

Five Points Neighborhood Affordable Housing

MLK Economic Development Corporation



Inclusion Participation Report

Through March 31, 2025



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East Elevation.

Executive Summary

The Five Points project has encountered significant project challenges, beginning with post COVID market conditions that drove construction costs upward. Once the project got the green light the plans called for a 2023 groundbreaking, followed by 12 months of construction, until it was discovered that the originally selected General Contractor had incorrectly estimated a large portion of the project. Correcting the error put the project in jeopardy of not being feasible. A difficult decision was made to change the general contractor while trying to salvage as much of the local workforce committed to by the original GC as possible. However, the project was facing two critical deadlines on both groundbreaking and the ribbon cutting in the agreements with the City of Milwaukee and WHEDA respectively.

The Development team returned to Catalyst Construction to serve as the Five Points Project's GC, as the firm had successfully completed the adaptive reuse of the former Milwaukee Enterprise Center into Welford Sanders Lofts (at 2821 North Vel R. Phillips Ave). Catalyst was under fire to bring the project financially in bounds in a short amount of time through both value engineering and aggressive bidding. Catalyst wasted no time casting a wider net to reach more subcontractors.

Prism Technical, serving as the owner's inclusion consultant, and Catalyst first connected to discuss inclusion requirements nearly two years after the consultant's original proposal. Facing a Spring 2024 groundbreaking, it was clear that the project was in critical condition. RPP workforce projections and construction SBE inclusion were at 17.6% and 7.9% respectively.

While inclusion has improved over the projections, this report is the result of four job fairs and contentious meetings, after the aforementioned history unfolded. While the project will not likely reach its requirements, by completion, the closing remarks in this quarterly report addresses solutions going forward, involving another planned affordable housing project.



Fourth floor kitchen and living room space.



Fourth floor kitchen island casework.

SBE and RPP Challenges

As noted in the Executive Summary, the 5 Points Development team initially struggled to obtain financial viability of the project due to a major estimating error caused by the initial CM/GC, followed by excessively high bids, ultimately forcing multiple changes leading to delay and finding a new CM/GC -Catalyst Construction. Catalyst was tasked with providing value engineering to overcome time and financial challenges. On the front end, the City of Milwaukee TIF funding mandated a groundbreaking deadline and WHEDA LIHTC funding mandated a ribbon cutting deadline. In their haste to meet these timelines, the team cast a wide net to solicit bids before alerting its inclusion consultant – Prism Technical.

Once contracts were executed, it was virtually impossible to “unbake” the cake.

With SBE participation set, albeit extremely low, most of the project team’s attention was given to improving the participation above what was originally projected and to find RPP workers to meet the needs of any contractor needing new workers.

Prism examined each contractor’s detailed employment history reviewing the dates all trade workers began their employment with their contractor for each of the 182 workers deployed to the site. 143 workers (78%) gained employment prior to the project officially starting in May 2024. The remaining 39 workers, or 21%, represented an opportunity to bring on RPP workers. The table below is an early analysis of the workforce challenges. It lists all contractors on the project and their workforce. Firms marked with “*” are union contractors.

Workers and RPP % as of 03/31/2025

Contractor Name	Total Workers	RPP %	RPP Workers	Hired After May '24	County Located	Distance from Project Site
Arteaga Construction Inc*	24	44.6%	8	1	Milwaukee County	10.3 miles
Best Exteriors	13	0.0%	0	0	Calumet County	92.0 Miles
Blair Fire Protection, LLC*	4	0.0%	0	0	Waukesha County	10.8 Miles
Bob Anderson Builders, Inc	26	0.0%	0	10	Waukesha County	30.7 Miles
Cornerstone One*	7	16.4%	1	0	Waukesha County	18.1 Miles
Edge Electric of WI	31	19.0%	4	10	Waukesha County	21.5 Miles
Fischer Construction LLC	19	0.0%	0	5	Waukesha County	8.7 Miles
Gypsum Floors, Inc.	10	0.0%	0	0	Dane County	81.0 Miles
Lifetime Radon Solutions, Inc.	8	0.0%	0	4	Waukesha County	29.2 Miles
Mattox Plumbing*	16	37.1%	2	3	Milwaukee County	10.9 Miles
Mavid Construction	10	0.0%	0	2	Brown County	119.0 Miles
Oostburg Concrete	14	0.0%	0	0	Sheboygan County	42.0 Miles
Security Officer Services	9	29.0%	1	5	Milwaukee County	4.8 Miles
Wide Effect Talent Solutions, Inc.	1	0.0%	0	1	Waukesha County	36.4 Miles
Total	192		16	41		

Efforts to increase Inclusion participation

After reviewing the low project workforce projections submitted by the contractors for the inclusion of local residents, four events were organized and executed to assist with recruiting and hiring additional RPP workers.

Prism and the Development team hosted the first of three job fairs held June 11, 2024, with the City's First Source Employment Agency -- Employ Milwaukee Inc., less than 250 ft South of the project site in conjunction with WRTP/BIG STEP. Approximately 70 days later on August 20, an all-project virtual webinar was presented to contractors to stress the importance of meeting the workforce requirements and reporting using the new City LCR workforce Compliance software. On October 3, 2024, a job fair was hosted at the project site to connect local workers with employment opportunities. Another job fair followed on November 21, 2024, at the Employ Milwaukee location, further expanding outreach to potential RPP candidates.

In addition to hosting four events, the development team implemented localized efforts to recruit community members for staff positions. New RPP workers began working on-site on August 31, 2024. These actions were expected to enhance RPP inclusion participation.

According to the project's foreman, some RPP worker are currently working with the electrical trade group. This continued involvement indicates meaningful engagement on-site and highlights a pathway toward longer-term opportunities in the trades.



Job seeker interviewing for job opportunity.

SBE Professional Services Participation

Table 1: Professional Services Providers

Service Providers	Sub To	Scope of Service	Value Subject to Participation*
Various Service Providers	MLKEDC	Various	\$1,182,526
TOTAL			\$1,182,526

*Footnote:

The Subject to Participation value of \$1,182,526 includes all service providers' costs on the project, including legal fees, architectural fees, engineering fees, and other related expenses.

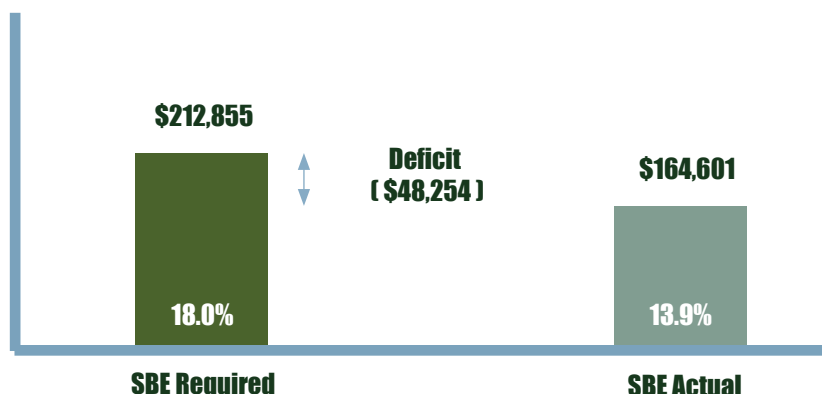
Table 2A: SBE Professional Services

Service Providers	Sub To	Scope of Service	Value Subject to Participation
Athena Communications, LLC	MLKEDC	Marketing	\$62,000
Gestra Engineering	MLKEDC	Field Services	\$5,000
Prism Technical Management & Marketing Services, LLC	MLKEDC	Inclusion Consultant	\$97,601
TOTAL			\$164,601

Table 2B: SBE Professional Services Summary

Project Subject to Participation:	\$1,182,526	
Required SBE Participation:	\$212,855	18.0%
Actual SBE Participation*:	\$164,601	13.9%

Chart 1: SBE Participation



SBE Construction Contracting Participation

Table 3: Construction Contract

Firm	Scope of service	Value Subject to Participation
Catalyst Construction	General Contractor	\$13,023,014
TOTAL		\$13,023,014

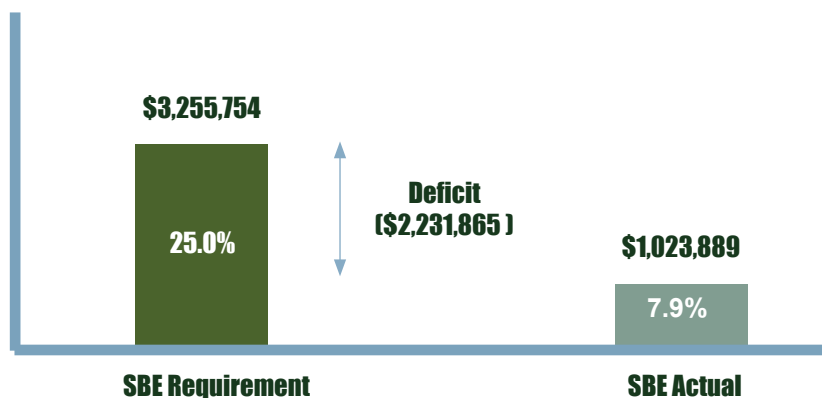
Table 4A: SBE Construction Contracts

Contractor	Sub To	Scope	Awarded Contract Value
Arteaga Construction	Catalyst Construction	Masonry	\$527,636
Mavid Construction	Catalyst Construction	Flooring	\$437,525
Pristine	MLKEDC	Construction Clean up	\$25,000
Security Officer Service, Inc.	Catalyst Construction	Site Security	\$33,728
TOTALS			\$1,023,889

Table 4B: SBE Construction Summary

Project Subject to Participation*:	\$13,023,014	
Required SBE Participation:	\$3,255,754	25.0%
Actual SBE Participation:	\$1,023,889	7.9%

Chart 2: SBE Participation



Workforce Participation

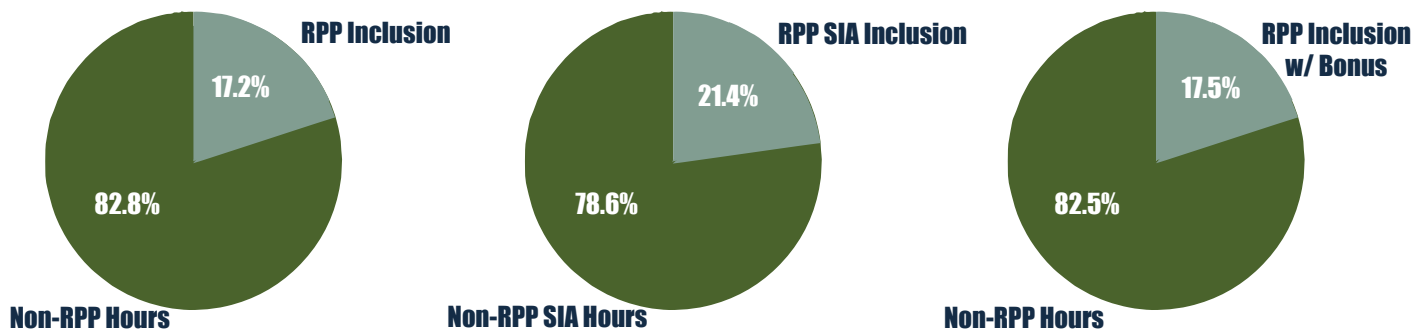
Table 4A: Workforce Participation

Contractor	Union Status	Total Hours Worked	Total Eligible Hours Worked	RPP Hours	RPP %	RPP/ SIA Hours	RPP/ SIA %	Bonus Hours	RPP w/ Bonus Hours	RPP/w bonus %
Arteaga Construction Inc	Non-Union	3,061.5	3,061.5	1,366.0	44.6%	449.5	32.9%	71.7	1,437.7	47.0%
Best Exteriors	Non-Union	440.0	240.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Blair Fire Protection, LLC	Union	557.3	557.3	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Bob Anderson Builders, Inc	Non-Union	7,490.7	5,735.2	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Cornerstone One	Union	556.9	556.9	91.6	16.4%	0.0	0.0%	0.0	91.6	16.4%
Edge Electric of WI	Non-Union	10,086.3	10,086.3	1,987.0	19.7%	552.5	27.8%	0.0	1,987.0	19.7%
Fischer Construction LLC	Non-Union	1,260.6	1,260.6	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Gypsum Floors, Inc.	Non-Union	248.0	235.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Lifetime Radon Solutions, Inc.	Non-Union	176.4	176.4	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Mattox Plumbing	Union	2,809.3	2,809.3	1,054.5	37.5%	0.0	0.0%	0.0	1,054.5	37.5%
Mavid Construction Services, LLC	Non-Union	1,119.5	1,119.5	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Oostburg Concerete	Non-Union	691.5	691.5	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Security Officer Services	Non-Union	696.8	696.8	190.8	27.4%	0.0	0.0%	0.0	190.8	27.4%
Wide Effect Talent Solutions, Inc.	Non-Union	29.5	29.5	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%
Totals		29,224.1	27,255.6	4,689.9	17.2%	1,002.0	21.4%	71.7	4,761.6	17.5%

Table 4B: Workforce Participation

Total Eligible Hours Worked:	27,255.6
RPP Participation:	17.2%
RPP SIA Participation:	21.4%
RPP with Bonus:	17.5%

Chart 3: Workforce Participation



Workforce Participation

Table 5: RPP by Craft

Craft	# Of RPP Hours	# Of RPP Workers
Bricklayer	469.0	4
Electrician	1,987.0	4
Heavy Equipment Operator	91.6	1
Laborers	1,087.8	5
Plumber	1,054.5	2
TOTALS	4,689.9	16

Table 6: RPP by Zipcode

Zip Code	# Of RPP Hours	# Of RPP Workers
53206	600.5	2
53207	144.5	1
53212	502.0	1
53214	40.5	1
53215	401.5	2
53216	689.1	2
53218	64.5	1
53219	335.0	1
53220	230.0	1
53221	1,295.0	2
53224	190.8	1
53225	196.5	1
TOTALS	4,689.9	16

Table 7: RPP by Race

Race	# Of RPP Hours	# Of RPP Workers
Asian	0.0	0
African American	394.9	4
Caucasian	1,676.5	5
Hispanic	631.5	3
Unspecified	1,485.0	3
Not Specified	502.0	1
Two or more race	0.0	0
Other	0.0	0
Native American	0.0	0
TOTALS	4,689.9	16

Table 8: RPP by Gender

Gender	# Of RPP Hours	# Of RPP Workers
Male	4,689.9	16
Female	0	0
TOTALS	4,689.9	16

Apprenticeship Participation

Table 9: Apprenticeship Participation

Craft	# of App Workers	App Hours	RPP App Hours	RPP App %	RPP SIA App Hours	RPP SIA App %
Bricklayer	2	192.5	192.5	100.0%	48.0	24.9%
TOTALS	2	192.5	192.5	100.0%	48.0	24.9%

Table 10: Apprenticeship by Race

Race	# of Hours	% of Workers
Asian	0.0	0.0%
African-American	48.0	24.9%
Caucasian	144.5	75.1%
Hispanic	0.0	0.0%
Native American	0.0	0.0%
Not Specified	0.0	0.0%
Two or More Races	0.0	0.0%
Unspecified	0.0	0.0%
TOTALS	192.5	100.0%

Table 11: Apprenticeship by Gender

Gender	# of Hours	% of Workers
Male	192.5	100.0%
Female	0.0	0.0%
Unspecified	0.0	0.0%
TOTALS	192.5	100.0%

Next steps

While the Five Points project reflects the project team's continued commitment to delivering affordable, quality housing in the Harambee community, we recognize that our performance on this project did not meet the City's expectations, or our own. We deeply regret the shortfall in local workforce (RPP) and SBE participation, and we take full responsibility for not achieving the level of inclusion this community deserves.

We are actively working to maximize RPP and SBE participation for the remainder of the Five Points project, with three to four months of work still remaining. However, we understand that finishing strong, while important, is not enough to make up for the missed opportunities earlier in the process.

As part of our corrective strategy, the development team is preparing for a new opportunity, on the upcoming project at Martin Luther King Drive and Burleigh. This project presents a meaningful chance to reset and reestablish trust by meeting the City's inclusion goals. It is already substantially funded and has strong potential to recover the participation we fell short of on Five Points.

We are currently in active discussions with certified SBE firms and workforce trainers, particularly in trades with historically low RPP inclusion, to expand pathways for underemployed community members. Our vision is to turn the MLK/Burleigh site into both a job site and a training hub, with support from Employ Milwaukee and the philanthropic community, creating an environment where RPP apprentices can gain hands-on experience in one or more skilled trades.

To ensure we do not repeat past mistakes, the development team will deploy successful tools and compliance strategies previously used on high-profile City projects such as Milwaukee's City Hall restoration, the Northwestern Mutual Tower, and the Fiserv Forum, all of which surpassed the City's 40% RPP goal.



Fourth floor unit mechanical closet.



Fourth floor unit casework at kitchen.

End of Report.