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New York's New Business: Redefining Workforce Development

Private businesses are turning to the government for help in recruiting, screening, and training workers.

In an issue of *Urban Land* that focuses on the vast spectrum of economic development and land use projects occurring in and around New York City, it would be negligent to ignore a topic discussed all too infrequently: workforce development. New York City realizes the potential and powerful role of workforce development in successful economic development programs, and it has recently gone great lengths to make this more of a reality.

Too often, people forget that economic development initiatives both large and small depend on access to a skilled and qualified workforce. New York City is seeing development of all sizes across the five boroughs: from the rebuilding of lower Manhattan to the downtown Brooklyn plan; from the revitalization of Hunts Point in the Bronx—bolstered by the arrival of the Fulton Fish Market—to the development of John

F. Kennedy International Airport in Queens, where Jet-Blue Airways plans to build a new terminal. Projects like these frequently are publicized with elaborate graphics that emphasize such elements as square footage and architectural style, but the number of jobs they promise to bring—let alone how those jobs will be filled—is often only a footnote.

New York City is striving to create a new model for workforce development, namely one that meets the needs of businesses as well as those of job seekers. At the moment, this goal is in its infancy, but things look promising so far. I admit: I'm biased. As the commissioner of the New York City Department of Small Business Services, which runs

the city's workforce development programs, part of my job is to be a cheerleader for what we are trying to do. But when it comes to the colossal task of reconfiguring workforce development for a city of more than 8 million people, our efforts are certainly worth talking about.

In July 2003, New York City Mayor Michael Bloomberg took the unprecedented step of consolidating the Department of Employment and the Department of Small Business Services. The rationale behind this shift sounded straightforward: linking workforce development with economic development made sense. But creating an employer-focused system of recruiting, training, and placing job seekers had never been done before. We canvassed the country for cities with effective programs—and, to be certain, we found a few that were commendable—but we did not find any that had comprehensively built their system around business needs.

Over the past year, this is what we have tried to do. Our system revolves around five centrally located “one-stop facilities,” called Workforce1 Career Centers, that we administer along with the New York State Department of Labor and the City University of New York. With one in each borough, these centers operate in easily accessible central business districts where they are positioned to forge relationships with nearby businesses large and small. We have contracted with some of the most respected and successful workforce development providers in the country to help run them. Historically, however, centers such as these have been focused solely on job seekers, not on job development.

Traditionally, longtime providers of job seeker services have screened, counseled, and trained those looking for employment, but their focus on making the connection between businesses looking for employees and job seekers looking for work has never been adequate. City government has not helped this equation. It's a simple matter of economics—to fulfill demand, you must have an adequate supply.

Too often, government has been a last resort for companies wishing to meet workforce needs. The private sector never had a good reason to trust government when it came to help with hiring people. Who can blame it? There was never any track record of success or achievement. This was our biggest challenge. We knew that businesses must make their needs known in order for government to design services geared to them. And to get them talking, we knew we had to offer a clear-cut value. But we



EDWARD REED, MIKOR'S PHOTO UNIT (ALL PHOTOS)

New York City Mayor Michael R. Bloomberg chats with employees and job seekers at the May 2004 opening of Brooklyn's Workforce1 Career Center (top); celebrates the opening of the Brooklyn Workforce1 Career Center with Small Business Services commissioner Robert W. Walsh, city council member Letitia James, deputy commissioner of labor Dennis Ryan, and Marcus Lewis of Target (middle); and cuts the ribbon for the new Mandarin Oriental, New York, in the Time Warner Center at Columbus Circle (bottom).



ROBERT W. WALSH is commissioner of the New York City Department of Small Business Services.

also needed to figure out exactly what that value is.

To do this, we created a sales force. We put together a talented group of individuals with masters' degrees in business administration and backgrounds in human resources and organizational development in an endeavor that represents the first of its kind—a proactive group of account representatives that recruit business customers by forming relationships with them *early on* in the process of development, expansion, or relocation. All too often, past ef-

forts to make a connection among development, jobs, and the community were made in a mad scramble at the 11th hour, which led only to animosity and mistrust. But by getting involved early on, we can change the outcome.

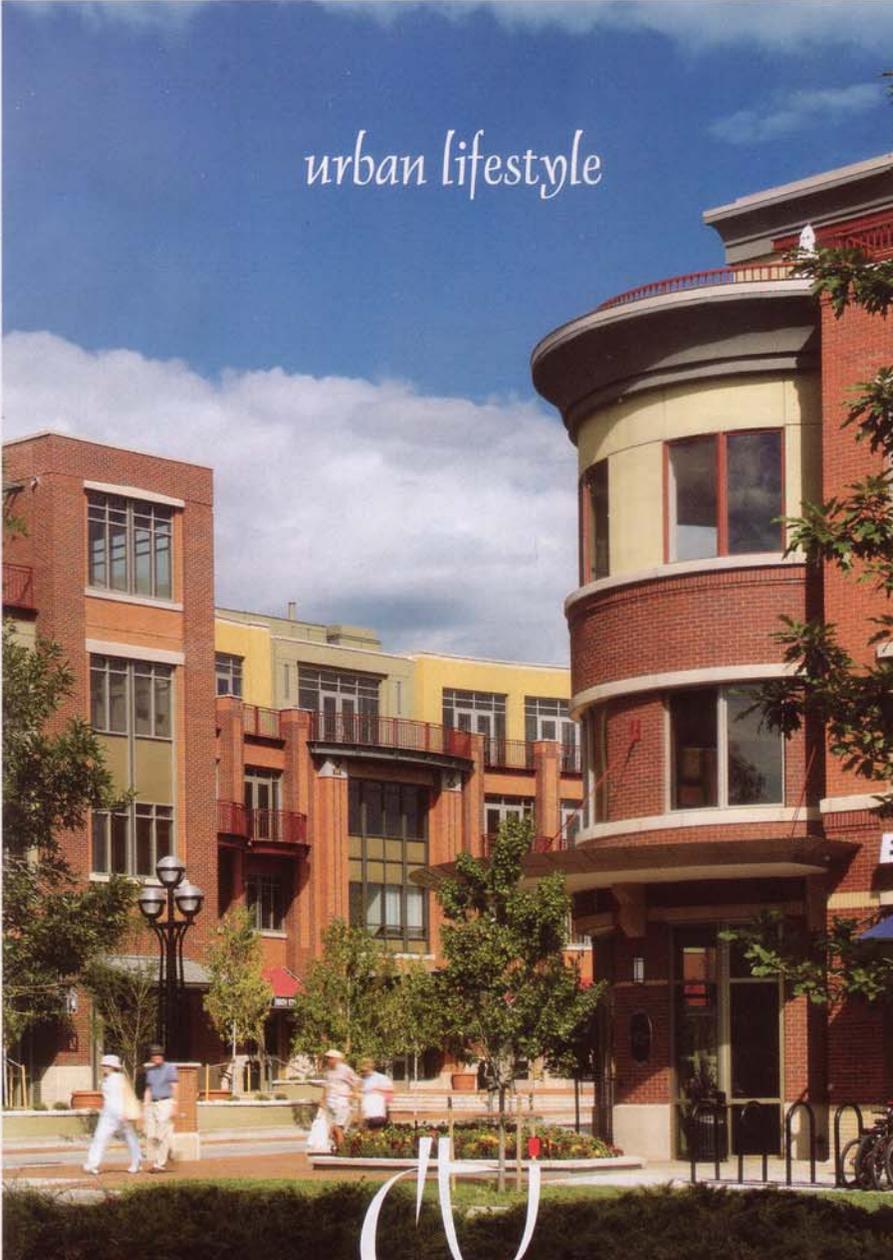
We really got to know the ropes in working with the Mandarin Oriental, New York—the city's newest luxury hotel built as part of the Time Warner Center and developed by the Related Companies. Council member Gale Brewer, who represents the city's upper west side, brought the Related Companies

and the Department of Small Business Services together with some of the neighborhood's most active community groups to devise a recruiting and placement strategy. As a result, at the high-profile ribbon-cutting ceremony last December with Mayor Bloomberg, we announced that of the 389 jobs the hotel brought to the city, 268 were filled by New Yorkers placed through our programs. The Related Companies and Mandarin Oriental realized the value that came from building community goodwill through this effort. But what they did not anticipate was the value of efficient recruiting, screening, job placement, and training that government provided. This is exactly what the mayor had in mind when he merged the two agencies—replacing an ineffective, standard-issue government program with an engaged approach to customizing services according to a company's needs.

When expanding or opening new locations, businesses routinely encounter hurdles and inefficiencies in hiring. Often, they simply do not know where to turn. After all, where does one look for qualified concierges, catering professionals, or experienced desk clerks? More important, the advertising dollars and time spent sifting through résumés and sitting through interviews can add up. In fact, earlier in the administration, when we surveyed New York's business communities in all five boroughs and asked where they needed help, workforce development was near the top of the list. By turning this task over to an agency that catalogs the skill sets and career interests of the city's available workforce, the value could not be more direct: it saves time and money.

We made similar strides in staffing downtown Brooklyn's new Atlantic Terminal shopping mall and office development—which is connected to the older Atlantic Center mall and was constructed by Forest City Ratner, the same entity behind the effort to build the New Jersey Nets a new basketball arena just down the block. Forest City Ratner sent its new tenants, including the second-largest Target in the nation and a host of retail stores, to our doorstep with the commitment of hiring local residents.

We delivered—but we did not do it alone. The first step was to ensure that our recruitment efforts were comprehensive, so we partnered with several community-based organizations—groups that know their constituents better than we do—to spread the word and assemble a pool of candidates who met the employers' criteria. Again, we worked with a city council member—Letitia James—to reach a



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wide audience. As a result, more than 180 local residents have been offered jobs in the mall since it opened at the end of July. This number represents about one-third of the individuals who were referred to interviews—an unheard-of success ratio. Other companies, including Starbucks, Burlington Coat Factory, and Bath & Body Works, and several restaurants continue to interview our referrals. Some stores have gone even further: for example, Daffy's, a regional designer clothing outlet, started using the Workforce1 Career Centers to fill openings at its locations throughout the city.

Assembling a core group of satisfied customers is essential to any business venture, and ours is no different. But it does not end with the retail industry. In August, we held separate conferences focusing on the training needs of both the aviation and the health care industries—two of this city's strongest industries. These conferences are part of an initiative we launched with a consortium of local and national foundations and corporations to provide grants for organizations to develop industry-specific recruitment and training strategies. Customized training for the health care and aviation industries gives low-skilled job seekers access to higher-wage jobs with advancement opportunities. Not only are we working with high-profile companies like JetBlue, but also the related services—the ground logistics and aircraft services companies—all of which offer excellent career opportunities.

At Hunts Point in the south Bronx, home to one of the nation's preeminent wholesale food markets, the relocation of the Fulton Fish Market from lower Manhattan to a new 430,000-square-foot state-of-the-art facility spurred economic activity and job growth in anticipation of its early 2005 opening. Our sales team is working with Hunts Point businesses to create a training initiative to link community residents with some of the more than 600 jobs that the market and other businesses will bring to the neighborhood.

In Brooklyn, Steiner Studios—the largest sound stage west of Hollywood—is getting ready to open its 15-acre film and television production complex inside the Brooklyn Navy Yard. In preparation, we created a hiring initiative with community organizations and educational institutions to link local residents with both production-related jobs and those brought by ancillary services. Some candidates for these jobs will come from the public housing developments right next door, places saddled with high unemployment. We are committed to providing Steiner Studios and the other film in-

dustry companies that set up shop with a highly qualified and prescreened pool of talent.

These efforts have all been executed within the past ten months. And we are only just getting started—but we have to be careful not to overpromise. Building a workforce development system that responds to market needs and industry growth sectors takes time. It means investing resources to identify industries with high growth potential and the skill sets they demand. It means building our capacity to respond to the job orders not just of

large-scale developments but also of the city's more than 200,000 small businesses. It means allowing our sales force to focus on cultivating relationships with clients and ascertaining their needs, then allowing the program experts to craft a program that will meet those needs. As with any effort to implement a far-reaching paradigm shift, big victories come with small steps. If we keep heading in this direction, we will go a long way toward creating a service that business and developments large and small, from all corners of the city, can turn to. ■

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