

East Baltimore Revitalization Project: Opportunities and Challenges in Transforming an Urban Neighborhood

*Patrice M. Cromwell, Robert P. Giloth
Marsha R. B. Schachtel*

Abstract

The East Baltimore Revitalization Project, a fifteen-year, \$800 million redevelopment initiative, seeks to transform a struggling area of the city near Johns Hopkins Hospital. A unique partnership of the Johns Hopkins University and Johns Hopkins Medical Institutions and the Annie E. Casey Foundation is supporting the City of Baltimore in this effort, which will focus on improving the lives of area residents as well as on traditional “bricks and mortar” activity. The article discusses both the opportunities and the challenges of the project, which is still at an early stage. The partners expect that the project will offer important lessons for rebuilding impoverished urban neighborhoods. It is also hoped that the project will provide a road map for crafting and achieving important benefits for neighborhood residents and the broader community, particularly in the form of jobs and workforce development.

Introduction

Considered one of the best medical and research institutions in the nation, Johns Hopkins Hospital sits amid low-income, often struggling neighborhoods on the east side of Baltimore. The eighty-acre area to the north of the hospital is now being targeted for a drastic transformation. The East Baltimore Revitalization Project is anticipated to be a 15-year, \$800 million effort to rebuild that section of the city. At the heart of the project is a two-million-square-foot Life Sciences and Technology Park and related convenience retail outlets.

But the emerging story of the East Baltimore Revitalization Project will potentially be about much more than a large-scale university-community “bricks and mortar” partnership. Key institutional stakeholders—the Annie E. Casey Foundation, the City of Baltimore, and the Johns Hopkins University and Medical Institutions—expect that the project will also offer important lessons for rebuilding urban neighborhoods, particularly in cities

that have lost population and jobs. The partnership may provide a road map for both crafting and achieving important benefits for neighborhood residents and the community at large, particularly in the form of jobs and workforce development. This paper discusses how implementation is unfolding at this early stage of the project and identifies opportunities and strategies.

The Opportunity

The East Baltimore Revitalization Project is distinguished from similar urban university-related technology parks by the simultaneous coordinated community development effort. The goals include the renovation or new construction of 1,200 mixed-income homes and apartments, improved parks and streetscapes, a new school and subway stop, and retail and other consumer services. Responsibility for this ambitious project lies with East Baltimore Development, Inc. (EBDI), a new nonprofit corporation created to work with local residents and key stakeholders to oversee both development and the efforts to provide community benefits. Forest City Enterprises–New East Baltimore Partnership, LLC was selected last December to lead the development of the project's 30-acre, \$30 million first phase, which includes one million square feet of life sciences space, 41,000 square feet of retail space, parking, and open space, and 850 mixed-income homes. Construction on the first commercial building is scheduled to begin in 2006.

Although the area is burdened with large numbers of abandoned houses, the neighborhood still has eight hundred families that must be relocated to allow development—both commercial and residential—to occur. These families are likely to be the most directly affected residents. EBDI is providing them with an array of relocation services and benefits to improve their lives and to provide them with an opportunity to move back to the community if they wish. Surrounding these eight hundred families is a swath of East Baltimore neighborhoods that are home to about thirty thousand people. All of the stakeholders expect that the revitalization project will produce collateral benefits and opportunities for broader neighborhood rebuilding and improved economic opportunity for these residents. Conversely, the health of the surrounding neighborhoods will significantly affect the prospects for the revitalization project's success.

Three key partners are supporting the newly formed EBDI's East Baltimore Revitalization Project: the Annie E. Casey

Foundation, Johns Hopkins University and Medical Institutions, and the City of Baltimore. The world-renowned Johns Hopkins University and Medical Institutions employ thirty thousand people in Maryland, including 14,500 who live in Baltimore City; add more than a thousand jobs a year to the state economy; and make annual purchases of \$3.5 billion for nonconstruction goods and services (*Bay Area Economics 2003*). They conduct more sponsored research than any other university except the University of California System, and they are the largest grantee of the National Institutes of Health. The university and the medical institutions are embarking on a ten-year, \$1.2 billion program of construction in East Baltimore.

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The Annie E. Casey Foundation is a national philanthropy headquartered in Baltimore that is devoted to improving outcomes for children and families. Founded in 1948 by Jim Casey, the founder of United Parcel Service, the Casey Foundation believes that children do better in strong families, and families do better when supported in their communities. The Foundation believes that place-based family strengthening should incorporate access to economic opportunity, social networks and supports, and trusted and appropriate services. The Casey Foundation’s long-term Making Connections initiative in ten cities is attempting to bring these important elements together to benefit families and neighborhoods.

The City of Baltimore, with a population of approximately 630,000, has three main points of emphasis for its economic development approach: creating a clean and safe city, promoting workforce development and education, and implementing an economic growth strategy. This strategy calls for:

- building on the city’s assets, particularly higher education institutions, industry clusters such as health care and life sciences, parks and other natural settings, architecture and historic structures, and neighborhoods;

- making targeted quality of life improvements that make the city a desirable place to live and work;
- ensuring that government is efficient and responsive (*Baltimore City 2002*).

The Challenges

To place the specific challenges of the East Baltimore Revitalization Project in context, it is worth noting the broader challenges facing workforce development practitioners trying to improve conditions for low-income, low-skilled families. Based on national research and practice, we note that five overarching challenges are relevant:

“The long-term goal is to help workers and job seekers move along career pathways to better jobs with family-supporting wages and benefits.”

- **Place-based workforce development.** There are few examples of neighborhood-based efforts that achieve widespread—or “saturation”—impacts. Even the poorest neighborhoods have residents with differing workplace assets, skill levels, work experiences, aspirations, and barriers. It is not enough to establish only one workforce pathway, such as job-readiness preparation or health occupations training; many workforce connections need to be created (*Fleischer and Dressner 2002*).
- **Career advancement results.** Effective workforce development is not just about getting people into jobs, although this is obviously an important starting point. The long-term goal is to help workers and job seekers move along career pathways to better jobs with family-supporting wages and benefits. A workforce without adequate skills makes this goal more elusive, as does a lack of training models that involve the actual employer (*Rademacher 2001*).
- **Workforce/economic development links.** Ideally, investments in job and business growth need to be closely linked. Economic development, after all, generally depends on an adequate workforce. However, workforce and economic development proponents frequently have differing views of the working world. The two efforts have different sets of customers, and it is often difficult to coordinate the timing required to link the two kinds of development (*Jobs for the Future 2001*).

- ***Anchor institution/neighborhood links.*** Hiring neighborhood residents makes sense for both the anchor institution and the neighborhood. Work becomes more accessible to neighborhood residents, and the institution contributes to the overall well-being of the community. However, the neighborhood employee pool must be well prepared, or the institution will limit its local hiring. The reality is that some employers are not willing to invest in neighborhood-based workforce development approaches that take time. Community development requires a long-term partnership between the institution and the community (*ICIC and CEOs for Cities 2002*).
- ***Convening the workforce system(s).*** Workforce stakeholders are notoriously fragmented despite the efforts of many of the workforce boards that oversee public investments in the field. Major employers can play an important role in bringing the pieces of the public-private system together for a concrete purpose (*Giloth 2004*).

Although it is still in the early stages, the East Baltimore Revitalization Project has the potential to overcome some of these challenges as it proceeds. Changing workforce systems is not the primary goal of this university-community partnership; but recognizing these broad challenges up front is crucial during the development of strategies and in the recognition of likely implementation pitfalls.

We turn now to the East Baltimore project. A particular challenge to economic growth in that area is the low educational attainment of the population, fed by a more than 40 percent dropout rate among high school-age children (*Job Opportunities Task Force 2004b*). The workforce strategies adopted by the Baltimore Workforce Investment Board and incorporated into the city's economic development strategy include improving public schools, improving technology skills, and promoting basic academic and career-specific skills of emerging and incumbent workers (*Baltimore City 2002*).

As these institutions embark on this project, it is apparent that East Baltimore's human capital challenges are acute. A labor market analysis (*Friedman 2003*) studied 2000 Census data for the five census tracts surrounding the East Baltimore Revitalization Project and found that:

- median household income was \$17,500, with a poverty rate of 45 percent;

- in an area almost 100 percent African American, 11 percent of the black population age 16 and over is unemployed, and another 55 percent is not in the labor force at all;
- 54 percent of all East Baltimore black men and 44 percent of black women have only minimal skills (dropped out of high school); 34 percent of all East Baltimore black men and 36 percent of black women have basic skills (low-achieving high school graduates).

The numbers make plain the challenges facing the participating institutions as they look to hire appropriately skilled workers. Both for the well-being of the residents being relocated and for the long-term success of the Life Sciences and Technology Park, the project must invest in the community to help employers fill those jobs and to help residents build skills, have access to well-paying jobs, and start out on pathways toward financial self-sufficiency.

Dual Strategy

To help EBDI achieve these broader goals, the anchor institutions have taken an active role in the community and in this new nonprofit's governance and work groups. The presidents of both the Annie E. Casey Foundation and Johns Hopkins University serve on the EBDI Board of Directors. In addition, the mayor's chief of staff chairs the Economic Inclusion Committee of the board. All three institutions are also directly involved in various aspects of the financing of EBDI and the East Baltimore Revitalization Project. For example, their contributions are making it possible to offer significant relocation assistance to home owners being forced out of their homes. EBDI case managers are creating family and individual support plans for each household being relocated. In EBDI's work with over 300 families to date, these plans have linked residents to a wide array of services, such as employment, medical and mental health, after-school activities, education, emergency assistance with food and utilities, credit and home ownership counseling, and substance abuse treatment.

In addition, staffs of the three institutions are working together to address nondevelopment issues that are viewed as critical to the project's long-term success. Senior staff from Casey, Hopkins, and EBDI have developed a set of eight strategies for creating jobs and making sure that East Baltimore residents are ready to compete for them. Many of the strategies build on citywide and regional initiatives and seek to give a preference of some kind to

East Baltimore residents. On the economic development side, EBDI will be building the region's institutional capacity to support economic inclusion, which will be useful to Hopkins and other developers and employers. The project will also focus on intense, high-level marketing of the Life Sciences and Technology Park and will work to develop more technology partnerships linking Hopkins and private industry. As an early indication of its commitment to the project, Hopkins has agreed to lease 100,000 square feet of space in the first 275,000-square-foot Life Science and Technology Park building.

On the workforce development side, a multistakeholder workgroup, the East Baltimore Workforce Alliance, has been established by EBDI to connect residents to jobs and training in specific marketplace sectors. The alliance believes that this approach has the best long-term chance of moving East Baltimore residents into careers with family-supporting wages and benefits. Given the current employment opportunities at Johns Hopkins and the projected jobs at the Life Sciences and Technology Park, the key employment sectors will be health care and construction, with biotechnology offering smaller, long-range opportunities.

The alliance seeks to:

1. connect residents to education, skill-building opportunities, and careers in health care, construction, and biotechnology;
2. build a neighborhood pipeline to entry-level job opportunities;
3. integrate financial planning and asset building as part of its workforce efforts;
4. provide special support to particular populations such as ex-prisoners.

In both health care and construction, there are regional, multi-institutional initiatives already under way. Over the last two years, Johns Hopkins Hospital, the University of Maryland Medical System, and four other hospitals in Baltimore have been working with the Casey Foundation, the Open Society Institute, the Abell Foundation, education and workforce training organizations, and the Mayor's Office of Employment Development as part of a newly formed Baltimore Healthcare Coalition. This coalition analyzes the demand for workers in health care, assesses the supply of workers and the availability of training, and implements strategies to link Baltimore residents to job openings. The coalition found that among just five hospitals in the city (representing 25

percent of the demand in the region), the rate of turnover yields an annual need for over three hundred skilled workers to fill seven different types of positions that have critical employee shortfalls: nursing assistants, nurse extenders, medical lab technicians, surgical technicians, pharmacy technicians, respiratory therapists, and radiology technicians (*Baltimore Healthcare Coalition 2004*). An assessment of the training available showed that more needs to be done to fill these positions, including:

- outreach and marketing to promote health care as a career;
- basic skills enhancement in reading, math, and the basic sciences;
- customized training for the selected positions;
- adding faculty in health education fields, especially for training nurses, nursing assistants, and nurse extenders;
- stronger linkages between the industry and high schools;
- career coaching for incumbent workers to promote job retention and workplace advancement.

Although some of this work is now under way through different organizations, no system had been in place to coordinate the changing needs of employers, assess the quality of existing training, and foster the development of a pipeline of future workers. Over the last year, the coalition began to make an impact. For instance, it helped redirect state training funds allocated to Baltimore so that they would be used to focus on training for these critical workforce shortages and applied for a Department of Labor grant to create a basic-skills institute for underserved populations, including immigrants, ex-offenders, youth, and the disabled. It also assembled \$875,000 in start-up funding from local foundations to institutionalize this work in a new nonprofit intermediary. Casey and Hopkins representatives expect that this health-care-focused groundwork will help some East Baltimore residents build skills and move into jobs at Hopkins and other local hospitals.

At the same time that the Baltimore Healthcare Coalition is seeking to connect more Baltimore City residents to jobs in health care, the Baltimore Workforce Investment Board is pulling together a similar effort in the construction sector in cooperation with developers, foundations, and education and training institutions. Supported by a grant from the Casey Foundation, the Job Opportunities Task Force has projected a significant demand for construction jobs in Baltimore over several years. Building by Johns Hopkins will account for the lion's share of this new development. This research estimated that there will be more than 1,120 annual

openings for electricians, carpenters, roofers, plumbers, and bricklayers—positions that pay between \$10 and \$23 per hour, provide benefits, and require only short- or moderate-term training (*Jacob France Institute 2004; Job Opportunities Task Force 2004a*). The region’s existing training programs for both entry-level and skilled workers are not enough; many of these openings are not being filled by Baltimore City residents. Contractors note that to meet their needs they must bring in itinerant workers from neighboring states or from out of the country. This new public-private effort seeks to build a large-scale construction pipeline that will include a preapprenticeship program to connect residents to jobs. The effort will include skills training, a comprehensive array of support services, and both placement and re-placement assistance for workers. The Casey Foundation, the Open Society Institute, and other local foundations supporting the EBDI project are contributing to this effort, and they hope to include an explicit focus on East Baltimore residents as part of what will, by necessity, be a regional initiative.

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Demand for jobs in the third sector, biotechnology, is growing more slowly. As a result of initial funding from Baltimore’s Empowerment Zone, the BioTechnical Institute of Maryland has provided training for laboratory jobs for several years, but the entry requirements are stringent. The alliance and its partners will explore creating a high school biotech preparation course to help more residents meet the entry requirements, particularly in math.

As Friedman’s analysis (2003) reveals, at least half of all East Baltimore residents face significant barriers to reaching even the first rung of the region’s most promising career ladders. Substance abuse, limited literacy, criminal backgrounds, and family instability hamper their ability to get and keep a job. The EBDI Family Advocates, working with members of relocating families who are interested in work, have found that the need for preemployment services is high. In response, the alliance is planning a neighborhood-based approach to preemployment. It would

build on the success of those community-based service providers that have delivered the largest number of candidates who are most job ready to Hopkins and other large employers. This will involve distilling service providers' experience into a curriculum and approach that can be duplicated by other organizations, as well as expanding services for special populations, such as those with low literacy and ex-prisoners. The plan dovetails with the Baltimore Healthcare Coalition's call for a basic-skills institute to improve job seekers' reading, math, and science capabilities.

“This will involve distilling service providers’ experience into a curriculum and approach that can be duplicated by other organizations . . .”

The alliance is particularly focused on the special challenges of ex-prisoners. A substantial portion of the nine thousand ex-offenders who return to Baltimore City each year (*Job Opportunities Task Force 2003*) end up in East Baltimore, where the majority of adult men have a criminal record. The alliance is working closely with Project BRIDGE, a public-private initiative backed by several nonprofit funders. While prisoners

are going through the prerelease transition, service providers meet with them to help connect them with a job and services on release.

The alliance also recognizes the importance of linking workforce development strategies to financial counseling for workers and initiatives that help them build their assets. EBDI is planning to work with partner institutions to offer asset-building activities, among them financial literacy counseling focused, in particular, on relocation benefits and home ownership; aggressive pursuit of Earned Income Tax Credit benefits; and the creation of Individual Development Accounts. The alliance has attracted national foundation funding through Living Cities for these efforts.

One of the alliance's functions is to bring together the region's leaders in workforce development in order to focus on the important work to be done in East Baltimore and on EBDI's development progress. The multistakeholder approach of the project aims to leverage existing resources and take advantage of lessons learned from previous efforts in community, workforce, and economic development. The challenges ahead—political, organizational, and economic—are enormous, but the scale of the work has elevated its priority among all of the stakeholders and perhaps its potential to succeed.

Conclusion: Looking Ahead

The danger of reporting on emerging development projects that promise expanded social benefits for low-income communities is that difficult implementation work lies ahead. The East Baltimore Revitalization Project is unique in that, even at this stage, it combines the resources and knowledge of a major institution of higher learning, a national foundation, and local government. The potency of this three-way partnership has attracted additional partners to the project and helped establish an implementation vehicle in the form of EBDI.

Looking ahead, six more specific challenges related to the planned workforce interventions in East Baltimore need to be considered:

- **Timing and development.** Will residents be ready with the right skills to take the jobs when they become available? Conversely, will the right jobs be available for the residents who have been trained and prepared? Such timing, of course, is crucial. However, since the labor market is constantly in motion, ensuring that both trained workers and appropriate jobs are available at the same time is not easy.
- **Public school and literacy linkages.** The project is expected to create jobs over several years, but many current East Baltimore residents have poor academic preparedness. How can this “readiness gap” be closed in either the short or long term? Can new partnerships with public schools and literacy providers help build basic academic skills?
- **The role of community organizations.** East Baltimore has many nonprofit and civic organizations that play important roles. However, it does not have a partnership of such organizations capable of creating a pipeline to move workers lacking job-readiness skills into higher-skilled jobs. This project aims to build such a network. Public and private investors have not always favored this type of network, but it is necessary for long-term impact.
- **Keeping the partners at the table.** As is always the case with pioneering efforts, this unique partnership will make mistakes, run into unforeseen obstacles, and make less progress than is expected. In the face of this, the project must be able to keep the partners together and committed if economic development and social benefits are to be achieved.

- **Community resident partners.** The first group of residents to be relocated and to receive intensive services will be leaving the project area over the next several years. Although many will resettle in nearby areas of East Baltimore, logistical challenges of communication and transportation, among others, will hinder efforts to ensure their meaningful, ongoing participation. The project must continue to help foster resident participation and collaboration among the many community groups involved in East Baltimore.
- **Individual choice.** The experience of the Empowerment Zone in Baltimore (*Empower Baltimore Management Corp.* 2002) reemphasized the importance of being responsive to community needs and respecting each individual's right to choose whether to participate. Residents may choose to opt out, to not seek services or employment, or to take the relocation benefits to which a resident is entitled, choose an independent path, and perhaps cease subsequent contact. Measures of the project's accomplishment must be carefully calibrated to take such individual choices into account.

In conclusion, the East Baltimore Revitalization Project is providing valuable lessons in renewing and rebuilding low-income communities. In particular, key institutions such as universities, foundations, and cities will learn about building partnerships, linking economic and workforce development, connecting neighborhood-based projects to regional opportunities, and creating pathways that enable low-income families to get ahead. Even at this early stage, the East Baltimore Revitalization Project has the potential to help redefine the field of neighborhood-based economic and workforce development.

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About the Authors

- Patrice McConnell Cromwell is the associate director of the Open Society Institute–Baltimore, a private foundation funded by George Soros. Patrice is responsible for shaping and managing the foundation's workforce and economic development program. In that capacity, she helped launch a new \$15 million community development venture fund. Prior to that, Patrice helped create and run three major economic development non-profits in Baltimore: an employer-driven training agency, a mixed-use shopping and community service center, and a biotech manufacturing facility. Patrice is a member of the Baltimore City Workforce Investment Board, the Job Opportunities Task Force, and Mercy Medical Center. In 2004, she served on the adjunct faculty of the University of Baltimore and was a business plan evaluator for the Yale/ Goldman Sachs Partnership on Non-Profit Ventures. Prior to moving to Baltimore, Patrice worked in the investment banking and consulting industries in New York. She holds a B.A. in economics from Princeton University and a MBA from the Yale School of Management.

- Bob Giloth is the director of the Family Economic Success area of the Annie E. Casey Foundation, a private philanthropy dedicated to helping build better futures for disadvantaged children in the United States. Bob is responsible for work on the Jobs Initiative family economic supports, such as EITC, and other economic opportunity investments. Under the Foundation's Making Connections Initiative, Bob has primary responsibility for managing the community-building work in Seattle and Milwaukee. Prior to joining the Foundation in December 1994, Bob managed community development corporations in Baltimore and Chicago and was deputy commissioner of economic development under Mayor Harold Washington. Bob has a Ph.D. in city and regional planning from Cornell University. He edited *Jobs and Economic Development: Strategies and Practice* (Sage Publications, 1998), *Workforce Intermediaries for the Twenty-First Century* (Temple University Press, 2004), and *Workforce Development Politics: Civic Capacity and Performance* (Temple University Press, 2004).
- Marsha Schachtel is a senior fellow at the Johns Hopkins Institute for Policy Studies, where she conducts research and provides technical assistance for Baltimore and Maryland organizations, coordinates the international urban fellows program, and coteaches an introduction to urban policy class. She previously served as director of technology development at the Maryland Department of Business and Economic Development, executive assistant for economic development to Governor William Donald Schaefer and to Mayor Kurt Schmoke, and assistant director and business development manager of the Greater Baltimore Committee. She has also been deputy director of the National Association of State Development Agencies and Education Manager of the National Council for Urban Economic Development, and continues to play an advisory role in state science and technology organizations. She chairs the national Advisory Committee of NIST's Advanced Technology Program. A Kentucky native, she holds a B.A. from Brown University and an M.S. from the Johns Hopkins University. Her current work focuses on technology-based economic development, fiscal issues, and community development.