City of Philadelphia
Economic Opportunity Plan
EAST MARKET
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I. Introduction and Definitions

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the development to be known as East Market (the "Project") located at 1100 Market St (the "Site") which may include financial investment, design, construction and operations. In support of this objective, the City of Philadelphia will require that 1100 Market St. LP (the "Owner") of the Project commit to this Economic Opportunity Plan ("EOP" or "Plan"). 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 at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners of the East Market.

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), 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 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 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.

II. Project Scope.

The project consists of the construction of a new split (2) story retail podium and a (322) unit apartment tower on east side.

 Provision for a future tower on the west side, new site improvements to Ludlow, new mid-block alley, and sidewalks are also included along with below grade central loading dock and 200 car parking area.

¹ Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.
² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo
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 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 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 this development.

The following contract goals have been set for the Project:

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Minority Owned</th>
<th>Female Owned</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td>10-15%</td>
<td>5-10%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Construction</td>
<td>25-30%</td>
<td>5-10%</td>
<td>30-40%</td>
</tr>
</tbody>
</table>

B. Employment Goals.

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

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 - 2% of all hours worked across all trades.

Local Residents\(^4\)

32%
IV. Equity Ownership

“Economic Opportunity Plans,” to require that each Economic Opportunity Plan include information concerning the Equity Ownership (as defined) of (1) the contractor, developer and/or recipient of financial assistance required to submit the Plan; (2) participants (as defined) engaged by the contractor, developer and/or recipient of financial assistance; and (3) the eventual owner or owners of the project or contract to which the Plan relates; and requiring periodic reports for the purpose of updating Equity Ownership information; all under certain terms and conditions.

Identify the current equity owners of the project.

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>% Minority Owned</th>
<th>% Women-Owned</th>
<th>% Disabled Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation</td>
<td>n/a</td>
<td>0.25%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

If the project is privately owned, the following individuals will become the anticipated Equity Owners upon completion.

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>% Minority Owned</th>
<th>% Women-Owned</th>
<th>% Disabled Persons</th>
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</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Corporation</td>
<td>n/a</td>
<td>0.25%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Following the completion of the project, the project owner is responsible for meeting the reporting guideline identified in the Philadelphia Code.⁵

V. Diversity Practices

In compliance with Chapter 17-1603 entitled Equal Opportunity Plan: Contents The Economic Opportunity Plan shall contain a statement from the contractor, developer and/or recipient of financial assistance summarizing past practices by identifying and describing examples of processes used to develop diversity at any/all levels of its organization including, but not limited to, Board and managerial positions. This statement shall also summarize strategic business plans specific to current or past practices of M/W/DSBE utilization on government and non-government projects and procurement. Where appropriate, such a statement should contain:

1. Describe employment and recruitment policies used to achieve diversity in your workforce.

National Real Estate Advisors, LLC (“National”) is the investment manager and authorized agent of the Owner and affiliates, including the recipient. Employment decisions at National are based on merit, qualifications, and abilities. National does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.2. Provide the race, gender, and residential (local) status of your:

⁵ Philadelphia Code 17-1603.
A. Directors  
Natioal’s Board of Directors consists of (4) white males (the Board of Directors is not responsible for Project-specific decisions).

B. Management  
National’s Executive Committee, which includes the officers of National in charge of the company’s day-to-day operations, including overseeing the investment in and management of the Project, consists of (2) white males, (2) white females, and (1) Asian male. These individuals would also be considered National’s Management.

C. General Workforce  
National employs (41) total Staff of which:

1. Hispanic male
2. Asian Male
3. (4) African American Females
4. (1) Native American/Pacific Islander Female
5. (19) White Males
6. (15) White Females

Total Minorities (7) 17%
Total Female (20) 49%

3. Identify your organization’s methods of solicitation and utilization of Minority, Woman and Disabled Businesses (M/W/DSBEs). Please be specific in describing outreach and any procurement policies that are focused on creating or sustaining business relationships with M/W/DSBEs.

National generally is involved with projects in excess of $100MM and contacts directly with major General Contractors that have a solid track record of diversity and promotion of M/W/DSBEs. Tutor Perini was chosen in part because of its history in achieving results in this regard.

1. CityCenter, Las Vegas, NV, $8,500 MM, 7% goal 16% achieved
2. Gaylord Resort & , Oxon Hill, $845 MM, 30% goal 30% achieved
3. BART Trackway, SF, CA, $609 MM, 25% goal 32.5% achieved
4. Int'l Terminal Airport, SF, CA, $513 MM 15% goal 19.17% achieved
5. MGM Grand, Ledyard, CT,$528 MM 15% goal 25% achieved
6. Resorts World NY, Queens, NY,$526 MM, 25% goal 27% achieved
7. PA Convention Center, Phil., PA, $485 MM 35% goal 40% achieved
8. JFK AirTran Terminal Queens, NY, $380 MM 17% goal 22% achieved
9. Hudson-Bergen, Hoboken, NJ, $284 MM 11.6% goal 15.2% achieved
10. LAX Runway, Los Angeles, CA, $266 MM 13.5% goal 13.6% achieved
11. 30th Street Reno, Philadelphia, PA, $261 MM 35% goal 42% achieved
12. JFK Runway 13, Queens, NY, $204 MM 10% goal 17.55% achieved
13. Rental Car Facility, Ft. Lauderdale, FL, $180 MM 21% goal 31% achieved
14. Tappan Zee Bridge, New York, NY, $177 MM 8% goal 20.1% achieved
15. Airport Rail System, SF, CA, $170 MM 21% goal 23.5% achieved
16. Concourse H / ART Station, SF, CA, $43 MM 18% goal 18.08% achieved
17. Whitestone Bridge, Queens, NY, $141 MM 15% goal 29.4% achieved
18. East Side Access Proj. Queens, NY, $139 MM 5% goal 5.8% achieved
19. Interstate 278 (BQE), Queens, NY, $127 MM 12% goal 13% achieved

4. What percentage of your company’s total spend with vendors and suppliers is attributable to M/W/DSBEs? Please include a list of the largest M/W/DSBEs used by your organization in the last 12 months.

| A. Identify the type of goods or services purchased. | We purchase services relevant to our construction projects. |
| B. Amount of the contract | Please see participation value cumulative totals above. |
| C. Indicate if any of these M/W/DSBEs are listed in the City of Philadelphia’s Office of Economic Opportunity Registry. | Yes. |
| D. Are these companies certified as M/W/DSBEs? Do you rely on any particular certifying agency? | We utilize M/W/DSBEs certified by the agency listed in contract documents. |
| E. If there is no previous M/W/DSBE utilization, the Plan shall contain a statement that explains the reason for the lack of M/W/DSBE participation in past contract(s) or project(s). | N/A |

5. Describe any initiatives made by your organization to increase investment and promote equity ownership by minorities and women.

Tutor Perini has an established diversity program with a national Compliance Officer and Diversity Director providing oversight on all projects and has emerged as a leader in diversity initiatives. We have implemented a number of innovative programs regionally aimed at the recruitment and education of each stakeholder including the business and construction management training required to succeed on fast paced, large-scale construction projects. This program will include teamwork with contract and sub tier contract holders and may include subjects relevant to this project such as prevailing wage, daily reports, requisitions, LEED compliance requirements, change orders and safety.

Best practices are the responsibility of everyone, owners, agencies, contractors and subs. Upon
award, Tutor Perini will host a charrette inviting ANY PROJECT OWNER, the City of Philadelphia's Office of Economic Opportunity, Designers, Manufacturers and Contractors to establish the requirements for a project specific compliance manual that will become the framework for all pre-bid, de-scope and kick off meetings during preconstruction. Contractor(s) will develop meaningful utilization plans before award to assure M/W/DSBE participation is provided by firms that are qualified as certified and provide a commercially useful function. Each month during construction, contract holders will submit an affidavit confirming the value of participation for each M/W/DSBE and their percentage of work complete will be compared with their commitments. Tutor Perini will utilize good faith efforts in attracting a diverse work force.

VI. Responsiveness

A. The owner shall identify M/W/DSBE commitments and other agreements evidencing their 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 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 has 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 dollar/percentage amounts 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.

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 resulting from the RFP.

C. OEO will review the owner’s 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.

VII. Compliance and Monitoring of Best and Good Faith Efforts.

A. The owner agrees to cooperate with OEO in its compliance monitoring efforts, and to submit, upon the request of OEO, documentation relative to its implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
- Telephone logs and correspondence relating to M/W/DSBE commitments.
- 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 on the Project receive prompt payment for their work or supply effort within five (5) days after receipt of payment from the project owner.

C. Oversight Committee.

For this Project, in the sole discretion of the City, an oversight committee may be established consisting of representatives from [the Owner], representatives of the building trades, the construction manager, the City which may include the Project site’s district councilperson, OEO, and appropriate community organizations (“Committee”). The Committee will meet regularly to provide advice for the purpose of facilitating compliance with the Plan.

D. 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.
Mike Fenner  
Treasurer, 1100 Market St GP, LLC
General Partner of 1106 Market St LP

Angela Dowd-Burton*  
Executive Director
City of Philadelphia
Office of Economic Opportunity

4/1/15

4/2/2015

6 The 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.

7 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.