

**City of Philadelphia
Economic Opportunity Plan**

BLUE HORIZON ENTERTAINMENT COMPLEX

Philadelphia, PA

I. Introduction, Definitions and Goals

The City of Philadelphia strongly encourage the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBEs") Business Enterprises (collectively, "MW/DSBEs") and minority and female workers in all aspects in the renovation and expansion of the former Blue Horizon located at 1310-16 Broad Street, Philadelphia, PA (the "Property") to include an entertainment complex with an eight (8) story, eighty-seven (87) room boutique hotel with restaurant, lounge, live entertainment and event center (the "Project"). In support of this objective, City of Philadelphia will require that the developer, Mosaic Development Partners and Orens Brothers, Inc. (the "Developers"), commit to this Economic Opportunity Plan ("EOP" or "Plan"). This Plan shall apply to contracts awarded and procurements by the Developers and all Participants of this Project.

This Plan contains ranges of projected MW/DSBE utilization and goals for the employment of minority and female workers in connection with this Entertainment Complex project. This Plan shall be a part of and incorporated into the resulting agreement(s) with the Developers.

The Developers hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities and 18 Pa.C.S. Section 4107.2 (a)(4) relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as MW/DSBEs by an OEO approved certifying agency² will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the

¹Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

²A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo

OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oEO/directory.

For this Plan, the term "Best and Good Faith Efforts" means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

The Developers will renovate the Blue Horizon building to its former grandeur as well as add an addition to house an 87 room boutique hotel. There will be a bar, restaurant and event space designed for both socializing and spectating, as well as space for private events. The Developers' intention is to have the Blue Horizon become a beacon for locals, tourists and conventioners looking for a unique high-end experience. Actual renovations will include demolition of 1310-12 N. Broad Street (the building next door) and construction a new 8 story structure. In addition, 1314-16 N. Broad Street will be partially demolished to allow for 1310-12 N. Broad Street to be consolidated and connected to the former Blue Horizon structure while upgrading basic systems to create a truly unique entertainment experience. The construction for the renovation and expansion will be done in a single phase and will begin in late Spring of 2012.

III. Goals

1. M/W/DSBE Participation Ranges

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for M/W/DSBEs in the Project the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this development:

The following *Construction* contract goals have been set for the Project:

Contracts	Minority Owned	Female Owned	Disabled Owned
Construction Sub-Contractors	15% -20%	10%-15%	<i>Best efforts</i>

The objectives set forth in the Plan shall be incorporated in all requests for proposals, bid packages and solicitations for the Projects and communicated to all Participant levels.

2. Employment Goals

The Developers agree to exhaust Best and Good Faith Efforts to employ minority persons and females in its workforce of apprentices and journeymen at the following levels³:

- Minority Apprentices – 50% of all hours worked by all apprentices
- Minority Journeymen – 32% of all journey hours worked across all trades
- Female Apprentices – 7% of all hours worked by all apprentices
- Female Journeypersons - 7% of all hours worked across all trades

IV. Responsiveness

A. The Developers shall identify all M/W/DSBE commitments and other agreements evidencing its intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein on the form entitled, "M/W/DSBE Participation and Workforce Commitments." The identified commitments on this form constitutes a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Developers have entered into a legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

³ These goals, which have been adopted by the Economic Opportunity Cabinet, are the recommendations of the Mayor's Commission on Construction Industry Diversity.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form.

C. OEO will review the Developers' commitments for the purpose of determining whether Best and Good Faith Efforts have been made. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

D. Participants shall be required to submit a Subcontracting/Vendor Plan outlining how it intends to seek out vendors to satisfy the goals established in herein.

V. Compliance and Monitoring of Best and Good Faith Efforts

A. To the extent required by law, the [PROJECT OWNER] shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by OEO.

B. Prompt Payment of M/W/DSBEs

1. The [OWNER] agrees and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

C. Oversight Committee

1. The Owner and/or at the discretion of the City of Philadelphia, in consultation with the appropriate agencies and entities, will establish and identify the members of a Project Oversight Committee, including representatives from the Owner, the Developer and/or the General Contractor and Construction Manager, The Office of Economic Opportunity, City Council, community organizations and the Building Trades. Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

VI. Remedies and Penalties for Non-Compliance

A. The Developers agree that its compliance with the requirements of this Plan is material inducing City Council to approve Ordinance No. 120015. Failure to comply with the Plan may subject the Developers to the remedies and penalties contained in Section 17-1100 of the Philadelphia Code therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and

any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.


SIGNATURE OF Owner Representative⁴ 3-26-2012
DATE


ANGELA DOWD-BURTON, Executive Director, Office of Economic Opportunity⁵ 3-28-2012
DATE

⁴The Owner's Representative is required to sign and date, but the City reserves the right to obtain the Owner's Representative signature thereon at any time prior to Plan certification. The Owner Representative will receive from the City a certified copy of its Plan which should be filed with the Chief Clerk of City Council within fifteen (15) days of the issuance and published by OEO, in a downloadable format, on the OEO website.

⁵ Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.