

## Appendix 4 City Contracting Requirements

### City Contracting Requirements

The relationship between the selected Master Developer and the City and MPRB will be guided by two successive agreements. The exclusive rights agreement will cover the time period between developer selection and the completion of an approved Coordinated Plan. The subsequent redevelopment agreement then will cover the time period between Coordinated Plan approval and when the actual development is completed. This section outlines some of the City contracting requirements that any potential developer should be aware of in considering whether to respond to this Request.

#### Exclusive rights agreement

The exclusive rights agreement to be offered to the selected Master Developer will include the following requirements:

- **Equal opportunity (nondiscrimination and affirmative action)** The Master Developer will be required to submit a written affirmative action plan in compliance 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. The Master 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, affectional preference, disability or other handicap, age (40 – 70), marital status, or status with regard to public assistance. The Master 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. The Master 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. The Master Developer also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the Master Developer, state that it is an equal opportunity or affirmative action employer.
- **Hold Harmless:** The Master Developer must agree to defend, indemnify and hold the City and MPRB harmless from any and all claims or lawsuits that may arise from the Master Developer's activities under the provisions of the exclusive rights agreement that are attributable to the acts or omissions, including breach of specific contractual duties, of the Master Developer or the Master Developer's independent contractors, agents, employees or officers.

- **Insurance:** The Master Developer will be required to secure and maintain the following insurance coverage for the duration of the exclusive rights agreement.
  - (a) Workers compensation insurance that meets the statutory obligations.
  - (b) Commercial general liability insurance with limits of at least \$2,000,000 general aggregate/\$2,000,000 each occurrence with the City named as an additional insured.
  - (c) Commercial automobile liability insurance covering all owned, non-owned and hired automobiles with limits of at least \$1,000,000 (combined single limit).

Redevelopment agreement

The eventual conveyance of the portions of the UHT site identified in the approved Coordinated Plan will be accomplished via a redevelopment agreement between the City and Master Developer. In addition to the business terms of the relationship, this agreement will outline 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, affordable housing policy, 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, but the following list is not exhaustive. Proposers with questions about such requirements are urged to seek further information as described in Section VII.

The redevelopment agreement also will provide that the sale of the parcel(s) to the Master Developer will not occur until the project is ready to proceed, as documented by the provision of evidence of financing, approval by the City of detailed plans and other conditions precedent.

Requirements that will apply to all developments:

- **“As Is” Sale and Reversionary Rights.** Except to the extent otherwise provided in the agreement, the City will convey the property “as is” with no title warranties. The conveyance also will be subject to reversionary rights running in favor of the City. In the event that subsequent to conveyance of the Property and prior to receipt by the Master Developer of a Certificate of Completion, the Master Developer defaults in the terms of the redevelopment agreement, the City will have certain rights to re-acquire the property. In order to facilitate the obtaining of funds necessary for construction of the minimum improvements to be built on the property, the City will agree that it will enter into a reasonable agreement of subordination of the City's interest in the property to the interests of the holder of such a mortgage, provided that the City determines, in its reasonable judgment, that the interests of the City under the land sale remain adequately protected.

- **Equal opportunity (nondiscrimination and affirmative action)** The Master Developer and contractor will be required to submit a written affirmative action plan for the development project and 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. The Master 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, affectional preference, disability or other handicap, age (40 – 70), marital status, or status with regard to public assistance. The Master 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. The Master 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. The Master Developer also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the Master Developer, state that it is an equal opportunity or affirmative action employer.
- The 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**.
- **Land Use Application:** It will be the Master Developer's responsibility to undertake and finance the land use application process necessary for approval of the proposed development. Such applications may include a rezoning, conditional use permit, variance, site plan review and/or replatting.
- **Construction Standards:** Any residential development must meet FHA minimum property standards and all Minneapolis City codes, and projects will be reviewed for energy efficiency.
- **Residential Sale and Commercial Sale/ Lease:** The completed units must be advertised and offered publicly and must be sold to the general public.
- **Hold Harmless:** The Master Developer must agree to defend, indemnify and hold the City harmless from any and all claims or lawsuits that may arise from the Master Developer's activities under the provisions of the redevelopment agreement that are attributable to the acts or omissions, including breach of specific contractual duties, of the Master Developer or the Master Developer's independent contractors, agents, employees or officers.

- **Insurance:** In addition to the workers compensation and liability insurance that will be required under the exclusive rights agreement, the Master Developer will be required to secure and maintain builders risk and property insurance to protect the City's interests until the development project is issued a certificate of completion under the redevelopment agreement.

Requirements that may apply depending upon amount/type of public financial assistance and type of development:

- If the City provides assistance to the development as defined in the City's **Prevailing Wage Policy**, the Master 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.
- The Master 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 by contract to identify positions that are reserved 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 \$100,000 must comply with Chapter 423 of the Ordinance 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. Information is available at the [Minnesota Unified Certification Program \(MNUCP\) web site](#).
- Depending upon 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.
- The City's [Affordable Housing Policy](#) applies to any residential development (rental or ownership) with ten units or more, or a project with a residential component of 10 or more units, that receives any public financial assistance. Public financial assistance includes the receipt of City-wide resources through the normal, competitive RFP funding processes established by the City, or the receipt of non-City resources that are either passed through the City or that require the City to be a co-applicant.