

# upper~harbor

**Implementation Strategies for Economic Inclusion, Jobs & Careers**

Collaborative Planning Committee

August 19, 2020

# Development Team Commitment

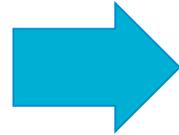
- To implement strategies that change the narrative of how development typically takes place.
- To consider Upper Harbor as an ecosystem of parts that must work collectively to maximize the community's goals for the project, while also fitting synergistically with broader North Minneapolis initiatives.
- That each project will learn from the last, seeking a constant pursuit of best practices, and becoming an example of how others can address racial and economic disparities within the built environment.
- To balance impactful, progressive ideas, while considering opportunity costs, to ensure all implementation strategies are additive to the project's prioritized outcome.

# Implementation Process



## Equitable & Resilient Inclusive Development Decision Matrix: Economic Inclusion, Jobs, Careers

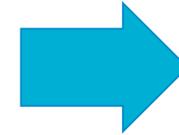
- Living wage job creation with a goal of hiring and retaining residents within the priority area
- Integration of uses supportive of sustainable urban food systems ensuring community access
- Black, Indigenous, and People of Color people participate in the redevelopment through contracts or employment
- 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.



## 8/20 → Coordinated Plan

## Development Team Proposed: Comprehensive Strategies for Economic Inclusion, Jobs & Careers

- Review Proposed Commitments & Strategies
- CPC Feedback on Strategic Advisory Partners & Implementation Plan
  - Community Orgs
  - Building Trades
  - Small Business



## Redevelopment Agreement (2021+)

## Implementation Strategies (Post Coordinated Plan)

- Focus Group discussions, Learning Table workshop, and/or potential Task Force meetings
- Input from Strategic Advisory Partners
- Submit Final Comprehensive Strategy for Economic Inclusion, Jobs & Careers
- City Council approves Redevelopment Agreement Obligations

# Standard City Redevelopment Contract Obligations

## STANDARD CITY AND MPRB PROCUREMENT REQUIREMENTS:

- Prevailing Wage
- Small and Underutilized Business Goals
- Target Market Program, where appropriate
- Living Wage Ordinance
- Affirmative Action Plan requirements, including workforce goals of 32% minority participation and 6% female participation.

## STANDARD CITY REDEVELOPMENT 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)**
2. **Americans with Disabilities Act** of 1990 and ADA Amendments Act of 2008
3. **Fair Housing Act** and the **Uniform Federal Accessibility Standards**.
4. 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.

# City Redevelopment Contract Obligations

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

- **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.
- 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.
- 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.
- 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.
- 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.
- 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.

# Economic Inclusion, Jobs & Careers Objectives

## Equitable & Resilient Inclusive Development Decision Matrix

### **Living wage job creation with a goal of hiring and retaining residents within the priority area**

1. Number of jobs in Upper Harbor Terminal businesses by hourly wages and/or annual salaries
2. Number of jobs that offer healthcare benefits to employees
3. Number of jobs that offer career ladders

### **Integration of uses supportive of sustainable urban food systems ensuring community access**

1. 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
2. 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

### **Black, Indigenous, and People of Color people participate in the redevelopment through contracts or employment**

**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. Percent utilization with African American-, Hispanic American-, and Native American-owned suppliers on professional/technical contracts, by industry
2. Percent availability of African American-, Hispanic American- and Native American-owned bidders on professional/technical contracts, by industry

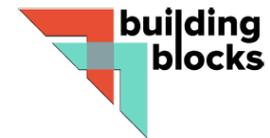
# Strategy for Economic Inclusion, Jobs & Careers

In addition to the standard City redevelopment contract obligations, the City and development team are recommending that the developer be obligated to create a Comprehensive Strategy for Economic Inclusion, Jobs & Careers for each parcel prior to execution of any ground lease.

The following strategies reflect community ideas generated from CPC meetings and Learning Table events to operationalize the community's values, as promoted in the **Equitable and Resilient Inclusive Development Decision Matrix.**

The City and the development team are looking for recommendations from the CPC on which of these proposed strategies should be further evaluated for feasibility and potential strategic partners who will help implement the Comprehensive Strategy for Economic Inclusion, Jobs & Careers.

# Development Team Members



# Current Project Vendors (Under Contract)

## Development Advisors



## Project Architects

**ELDORADO**



## Civil & Landscaping

**Kimley»»Horn**

PIERCE PINI &  
ASSOCIATES, INC

**CTP**

## Preconstruction Services



# Project Ecosystem

Each development project is an ecosystem of entities and individuals providing materials or services to complete the project. A project will typically produce approximately 5.5 direct jobs per \$1 million of construction cost.

While construction jobs are most visible, the full measure of the economic impact of a project also includes the behind the scenes work of the consultants, engineers, and subcontractors associated with bringing the project to life.

Additionally during construction, the project supports employment of material manufacturers, logistics and supply chain professionals, as well as public officials in the permitting and inspections.

Finally, as a project moves from construction to operations, the work of vendors and employees responsible for managing, leasing, and activating the project, the services required to maintain the project, and the ongoing property tax revenue generated all contribute to the local economy through various direct and indirect ways.

The **highlighted** boxes indicate the only project constituents currently under contract to fulfill the work required to bring ONE PROJECT from planning to operations. ***The development team is committed to prioritizing and procuring this work with local BIPOC and North Minneapolis entities and employees in order to maximize the local economic impact, help sustain and build capacity for local businesses, while providing jobs and other employment opportunities for nearby residents.***

Development Team
Developer/Investors
Development Manager
Preconstruction Manager
Development Advisor
Landlord Broker
Tenant Representative Broker
Master Plan Architect
Building Architect
Interior Architect
Structural Engineer
Mechanical Engineer
Electrical Engineer
Fire/Plumbing
Elevator Consultant
Acoustical Engineer
Civil Engineer
Landscape Design
Public Realm Design & Program
Sustainability Consultant
Environmental Engineer
Geotech Engineer
Traffic Engineer
Parking Consultant
Market Research/Analyst
Signage Consultant
Security Consultant
Historic Consultant
Survey
Title Commitment
Legal/Lawyers
Financing/Lenders
Appraiser
Brand, Marketing & Graphics
Communications Manager
Insurance Agent
Tax Consultant
Labor/Workforce Consultants

General Conditions
General Contractor
Testing & Inspections
Survey
Insurance

Site Work
Fencing
Excavation & Grading
Asphalt Paving
Concrete Work
Site Signage
Site Specialties
Site Utilities
Storm Drainage Systems
Fire Protection
Landscaping & Irrigation
Electrical
Progress Photography

Building Construction
Final Cleaning
Concrete Reinforcing
Cast-in-Place Concrete
Concrete Pumping
Masonry
Struct/Misc. Steel Suppliers
Rough & Finish Carpentry
Woodwork Supplier
Waterproofing
Roofing & Sheet Metal
Caulking
Doors & Hardware
Glass & Glazing
Interior Partitions
Stone & Tile
Ceilings & Acoustic
Flooring
Painting
Window Treatments
Special Construction
Elevators
Fire Protection
Plumbing
HVAC Systems
Electrical
Integrated Systems
Systems Commissioning

Property Management
Asset Manager
Leasing/Marketing Manager
Property Manager
Janitorial
Window Cleaning
Trash Removal
Utility Service
Building Systems Maintenance
Building Labor
Landscaping Maintenance
Snow Removal
Security/Property Protection
Fire & Safety
Pest Control
Building Repairs & Maintenance
Property Insurance
Public Realm Programming
Arts/Activation

# Comprehensive Strategies for Economic Inclusion, Jobs & Careers—Per Parcel (Under Consideration by Development Team)

Light Blue = Established Strategies & Green = Ideas Requiring Partners or Additional Analysis

## Workforce Development

- **Pipeline Agreements** - Partner with local skilled-trade workforce organizations to identify skillsets needed and create a hiring pipeline for Project vendors and subcontractors.
- **Pre-Apprenticeship Program** – In conjunction with labor, workforce and trade organizations involved in the Project, develop a construction trades and pre-apprenticeship training program to be offered for participants, who upon completing training, will perform Project work.
- **Project Internship Program** - Establish a mentoring/internship program with firms working on the Project, in partnership with local community organizations, for high school and college students from the greater North Minneapolis area to work on the Project.

## Job Creation & Opportunity

- **Development Team Partnerships** - Joint Venture with Building Blocks. Additional development team partners shall be considered for Projects requiring expertise outside of the development team’s capabilities.
- **Procurement & Participation** - Consider innovative strategies to evaluate and select contractors or subcontractors, prioritizing local businesses and employees, including procurement scoring systems, small business scope “set-asides,” and scopes for local businesses.
- **Project Ecosystem Opportunities & Reporting** – Transparent reporting on venter and subcontractor selection for each phase of the Project.
- **Building Trades Agreement** – Work collaboratively with local building trades on final project participation and procurement goals.

## Northside/BIPOC Priority

- **Intentional Outreach** – Conduct regular MBE/WBE/LBE meetings; Project specific info sessions and prequalification workshops.
- **First Look/First Hire** – Implement policies to increase hiring of residents from North Minneapolis zip codes

## Small Business Support

- **Pay Without Delay Program** - Commit to early & fast-pay for MBE/WBE/LBE partners on the Project.
- **Transportation Assistance** - Partner with local mobility provider to offer free or subsidized transportation to Project workers
- **Child Care Assistance** – Fund extended childcare hours at centers near the Project site, to provide early morning and late evening licensed childcare solely for children of Project workers on days that such Project workers are working on the Project.
- **Construction Trades Incubator Space** – Fit out and equipped office space at or near the Project site solely for MBE/WBE/LBE firms working on the Project, providing access to an on-site plan room, electronic plans, and small business incubator resources
- **Onsite Medical Clinic** – Partner with a local healthcare provider to operate an on-site health clinic at the Project site during working hours to treat Project workers’ injuries sustained on the job and to get basic medical services such as flu shots, etc.

## Small Business Capacity Building

- **Self-Bonding Program** - Implement a self-bonding program to allow MBE/WBE/LBE firms awarded Project work that have historically been unable to obtain a bond, yet which have the capacity to perform the Project work.
- **Low Interest Loan Program** - Partner with a financial institution to implement a low interest working capital loan program to assist MBE/WBE/LBE firms working on the Project.
- **Supplier Support** - Implement a program whereby the Project general contractor will leverage their purchasing power to directly procure materials and equipment for certain scopes of work, enabling MBE/WBE/LBE firms to more effectively compete for work on the Project.
- **On-Site Ombudsman** - Hire, or cause to be hired, an experienced, full-time ombudsman to serve as a liaison to coordinate the administrative aspects and requirements of the MBE/WBE/LBE firms' programs for the Project and to support and advocate for such firms performing Project work.
- **Minority Contractor Mentorship** – Encourage larger vendors and contractors to develop mentorship programs and strategic relationships with local minority partners.