

Upper Harbor Terminal Economic Inclusion, Jobs & Careers – Success Measures, Strategies, & Commitments Draft Coordinated Plan text

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Overview of this Presentation

- Introduction to draft Success Measures & Strategies
- City Requirements for Redevelopment Contracts
- Review of Objectives and Success Measures from the **Upper Harbor Terminal Equitable & Resilient Inclusive Development Matrix**
- Draft Coordinated Plan Text for Success Measures & Strategies – Economic Inclusion, Jobs and Careers

Introduction

In response to discussions with the UHT CPC, the City and the development team are proposing the following draft Success Measures and Strategies for **Economic Inclusion, Jobs and Careers**. The City and development team recognize and agree with the need for accountability and oversight from the City of Minneapolis, the development team, and other project participants. Based on the **Upper Harbor Terminal Equitable & Resilient Inclusive Development Matrix** the draft Success Measures and Strategies prioritize community values, maximize community benefits, and implement progressive and feasible actions that enhance the lives of nearby residents, the land, and the broader Northside.

This draft section of the Coordinated Plan will ultimately identify success measures, proposed strategies under consideration and developer obligations for *each* of the Key Values contained in the **Equitable & Resilient Inclusive Development Matrix**, which will be codified in future redevelopment contracts between the developer and the City.

Some of the strategies proposed by the developer or requested by the CPC cannot legally be enforced by the City in its redevelopment contracts. In those cases, we have identified potential strategies that could be recommended by the CPC to be included in a future Community Benefits Agreement between the Developer and a Community Entity.

In some instances, the values referenced in the Matrix may exceed the scope of the Upper Harbor Terminal project. In those instances, the CPC may consider making recommendations to the Council in addition to the Coordinated Plan.

Background: City and MPRB Procurement Requirements for **Infrastructure and Park Projects**

Both the City of Minneapolis and the Minneapolis Park & Recreation Board are required to follow these five procurement regulations in the design and construction of the Upper Harbor infrastructure and park:

- Prevailing Wage
- Small and Underutilized Business Goals (SUBP)
- Target Market Program, where appropriate
- Living Wage Ordinance
- Affirmative Action Plan requirements

Background: City Requirements for **Development Parcels**

The developer of any component will be required to enter a redevelopment contract with the City and comply with any applicable City requirements. These requirements vary depending upon the type of development and the source and amount of public investment, and may include, without limitation:

- Prevailing Wage
- Small and Underutilized Business Goals
- Apprenticeship Training Policy
- Job Linkage Program
- Minnesota Business Subsidy Act
- Living Wage Ordinance
- Affirmative Action Plan requirements
- ADA requirements
- Unified Housing Policies

Notes:

1. *See Appendix for more detailed descriptions of these policies*
2. *Refer to the 1/22/20 UHT CPC Community Performing Arts Center presentation for more benefits specific to the CPAC*

Upper Harbor Equitable & Resilient Inclusive Development Matrix

Key Values



Economic Inclusion,
Jobs & Careers



Affordable Housing



Wealth Creation &
Community Ownership



Mobility, Public Space
& Infrastructure



Disrupting Gentrification
& Displacement



Environmental Justice
& Sustainability

Economic Inclusion, Jobs & Careers

Objectives and Success Measures from the **Upper Harbor Terminal Equitable & Resilient Inclusive Development Matrix**

Key Value/Theme	CPC Priority ¹	Objectives & Success Measures	Source(s) & Reference(s)
1. Economic Inclusion, Jobs, and Careers		a. Living wage job creation with a goal of hiring and retaining residents within the priority area². 1. <i>Number of jobs in Upper Harbor Terminal businesses by hourly wages and/or annual salaries</i> 2. <i>Number of jobs that offer healthcare benefits to employees</i> 3. <i>Number of jobs that offer career ladders</i>	<ul style="list-style-type: none"> • City of Minneapolis Strategic & Racial Equity Action Plan • Northside Green Zones • EcoDistricts • United Way Asset Limited, Income Constrained, and Employed (ALICE)
		b. Integration of uses supportive of sustainable urban food systems ensuring community access 1. <i>Number of food system-based businesses and spaces for urban food systems that have access and ownership by people and entities from the priority area</i> 2. <i>Require set aside of 10,000 SF of seasonal and year-round space to be available for local vendors and makers to grow, produce and distribute healthy affordable food at UHT</i>	
		c. Black, Indigenous, and People of Color people participate in the redevelopment through contracts or employment	
		d. The City has a goal to increase the percent count of and spend with racially and ethnically diverse for-profit suppliers across all City of Minneapolis departments that was put in place by the City's Strategic & Racial Equity Action Plan (SREAP). This objective will be aggressively pursued with the UHT project. 1. <i>Percent utilization with African American-, Hispanic American-, and Native American-owned suppliers on professional/technical contracts, by industry</i> 2. <i>Percent availability of African American-, Hispanic American- and Native American-owned bidders on professional/technical contracts, by industry</i>	

Upper Harbor Terminal DRAFT Coordinated Plan Text

Chapter 2: Success Measures & Strategies –
Economic Inclusion, Jobs and Careers

Operationalizing the Upper Harbor Equitable & Resilient Inclusive Development Matrix

Goals (from the Matrix)	Success Measures	Strategies to Achieve Goals	Obligations (Developer Requirements)
<p>The category of community priorities addressed in the row (from the Upper Harbor Terminal Equitable & Resilient Inclusive Development Matrix)</p>	<p>These are the ways that we would measure successful outcomes.</p> <ul style="list-style-type: none"> • Baseline Measures indicate the minimum threshold that developers must achieve, which will generally match the obligations as outlined in the Redevelopment Agreements. • Aspirational Measures indicate transformative goals that go above and beyond the baseline measures that the project team is dedicated to achieving. 	<p>The policies, practices, and tools that developers, the City or MPRB will commit to using to achieve the Goal and the Performance Metrics.</p>	<p>These are the minimum standards (Baseline Measures) that the developer must achieve as defined in the Redevelopment Contracts.</p> <p>Failure to meet obligations could result in remedies that range from specific performance action to loss of future development rights, depending on the obligation.</p>

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DRAFT Developer Commitments

Goals	Success Measures	Strategies	Developer Obligations in the Redevelopment Contract
<p>Living Wage job creation with a goal of hiring and retaining residents within the priority area.</p>	<p>Baseline Measures:</p> <ul style="list-style-type: none"> All FTE jobs within parcel 1B, 6A, & 5 will pay living wages tied to the Minneapolis Living Wage. <p>Aspirational Measures:</p> <ul style="list-style-type: none"> XX percent of employees hired within the priority area. xx percent of employees within the priority area retained over XX period of time. <p>Discussion points:</p> <ol style="list-style-type: none"> How does Living Wage Ordinance impact potential HUB, sustainable food and retail uses? How do we measure retaining employees? Over what period of time? 	<p>Developer will recruit tenants who will implement the following strategies and enforce such requirements in leases:</p> <ul style="list-style-type: none"> First Look/Hire to increase hiring of residents within the priority area. Living Wage Policy Job Creation Goals City reporting requirements 	<p>Tenants of Parcels 4 and 5 would be required to:</p> <ol style="list-style-type: none"> commit to paying employees the <u>City of Minneapolis Adopted Living Wage</u> (In 2020 \$16.38/hr if no insurance provided and \$13.86/hr if insurance is provided). Provide a minimum of 1.0 FTE jobs per 1,000 SF of commercial space <p>Developer(s) of Housing Parcels would be required to:</p> <ol style="list-style-type: none"> commit to paying employees the <u>City of Minneapolis Adopted Living Wage</u> (In 2020 \$16.38/hr if no insurance provided and \$13.86/hr if insurance is provided). Provide a minimum of 1.0 FTE jobs per 150 units of housing. <p>Developer would include the following in each commercial tenant lease:</p> <ol style="list-style-type: none"> Tenants will report annually on the # of employees hired and retained from the priority area. Tenant will commit to work with the Minneapolis Employment and Training Program to follow first hire procedures whereby all job openings will be advertised in [specific publications] for [number] of days and all qualified applicants will be considered prior to opening up the job to others.

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DRAFT Developer Commitments

Goals	Success Measures	Strategies Under Consideration	Developer Obligations in the Redevelopment Contract
<p>Participation by Black, Indigenous and People of Color in the redevelopment through contract or employment.</p>	<p>Aspirational Measures:</p> <ul style="list-style-type: none"> • Workforce Participation: Meet or exceed workforce participation goals of 32% of total construction hours performed by minority and 20% performed by females. • SUBP Requirements: Meet or exceed the goals for Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) established by the Office of Civil Rights on a per project basis. 	<ul style="list-style-type: none"> • Joint Venture with Building Blocks • Consider innovative strategies to evaluate contractors or subcontractors that prioritizes local businesses, employees • Regular MBE/WBE meetings and project specific info sessions • Consider a “fast pay” system in order to assist the smaller businesses working on the project • Pre-qualification workshops and certification process • Partner with local skilled-trade workforce organizations in order to develop a hiring pipeline • Encourage general contractor partners to create a Minority Contractor Development Program • Host annual Construction Workforce Industry Day & Careers in Construction 	<p>Developer will comply with the SUBP ordinance for all development if subsidized by the City of Minneapolis, <u>which will be set on a per project basis by the Office of Civil Rights.</u></p> <p>Prior to closing on any parcel, Developer will submit a comprehensive strategy for maximizing BIPOC participation and SUBP utilization in the redevelopment on each project and publicly report on strategy results.</p>

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DRAFT Developer Commitments

Goals	Success Measures	Strategies Under Consideration	Developer Obligations in the Redevelopment Contract
<p>Integration of uses supporting sustainable agriculture</p>	<p>Implementation of a farmers market program.</p> <p>Provide space for food-based businesses and urban food systems that provide access to and ownership by people and entities in the priority area.</p> <p>Incorporation of seasonal and year-round space for local vendors and makers to grow, produce, and distribute healthy sustainable food.</p>	<ul style="list-style-type: none"> • Incorporation of free space in development for community driven farmers markets in Parcel 4. • Identify operators for a potential community food hall concept on Parcel 1B. • Identify food-based businesses, particularly those owned by or employing people in the priority area, as potential tenants. 	<p>The ground lease will require the developer to provide space for a farmer’s market at no cost on Parcel 4 to a responsible operating entity.</p> <p><i>Discussion point:</i> <i>What does the developer need to show to the City to show effort made in pursuing food based operators/users and how long would the developer have to source potential tenants and secure operators/users?</i></p>

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DRAFT City Commitments

Goals	Success Measures	Strategies
<p>Increase in percent count and spend with racially and ethnically diverse for-profit suppliers for UHT across all City of Minneapolis departments.</p>	<ul style="list-style-type: none"> UHT will follow the City of Minneapolis' annual goal of 30% for the inclusion of businesses owned by persons-of-color and women (M/WBE) in the City's purchasing and contracting programs. Increase from 2019 City Diverse Supplier spending in percent count (7%) and spend (\$28.8 M) with minority owned supplier firms. 	<ul style="list-style-type: none"> Identify the potential categories and projected amounts of City expenditures for UHT scope of work including demolition, design & construction of roads, utilities, landscaping and stormwater systems, and any ongoing operating contracts for maintenance. Highlight spend categories with insufficient numbers of identified contractors in the Target Market program. Publicize upcoming contracting opportunities to encourage racially and ethnically diverse for-profit suppliers to sign up for the Target Market program. Explore mentor/protégé relationships where feasible to increase opportunities for diverse for-profit suppliers

APPENDIX: City Redevelopment Contract Requirements

Standard City Contract Requirements

The developer of any component will be required to enter into a redevelopment contract with the City and comply with any applicable City requirements. These requirements vary depending upon the type of development and the source and amount of public investment, if any, and may include, without limitation, the payment of prevailing wages for construction, the preparation of affirmative action plans, competitive bidding, compliance with the Small and Underutilized Business Enterprise program or equivalent federal program, and Business Subsidy Act/Living Wage Policy and reporting requirements for those programs. Some of the standard requirements are further discussed below.

- 1. Equal Opportunity (nondiscrimination and affirmative action)** Each developer and contractor will be required to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, nondiscrimination provisions contained in Chapter 181, Minnesota Statutes, the Americans with Disabilities Act of 1990 (as amended), Section 109 of the Housing and Community Development Act of 1974 (as amended), the Age Discrimination Act of 1975 (as amended) and Executive Order 11246, as amended by Executive Order 12086. Each developer will be required to agree not to discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, gender identity, disability, age, marital status, familial status, or status with regard to a public assistance program. Each developer also will be required to take affirmative action to ensure that all employment practices are free of such discrimination. These employment practices include, but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Each developer will be required to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause. Each developer also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the developer, state that it is an equal opportunity or affirmative action employer. CPED will require compliance in demolition, construction and marketing of development projects.

APPENDIX: City Redevelopment Contract Requirements – cont'd

2. All development must be in conformance with the **Americans with Disabilities Act** of 1990 and ADA Amendments Act of 2008, the **Fair Housing Act** and the **Uniform Federal Accessibility Standards**.
3. The City's **Unified Housing Policy**, as updated January 1, 2020, applies to any residential development (rental or ownership) that is developed on property purchased from the City even if no financial assistance is being provided.

The following additional requirements may apply, depending upon amount/type of public financial assistance and type of development:

4. If the City provides assistance to the development component as defined in the City's **Prevailing Wage Policy**, the developer will be required to covenant and agree that it will cause its general contractor to comply with the wage and hour standards issued by the United States Secretary of Labor pursuant to the Davis Bacon Act, 40 U.S.C. Sections 276a to 276a-5, as amended, and the Contract Work Hours and Safety Standards Act 40 U.S.C. Sections 327-333.
5. Each developer's contractor and any subcontractors with a construction contract over \$50,000 will be subject to the City's **Apprenticeship Training Policy** for development projects where public assistance is provided to the developer/owner.
6. The **Job Linkage Program** links economic development with employment. The purpose of the program is to insure increased employment opportunities for Minneapolis residents. All commercial/industrial development projects whose primary purpose is job creation or retention and that receive City public development assistance will be required to establish and report on hiring goals for Minneapolis residents.

APPENDIX: City Redevelopment Contract Requirements – cont'd

7. The City of Minneapolis **Living Wage Policy** established certain wage and hiring requirements applicable to the owner and tenants of development projects where the primary objective of the project is job creation or retention.
8. City of Minneapolis regulations require that all development projects that receive public financial assistance in excess of \$175,000 must comply with Chapter 423, **Small and Underutilized Business Program** of the City Ordinances where subcontracting opportunities exist. Such requirements encourage the use of businesses owned by women and minorities in securing construction and professional services and are applicable to developers and contractors.
9. Depending on the level and purpose of public assistance that may be received, provisions of the **Minnesota Business Subsidy Act** and/or the City's **Responsible Public Spending Ordinance** may also apply to the project. Should these requirements apply, they will be incorporated into the development agreement.