Koff says, was full of "declarations and affirmations that Staples Center is a union facility." No one will want a picket line around the building during the convention, he says.

Walsh cautiously agrees. "We're committed to fight it until we win, and I think we will win. But the question is, will it be before they open and before these high-profile events take place — or will it be after? Or during?"