City of Philadelphia
Economic Opportunity Plan

1800 ARCH STREET
OFFICE CORE & SHELL/HOTEL

Economic Opportunity Plan Overview
February ~~19~~, 2014
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I. Introduction, Definitions and Goals

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged[1] ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in various aspects of the design and construction of the development to be known as the (the "Project") at 1800 Arch Street, Philadelphia, PA (the "Site"). In support of this objective, the City of Philadelphia will require that Liberty Property (the "Owner") of the Project commit to this Economic Opportunity Plan ("EOP" or "Plan").

This overview demonstrates the Owner's commitment to inclusion and elements of the evolving Plan that form a context for achieving meaningful participation of businesses owned by minorities, women, veterans and the disabled; substantial workforce utilization of skilled and semi-skilled trade workers who are minority and female; the engagement of students in the School District of Philadelphia in a career development internship program; and the monitoring of and reporting on the Plan by Liberty, assisted by its Economic Opportunity Oversight Committee.

Development and construction of the Project will be managed and directed by Liberty Property Trust (referred to herein as "Liberty").

The Plan is consistent with sound procurement practices and applicable law and will comply with state and local economic opportunity initiatives.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners, developers and contractors.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan, is true and correct and take notice 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),

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

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 M/W/DSBEs by an OEO approved certifying agency[2] 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 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," the sufficiency of which shall be in the sole determination of the City, 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 the improvements and a commitment is made to employ a diverse workforce as enumerated herein.

The following are examples of Best and Good Faith Efforts:

- Participant seeks assistance from the Philadelphia area building trades, pre-apprenticeship and workforce development programs to conduct employment outreach and identify minority and female tradespeople for work on the Project.

- Participant maintains a published policy of nondiscrimination in the hiring, retention and promotion of employees which includes communication of that policy to all contractor(s) and their project forepersons.

- Participant makes commitments to use MBEs, WBEs and DSBEs in its contract for commercially acceptable subcontracted services and material supply even when the Participant might otherwise prefer to perform/supply these items without subcontracting.

- Timely solicitation through all reasonable and available means the interest of M/W/DSBEs that have the capability to perform the work of the contract. Such efforts include use of the OEO Registry of Certified Firms, solicitation through pre-bid meetings and job fairs, advertising in minority focused publications, and written mailings to M/W/DSBEs. Participant must determine with certainty if the M/W/DSBEs are interested by taking appropriate steps to follow up on initial solicitations; one time contact, without any follow up, is not acceptable.

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

- Providing interested M/W/DSBEs adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

- Providing arms length business assistance to interested M/W/DSBEs which may include access or introduction to major manufacturer/suppliers, lending institutions and union halls.

- Negotiating in good faith with interested M/W/DSBEs. Participant, using good business judgment, would consider a number of factors in negotiating with subcontractors, including M/W/DSBE subcontractors, and would take a firm's price and capabilities into consideration.

II. Project Scope

This Economic Opportunity Plan is being provided in connection with the development and construction of the core and shell containing 1,284,000 rentable square foot of office space and a 222-room hotel building. The building is intended to be approximately 1,121 feet in height, comprising approximately 45 office floors, 14 hotel floors and containing a total of approximately 1.7 million gross square feet area to be located at 1800 Arch Street in Philadelphia, Pennsylvania.

For purposes of this plan overview, the building core and shell shall be defined as the 1800 Arch Street building core and shell, including the shell building mechanical and electrical systems, the main building lobby, the hotel portion of the building including interior finishes, the Winter Garden, the underground concourse, underground parking area and loading dock area, but specifically not including any tenant related improvement work within the 1,284,000 rentable square foot office portion of the building.

III. Goals

A. 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 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 ranges are based upon an analysis of factors such as the size and scope of the improvements and the availability of MBEs, WBEs, DSBEs and DBEs to participate in the improvements:

Contracts	Minority Owned	Female Owned	Disabled Owned	Totals
Professional Services	13.6 - 15%	7.8 - 15%	Best Efforts	21.4 - 30%
Construction	25 - 30%	7 - 12%	Best Efforts	32 - 42%

The following contract goals have been set for the Project:

1. Contract Opportunities

   As part of its Plan, Liberty shall provide prime contract and subcontract opportunities for minority, women, and disabled-owned business enterprises (collectively, "M/W/DsBEs"). Additionally, Liberty will use best and good faith efforts to provide meaningful opportunities for enterprises owned and controlled by United States veterans.

   Professional Services: External Design, Project Consulting and Contract Administration - Design, consulting and contract administration work will be performed in connection with this project. The professional services shall have a total goal of 21.4% to 30%. This shall include specific goals for 13.6% to 15% minority business enterprises, 7.8% to 15% female business enterprises, and Best Efforts for disabled business enterprises respectively.

   Construction — Liberty's efforts shall be directed to a goal of achieving an overall participation level of 32% to 42% collectively, consisting specifically of 25% to 30% minority business enterprises, 7% to 12% female business enterprises, and Best Efforts for disabled business enterprises respectively, in the construction of the Project, including add-ons, change orders and scope adjustments. This percentage for participation is related to the total dollar value of contracts and subcontracts let by Liberty, its consultants and contractors for the construction of the Project. Sole source contractors or contractors that perform unique, specialty services in consultation shall not be included in the calculation of Liberty's goals.

B. Employment Goals

The Project Owner agrees to exhaust Best and Good Faith Efforts through its contractors to employ minority persons and females in its workforce of apprentices and journeymen at the following levels:

Minority Journeymen - 25% of all journey hours worked across all trades.
Female Journeypersons - 2% of all journey hours worked across all trades.
Minority Apprentices - 50% of all hours worked by all apprentices
Female Apprentices - 7% of all hours worked by all apprentices

Local Residents ** - 50% of all hours worked across all trades
Liberty will also encourage its contractors to make a best and good faith effort to maximize employment opportunities for United States veterans.

IV. Youth Internship Program

The Plan will include an internship program over the four year project schedule for six (6) High School students in the School District of Philadelphia in two, 2-year classes of three students. Liberty, in coordination with the Urban Affairs Coalition (UAC), will sponsor an internship program which will include progressive architecture, construction, engineering and property management career exploration opportunities during each two (2) year program. Students will receive a stipend for participation.

Students will be identified by the School District of Philadelphia and participate in the Summer Work-Ready Internship Program, which has been managed by the Urban Affairs Coalition (UAC) for more than twenty-five (25) years. Students will spend their first summer being acclimated to the work world while receiving a placement through the Liberty network. The goal of the two-year program is to provide students with an in-depth work experience that translates into college admission, graduation and a career.

V. Responsiveness

A. The Owner and relevant participants shall identify 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. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Owner and participants have entered into legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the percentage amounts set forth. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers.

** Local residents are defined as individuals who have permanent residence in Philadelphia, Delaware, Montgomery, Bucks and Chester Counties.

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, become part of and an exhibit to the Agreement.

C. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction of the Project to ensure that Best and Good Faith Efforts have been made.

VI. Compliance and Monitoring of Best and Good Faith Efforts

A. Certified Payroll

To the extent required by law, the Owner shall ensure that 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.

The Owner agrees and shall cause its contractors to ensure that M/W/DSBEs participating in the Project receive prompt payment for their work or supply effort within five (5) business days after the General Contractor's receipt of a payment.

The Owner agrees that it shall ensure payment to its M/W/DSBE's Professional Service contractors for their work within thirty (30) days from receipt of proper invoice following satisfactory performance.

VII. Oversight Committee

Liberty will establish an Oversight Committee 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.

The Oversight Committee shall consist of the following nine (9) members:

- Representative of Liberty Property Trust
- Representative of Comcast Corporation
- Representative of Four Seasons Hotel and Resorts
- Representative of City of Philadelphia, Office of Economic Opportunity
- City of Philadelphia Council President
- Representative of Philadelphia Building Trades

- Representative of the Project General Contractor
- Representative of the Urban Affairs Coalition
- Representative of the Philadelphia General Building Contractors' Association

VII. Reporting

The Owner agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Owner will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs and/or DBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

VIII. Remedies and Penalties for Non-Compliance

A. The Owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained 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 the Owner 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.

Liberty Property Trust's commitment to inclusion is well documented. In addition to the core and shell project of the Comcast Center, Liberty is working on a plan for its operations at the Naval Yard. 1800 Arch Street is another example of Liberty's leadership in good community and economic development practice. Liberty's contact persons for the Project are:

Name:	John S. Gattuso
Title:	Senior Vice-President and Regional Director
Address:	1628 John F. Kennedy Boulevard, Suite 1100 Philadelphia, PA 19103
Phone:	(215) 568-4100
Fax:	(215) 568-1999
E-Mail:	jgattuso@libertyproperty.com

and

Name:	Bonnie S. Milavec
Title:	Vice President - Real Estate Counsel
Address:	500 Chesterfield Parkway Malvern, PA 19355
Phone:	(610) 648-1700
Fax:	(610) 644-2175
Email:	bmilavec@libertyproperty.com

2/25/2014

John Gattuso, Senior Vice President & Regional Director, Liberty Property Trust DATE

2/25/2014

Angela Dowd-Burton, Executive Director, Office of Economic Opportunity[3] DATE

[3] 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.