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Effective date:

Title: A substitute ordinance relating to the promotion and creation of benefits to the community as a result of development occurring in the city.

Sponsors: ALD. D'AMATO, ALD. DAVIS, ALD. ZIELINSKI, ALD. BAUMAN

Indexes: COMMUNITY DEVELOPMENT, ECONOMIC DEVELOPMENT, NEIGHBORHOOD DEVELOPMENT

Attachments: 1. City Attorney Opinion.PDF, 2. Comparison of Versions.PDF, 3. Fiscal Note pg. 2.PDF, 4. Fiscal Note.pdf, 5. Background on the Park East Community Benefits Ordinance.PDF, 6. Exhibit 4 - Recommendations of the Real Estate Development Advisory Committee.PDF, 7. Exhibit 3 - Letter to Steering and Rules Committee.PDF, 8. Exhibit 2 - EBE Participation in Development Projects.PDF, 9. Exhibit 1 - Affordable Housing in Milwaukee.PDF, 10. Milw Co Labor Council Statistics.PDF, 11. Mr. Goldstein Data Report.PDF, 12. City Atty Opinion.PDF, 13. Comptroller Letter.PDF, 14. LRB Memorandum.pdf, 15. LRB Memo Attachment 1.pdf, 16. Interfaith Conference Letter.pdf, 17. Colliers Int'l Letter.pdf, 18. City Atty Letter 9-9-03.pdf, 19. DCD Letter of 1-26-04.pdf

Date	Ver.	Action By	Action	Result	Tally
11/14/2003	0	COMMON COUNCIL	ASSIGNED TO		
11/20/2003		STEERING & RULES COMMITTEE	REFERRED TO		
11/26/2003	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
11/26/2003	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
11/26/2003	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
12/1/2003	1	CITY CLERK	DRAFT SUBMITTED		
12/4/2003	1	STEERING & RULES COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	4:3
12/4/2003	2	STEERING & RULES COMMITTEE	AMENDED	Fail	1:8
12/4/2003	2	CITY CLERK	DRAFT SUBMITTED		
1/8/2004	4	STEERING & RULES COMMITTEE	RECOMMENDED FOR PASSAGE	Pass	5:3
1/8/2004	3	STEERING & RULES COMMITTEE	AMENDED	Pass	8:0
1/8/2004	4	CITY CLERK	DRAFT SUBMITTED		
1/21/2004		COMMON COUNCIL	RETURNED TO COMMITTEE - SIGNATURES		
1/22/2004	4	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
1/22/2004	4	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		

5/25/2004	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
5/25/2004	0	STEERING & RULES COMMITTEE	HEARING NOTICES SENT		
6/10/2004	5	STEERING & RULES COMMITTEE	RECOMMENDED FOR PLACING ON FILE	Pass	
6/10/2004	4	STEERING & RULES COMMITTEE	AMENDED	Pass	7:0
6/10/2004	5	STEERING & RULES COMMITTEE	RECOMMENDED FOR PASSAGE	Fail	3:4
6/11/2004	5	CITY CLERK	DRAFT SUBMITTED		
6/14/2004	6	CITY CLERK	DRAFT SUBMITTED		
6/15/2004	7	CITY CLERK	DRAFT SUBMITTED		
6/15/2004	7	COMMON COUNCIL	PASSED	Fail	6:9
9/9/2013	1	HISTORIC PRESERVATION COMMISSION	HEARING NOTICES SENT		
9/24/2013	3	COMMON COUNCIL	DRAFT SUBMITTED		
4/22/2014		COMMON COUNCIL	REFERRED TO		

031050

SUBSTITUTE 7

ALD. D'AMATO, DAVIS, ZIELINSKI, BAUMAN AND HAMILTON

A substitute ordinance relating to the promotion and creation of benefits to the community as a result of development occurring in the city.

308-91 cr

This ordinance creates a number of programs and requirements intended to increase the economic benefits, particularly job opportunities, accruing to Milwaukee residents as a result of industrial, commercial and mixed-use development in the Park East Redevelopment Plan area.

This ordinance requires the developer of any project in the subject area that receives \$500,000 or more in direct financial assistance from the city to:

1. Pay its employees prevailing wage as defined in s. 66.0903, Wis. Stats.
2. Comply with the same residents preference requirements for all construction contracts that the city uses for its public works contracts.
3. Comply with the same requirements for use of emerging business enterprises in hiring contractors and subcontractors that the city applies to its own contracting.
4. Hire, at minimum, 2 apprentices per construction trade represented on the project.
5. Strive to fulfill a goal of targeted persons (women and members of minority groups) comprising 25% of employees working on the project.
6. Select a community-based organization in the construction industry to assist the developer in achieving the requirements set forth in this ordinance.

7. Establish, at minimum, one mentor protégé arrangement between an emerging business enterprise and a business that is not an emerging business enterprise.

This ordinance also requires the emerging business enterprise administration in the department of administration to:

1. Monitor compliance with the requirements of this ordinance and report annually to the common council on compliance and on the activities of the apprenticeship and first-source recruitment programs.
2. Work with Milwaukee county, organized labor, the general contracting community and labor training organizations to fulfill the purposes of this ordinance.
3. Administer a first-source recruitment program that will link employers with designated labor-training resources and agencies that work to provide job opportunities for city residents. The emerging business enterprise administration shall work with existing labor-training organizations and other stakeholders to develop the program and to designate one or more first-source recruitment agencies as participants in the program. The developer of any project receiving direct financial assistance from the city shall be required to provide all non-residential tenants with information about the first-source recruitment program.

In addition, this ordinance requires the common council president and mayor to appoint a 7-member advisory committee which shall meet on a quarterly basis to review the compliance reports that are submitted to it and to assist developers in meeting the requirements of this ordinance.

This ordinance also requires the city to include, in every development agreement with a developer of a project in the subject area receiving direct financial assistance, a requirement that if the developer is unable to meet the labor force requirements (as opposed to the goals) described in the ordinance, the developer shall contribute to the city the difference between the monetary value of the requirement and the monetary value of the actual achievement, pending review by the advisory committee. Funds received by the city shall be deposited in a special purpose account to be designated to fund job-training programs in the city.

Besides requirements for employees who work on development projects in the Park East Redevelopment Plan area, this ordinance also includes goals for the jobs created by businesses that open in the area. Specifically, the city strongly encourages all developers of projects in the district to strive toward a goal of having 70% of all jobs in the district as living wage jobs.

Finally, to encourage the development of affordable housing in the Park East Redevelopment Plan area, this ordinance includes the following provisions:

1. The common council strongly urges land owners and developers of housing units on any land in the district to submit plans that include a goal of providing housing options for an array of household income levels.
2. Development Agreement Provisions. Whenever the city provides direct financial assistance to the developer of a project in the district where the project includes construction of residential housing, common council approval of that direct financial assistance shall take into consideration whether the development agreement between the city and the developer includes affordable housing as part of

the development.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 308-91 of the code is created to read:

308-91. Community Benefits Programs. 1. PURPOSE AND INTENT. To address Milwaukee's chronic problems of unemployment and slow wealth accumulation, particularly in central-city communities, it is essential that the city assist its residents in taking full advantage of employment opportunities that result from development occurring in the city. The apprenticeship, pre-apprenticeship, first-source recruitment, prevailing wage, minority hiring, residents preference and emerging business enterprise programs, requirements and goals established in this section are intended to ensure that Milwaukee residents are given the necessary skills and opportunities to benefit from development.

2. DEFINITIONS. In this section:

a. "Affordable housing" means housing that consumes less than 30% of the net monthly income of a household earning 60% or less of the median income for a household of that size in the 4-county Milwaukee metropolitan area.

b. "Direct financial assistance" means the cash value of below-market sales, any direct subsidies to developers and City expenditures for improvements targeted specifically to the development with a combined value of \$500,000 or more. Money allocated for environmental remediation, money allocated for the purchase of easements for or the construction of the riverwalk, or money allocated for public infrastructure improvements shall not be included in any calculation made pursuant to this definition.

c. "District" means the Park East Redevelopment Plan area, the boundaries of which are specified in common council file number 030870.

d. "Targeted person" means a woman or a member of any of the following racial or ethnic groups:

d-1. African-American.

d-2. Hispanic.

d-3. American Indian.

d-4. Eskimo.

d-5. Aleut.

d-6. Native Hawaiian.

d-7. Asian Indian.

d-8. Asian-Pacific.

3. LABOR COMPENSATION AND UTILIZATION. a. **Prevailing Wage.** The developer of any project within the district receiving direct financial assistance shall pay its employees prevailing wage as defined in s. 66.0903, Wis. Stats.

b. **Residents Preference.** The developer of any project in the district receiving direct financial assistance from the city shall comply with the city residents preference requirements of s. 309-41-2 for all construction contracts. The requirements of s. 309-41-2 shall be adjusted by the emerging business enterprise administration to reflect the job or trade categories required for the project and the pool of available certified and qualified workers within each job or trade category. The requirement for compliance with the residents preference requirements shall be included in the development agreement between the city and the developer and in any cooperation agreement under which the city is providing another governmental entity with financial assistance for development-related activities.

c. **Emerging Business Enterprises.** The developer of any project in the district receiving direct financial assistance from the city shall comply with the requirements of s. 360-06-1 for use of emerging business enterprises as contractors or subcontractors for the project. The requirement for compliance with the emerging business enterprise requirements shall be included in the development agreement between the city and the developer and in any cooperation agreement under which the city is providing another governmental entity with financial assistance for development-related activities. A business that is certified with Milwaukee county's community business partners program as an emerging business enterprise and would qualify as an emerging business enterprise under ch. 360, as determined by the emerging business enterprise administration, shall be included when determining compliance with the requirements of s. 360-06-1.

d. **Apprenticeships.** To provide on-the-job training opportunities for apprentices, the developer of any project within the district receiving direct financial assistance will be required to hire, at minimum, 2 apprentices per construction trade represented on the project. This requirement shall be included in the development agreement between the city and the developer and in any cooperation agreement under which the city is providing another governmental entity with financial assistance for development-related activities. The developer is also strongly encouraged to meet the goal of having 50% of the total number of apprentices hired be targeted persons who reside in the community development block grant area, as defined in s. 309-41-1-a.

e. **Minority Hiring Goal.** The developer of any project in the district receiving direct financial assistance is strongly encouraged to meet the goal of having 25% of employees working on the project be targeted persons.

4. FIRST-SOURCE RECRUITMENT PROGRAM. a. **Creation.** There is created a first-source recruitment program intended to promote employment opportunities for city residents in permanent jobs that are created as a result of commercial, industrial and mixed-used development. This program shall link employers with designated labor-training resources and agencies that work to provide job opportunities for city residents.

b. **Administration.** The emerging business enterprise administration shall administer the first-source recruitment program. The emerging business enterprise administration shall work with existing labor-training organizations and other stakeholders to develop the program and to designate one or more first-source recruitment agencies as participants in the program.

c. Distribution of Information. Information about the first-source recruitment program shall be distributed to developers of new commercial, industrial and mixed-use projects in the district through the department of city development and the emerging business enterprise administration.

d. Projects Receiving City Financial Assistance. The developer of any project in the district receiving direct financial assistance from the city shall be required to provide all non-residential tenants with information about the first-source recruitment program. The developer shall also provide a contact name, address and telephone number for each non-residential tenant to the designated first-source recruitment agency or agencies. These requirements shall be included in the development agreement between the city and the developer and in any cooperation agreement under which the city is providing another governmental entity with financial assistance for development-related activities. Compliance with these requirements shall be monitored by the emerging business enterprise administration.

5. MENTOR PROTÉGÉ REQUIREMENT. The developer of any project within the district receiving direct financial assistance shall establish, at minimum, one mentor protégé arrangement between an emerging business enterprise and a business that is not an emerging business enterprise. This requirement shall be included in the development agreement between the city and the developer and in any cooperation agreement under which the city is providing another governmental entity with financial assistance for development-related activities.

6. JOB QUALITY GOALS FOR BUSINESSES IN THE DISTRICT. a. Living Wage Goal. Developers of projects in the district shall make all reasonable efforts to maximize the number of living wage jobs created in the district. The city strongly encourages all developers of projects in the district to strive toward a goal of having 70% of all jobs in the district as living wage jobs.

b. Measurement. The percentage of living wage jobs in the district shall be calculated as the number of jobs falling into any of the following 3 categories divided by the total number of jobs in the district:

b-1. Jobs for which employees are paid on a salaried basis at least \$20,238 per year if the employees are provided with employer-sponsored health insurance, or \$24,398 per year if the employees are not provided with employer-sponsored health insurance. These amounts shall be adjusted concurrently with the living wage adjustment specified in s. 310-13-3.

b-2. Jobs for which employees are paid at least \$9.73 per hour if the employees are provided with employer-sponsored health insurance, or \$11.73 per hour if the employees are not provided with employer-sponsored health insurance.

b-3. Jobs covered by collective bargaining agreements.

7. MONITORING AND REPORTING. a. Community-Based Organization. For each project within the district receiving direct financial assistance, the developer shall, with assistance from the emerging business enterprise administration, select a community-based organization in the construction industry to assist the developer in achieving the requirements set forth in this section. The community-based organization shall be responsible for assisting the developer in locating eligible residents preference program workers and apprentices, field-monitoring and reporting of the developer's progress in meeting the requirements of this section, and providing training for pre-apprentices and apprentices. The community-based organization shall submit reports on the

developer's progress in meeting the requirements of this section to the emerging business enterprise administration and to the advisory committee established under par. c.

b. Emerging Business Enterprise Administration. The emerging business enterprise administration shall monitor compliance with the requirements of this section. It shall provide an annual report to the common council on compliance with these requirements, as well as on activities of the apprenticeship and first-source recruitment programs established under this section.

c. Advisory Committee. The mayor and the common council president shall appoint a 7-member advisory committee which shall meet on a quarterly basis to review the reports submitted to it pursuant to par. a and to assist developers in meeting the requirements of this section. The mayor shall appoint 3 committee members and the common council president, 4 members. The committee shall include at least one common council member, a representative of the mayor's office and a representative of Milwaukee county.

8. TRAINING PROGRAM FUND. The city shall include, in every development agreement with a developer of a project in the district receiving direct financial assistance, a requirement that if the developer is unable to meet the requirements, but not the goals, of sub. 3, the developer shall contribute to the city the difference between the monetary value of the requirement and the monetary value of the actual achievement, pending review by the advisory committee. Funds received by the city shall be deposited in a special purpose account to be designated to fund job-training programs in the city.

9. AFFORDABLE HOUSING. a. Consideration of Development Plans. The common council strongly urges developers of housing units on any land in the district to submit plans that include a goal of providing housing options for an array of household income levels.

b. Development Agreement Provisions. Whenever the city provides direct financial assistance to the developer of a project in the district where the project includes construction of residential housing, common council approval of that direct financial assistance shall take into consideration whether the development agreement between the city and the developer includes affordable housing as part of the development.

10. CITY COOPERATION WITH OTHER ENTITIES. The emerging business enterprise administration shall work with Milwaukee county, organized labor, the general contracting community and labor training organizations to fulfill the purposes of this section.

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

IT IS OUR OPINION THAT THE ORDINANCE

IS LEGAL AND ENFORCEABLE

Office of the City Attorney
Date:_____

LRB03537-7
JDO
06/15/04