

Labor group takes complaint to funding agency

Union says Economic Development Authority not protecting local workers

George Hohmann

Daily Mail business editor

Friday July 22, 2005

A union labor group is urging the state agency that finances economic development projects to make sure its projects employ local workers.

Steve White, director of the Affiliated Construction Trades Foundation, took the group's complaints directly to the state Economic Development Authority's board of directors on Thursday.

White said the board approved a \$1.3 million loan in 2004 to help Tasty Blend Foods build a new factory. The project is now under construction in the Putnam Business Park at Fraziers Bottom but an out-of-state crew is doing the work, he said.

The authority's board has done nothing to make sure the construction jobs went to local workers, White said.

Local workers demonstrated at the construction site last month. "I think you can understand the frustration when local construction workers see their tax dollars going to out-of-state, possibly illegal workers," he said. "I think we can do better - I think you can do better."

The Affiliated Construction Trades Foundation is the research, lobbying and advertising arm of the West Virginia State Building Trades, which consists of 20,000 union construction workers from West Virginia and surrounding counties.

In response to a Freedom of Information Act request filed by the foundation, state Labor Commissioner James Lewis wrote White on June 13. Lewis wrote that an officer of his agency had visited the construction site and had begun an undocumented workers investigation after finding eight workers on the site who had no identification.

Lewis also said that his agency had issued contractor licensing and wage bond cease-and-desist orders against the builder, Carolina Metal Building Technologies of South Carolina.

The company later got the license and funded its bond, allowing it to resume work, White said.

The West Virginia Jobs Act requires 75 percent of workers on state-funded projects to come from the local market. White said he believes the law applies to the project. If the law does not apply, the Economic Development Authority should review it and push for changes, he said.

"We want to make sure we have an opportunity to participate in projects funded with our tax dollars," White said.

Board member Rick Slater thanked White for his comments. However, the board did not take any immediate action.

Also at the meeting, the board agreed to sell three lots in the Three Springs Industrial and Business Park at Weirton. It will sell one lot for a minimum of \$675,000 to Wal-Mart Stores East Limited Partnership and two lots to Lewis J. Anile and Nick Palavis.

Anile and Palavis will buy one lot for a minimum of \$1.3 million and another for \$512,000.

David Warner, executive director of the development authority, said he does not know what Anile and Palavis plan to do with the lots. Neither Anile nor Palavis could be reached for comment.

In other action, the authority:

Gave preliminary approval to a \$300,000 loan to Sisler Lumber Co. Inc. of New Creek. The loan would help the company buy and install equipment at the former Kessel Lumber facility in Mineral County.

Learned that it has a prospect for the vacant EIMCO Coal Machinery building in Bluefield.

Approved six-month extensions for two projects approved by the West Virginia Economic Development Grant Committee. The state Department of Health and Human Resources had been awarded a \$1 million grant by the committee to re-open the Man Area Hospital and the Kanawha County Commission had been awarded \$133,000 to help the Charleston Area Alliance expand its small business incubator at

1116 Smith Street. Neither project has drawn any money. The extensions give them until the end of the year to do so.

Gave final approval to a \$1.5 million loan to Amerirad Inc. of Morgantown to help the startup establish a radiology center.

Gave final approval to an \$825,000 loan to the Wayne County Economic Development Authority for a shell building at the Bison Industrial Park in Lavallette.

Acting as the West Virginia Certified Development Corp., the board approved a \$960,000 U.S. Small Business Administration loan to Chem-Park Inc. of Martinsburg. The loan will provide permanent financing for the company's new plant in Martinsburg.

Contact writer George Hohmann at 348-4836.