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Funding agency agrees to encourage local hires

By Joe Morris

Business Editor

Conceding to criticism from a union coalition, the West Virginia Economic Development Authority has agreed to start encouraging its loan recipients to employ more local construction workers, and it's considering setting strict local-hiring requirements.

The EDA, which hands out low-interest loans to projects promoting economic development, is changing the language in its commitment letters to "urge" contractors to tap the local labor market, David Warner, executive director of the agency, said at its Thursday meeting.

"We agree that there needs to be an improved process" when it comes to supporting local construction employment, Warner said.

At the EDA's meeting last month, the director of the Affiliated Construction Trades Foundation labor group, Steve White, asked authority members to do more to link loan guarantees to local employment.

He cited a \$1.3 million loan the EDA made last year to help Scott Depot-based biscuit-mix maker Tasty Blend Foods build a new factory. One of the subcontractors for the job is from South Carolina, and a state Division of Labor inspection in June found that some of its laborers on the site were undocumented.

Since state funds are involved, EDA-assisted projects appear to be subject to the West Virginia Jobs Act, White said. That 2001 legislation, which was revised in 2003, mandates that three-quarters of jobs on publicly funded construction projects go to local workers, defined as those living in West Virginia or within 75 miles of state borders.

Commitment letters going out to recipients approved at Thursday's meeting will be the first to include the local-hire recommendation, Warner said. Eventually the agency could start requiring local hiring, in line with the Jobs Act, instead of merely encouraging it, but it needs to consult with its lawyers first, he said.

White acknowledged that the Jobs Act language was somewhat vague, but he was encouraged by the EDA's willingness to address the issue.

"If we don't have the authority to require local workers, then we should because it makes sense," he said. "Hopefully we can work with the EDA to bring this about."

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