

# **DRAFT UPPER HARBOR TERMINAL REDEVELOPMENT COMMUNITY BENEFITS (PARCEL 1B & 6A – HOUSING PARCEL)**

## **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)** 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.
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 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.
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.

**SPECIAL UHT WEALTHBUILDING/COMMUNITY BENEFIT INITIATIVES based on the UHT Coordinated Plan Values to be enforced through the City’s ground lease or redevelopment contract:**

*ECONOMIC INCLUSION, JOBS, & CAREERS*

1. **Intentional Procurement & Contractor Capacity Development:** In addition to the City commitments listed above, the Developer commits to the following:
  - (1) Prior to closing on any parcel, Developer will submit a Comprehensive Strategy for Economic Inclusion, Jobs & Careers for each specific project, addressing workforce development, job creation and opportunity, Community preference, small business support and capacity building. This Comprehensive Strategy will identify the proposed strategies that will be implemented by the Developer to achieve the goals identified in the Comprehensive Plan. (Redevelopment Contract)
  - (2) The Developer will publicly report on the results of strategies implemented to the City of Minneapolis quarterly during the predevelopment and construction period and annually after construction completion for a period of five (5) years. (Ground Lease)
  - (3) Developer will commit to funding a STEP UP internship for a North Minneapolis youth for 2022 and 2023. (Redevelopment Contract or Ground Lease depending on timing)
  
2. **Job Creation and Living Wages:** For the ground floor commercial spaces within the building, the Developer will:
  - (1) For tenants that are larger than 5,000 SF, make commercially reasonable efforts to execute leases with tenants that will provide a minimum of 1.0 FTE jobs per 1,000 SF of commercial space. (Ground Lease)
  - (2) Include the following in each commercial tenant lease (Ground Lease):
    - a) **Living Wage Jobs:** Tenants will commit to paying employees the City of Minneapolis Adopted Living Wage .
  
    - b) **First Look:** Prior to hiring for any job for which the job site will be in the Development, the Employer will notify (list all community economic development organizations) (the “Employee Referral System”) of available job openings (i) for at least three weeks (initial start of operations) and (ii) for at least 5 days (after initial start of operations) prior to more widely publishing or listing such job’s availability and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g. language skills, drivers’ license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.

- c) **First Hire.** When making new hires for the Employer's operations in the Development, the Employer will hire only qualified applicants that submit an application during the applicable First Look period as described above. During such periods, Employers will use normal hiring practices, including interviews, to consider all applicants referred by the First Look/Hire Referral System. After such periods, Employers shall make good-faith efforts to hire applicants referred by the Employee Referral System but may hire any applicant recruited or referred through any source.
- d) **Reporting on Local Hiring:** Tenants will report annually on the # of employees hired and retained from the priority area.

*WEALTH CREATION & COMMUNITY OWNERSHIP*

- (1) **Dedicated Fund for Ground Lease Payments:** The Developer will make Ground Lease payments based on the appraised value of the land. All Ground Lease payments will be held in a dedicated fund by the City of Minneapolis for UHT anti-gentrification and wealth building initiatives in North Minneapolis. The fund will be administered by the City of Minneapolis. The Community Entity selected by the Developer will have the ability to submit recommendations for uses of the funds on an annual basis. (City Council Resolution)
- (2) **Community Ownership:** The Developer will commit to a transparent process for the selection of a Community Entity that will play an ongoing role in the development and operation of the commercial space included in the proposed project. (Redevelopment Contract and Ground Lease)

*DISRUPTING GENTRIFICATION & DISPLACEMENT*

- (1) **Community Preference Policy:** Comply with the City's Community Preference Policy for ownership (adopted) and rental housing (to be adopted in 2021). (Ground Lease)

*AFFORDABLE HOUSING*

With respect to Parcels 1B and 6A, the Developer has committed to

- (1) **Affordability Units:** Using commercially best efforts to deliver approximately 245 units of housing between the two parcels. (Redevelopment Agreement)
- (2) **Affordability Mix:** Delivering an affordability mix of rental housing on each parcel where approximately 1/3 of the units will be affordable to and occupied by those with incomes at or below 30% AMI, approximately 1/3 of the units will be affordable to and occupied by those with incomes at or below 50% AMI, and approximately 1/3 of the units will be affordable to and occupied by those with incomes at or below 60-70% AMI. (Redevelopment Agreement)

- (3) **Home Ownership:** Use commercially best efforts to deliver approximately 32 units of ownership housing, of which a minimum of 10% shall be affordable to those with incomes below 80% AMI. (Redevelopment Agreement)
- (4) **Operating Standards:** Build and operate residential buildings consistent with the Enterprise Green Communities standard with the Minnesota Overlay for City-financed projects. (Ground Lease)
- (5) **City Option to Purchase:** The City will be given an option to purchase the affordable housing projects upon completion of applicable affordability period for fair market value. (Ground Lease)

*Note: The City will not close on ground lease for either phase unless Developer has obtained financing to achieve this level of affordability (Redevelopment Contract). Any City financing to support the above affordability levels is subject to standard City application and approval processes and no commitment of City funding should be assumed without completion of such processes.*

#### *ENVIRONMENTAL JUSTICE & SUSTAINABILITY:*

- (1) **LEED Designation:** The Developer will obtain LEED for Communities v4.1 Certification for the site & LEED SILVER Certification for all buildings (5,000 SF+) to the extent that it is financially feasible. (Redevelopment Contract)
- (2) **District Systems:** The Developer will coordinate site plan design with City, MPRB and MWMO to optimize improvements to water quality, aquatic ecosystems, the Mississippi River flyway, and pollinator habitat. (Redevelopment Contract)
- (3) **Benchmark/Ongoing Air Quality Monitoring:** The Developer will install air quality monitors at the project site and provide public access to the data to monitor the air quality at the site. (Redevelopment Contract)

#### *MOBILITY & PUBLIC SPACE*

- (1) **Public Realm Design & Program:** The Developer will engage a local cultural resources consultant and/or local arts organization to assist in culturally relevant design and programming strategies for the site. (Redevelopment Contract for design and Ground Lease for programming)