

- **Memorandum of Understanding - New Port Covington Supplier Diversity**
(Dated: 04/20/16)

FROM	NAME & TITLE	Christine Bivens, Director
	AGENCY NAME & ADDRESS	Mayor's Office of Minority and Women-Owned Business Development, 100 Holliday Street, Suite 629
	SUBJECT	Sagamore Development Company, LLC

CITY of
BALTIMORE
MEMO



DATE: April 11, 2016

TO Honorable President and Members
of the Board of Estimates

Dear Mr. President and Members:

ACTION REQUESTED OF BOARD OF ESTIMATES:

The Board is requested to approve a Memorandum of Understanding (MOU) between the Mayor and City Council of Baltimore acting by and through the Mayor's Office of Minority and Women-Owned Business Development ("MWBD") and Sagamore Development Company, LLC (the "Developer") relating to the cooperation between parties to establish a process to ensure the inclusion of minority and women-owned business in the New Port Covington Project and for monitoring and compliance.

AMOUNT OF MONEY AND SOURCE:

NO CITY FUNDS ARE REQUESTED

BACKGROUND/EXPLANATION

The Developer, either directly or through affiliates, is or will be developing approximately 250 acres of land located on the South Baltimore peninsula, south of I-95, into a transformative, mixed-use, waterfront project, that will include more than 12 million square feet of new development (the "New Port Covington").

The development of the New Port Covington is projected to result in (a) more than \$5.5 billion in construction expenditures; (b) \$7.6 billion in construction-related economic activity; (c) 42,000 construction and multiplier jobs supported or created; and, (d) \$242 million in combined state and local government revenues.

The MOU between MWBD and the Developer will outline each party's responsibilities for inclusion of City certified minority and women-owned businesses in the New Port Covington Project. These responsibilities include but are not limited to creating on-going outreach programs, ensuring contracting opportunities for M/WBEs, and hiring an independent consultant to monitor the Project's goals.

MBE/WBE PARTICIPATON

The Developer has signed the Commitment to Comply with the Minority and Women's Business Enterprise Program of Baltimore City.

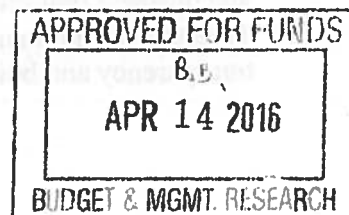
APPROVED BY THE BOARD OF ESTIMATES

Bernice W. Taylor

Clerk

Date

APR 20 2016



New Port Covington Supplier Diversity

MEMORANDUM OF UNDERSTANDING

APR 20 2016
This Memorandum of Understanding (this "Memorandum") is made this _____ day of _____, 2016 by and between the **MAYOR AND CITY COUNCIL OF BALTIMORE**, a body politic and corporate and a political subdivision of the State of Maryland (the "City") acting by and through the Mayor's Office of Minority and Women-owned Business Development ("MWBD"), and **SAGAMORE DEVELOPMENT COMPANY, LLC**, a company formed under the laws of the State of Maryland and registered to do business in the State of Maryland (the "Project Developer").

RECITALS

- A. The Project Developer, either directly or through affiliates, is or will be developing approximately 250 acres of land located on the South Baltimore peninsula, south of I-95, into a transformative, inclusive and world-class mixed-use, waterfront project, that will include more than 12 million square feet of building development (the "New Port Covington").
- B. The development of New Port Covington is estimated to take between 15 and 20 years to complete, depending on economic market conditions, but over that period is projected to result in (a) more than \$5.5 billion in construction expenditures; (b) \$9.4 billion in construction-related economic activity; (c) 54,000 construction and multiplier jobs supported or created; and, (d) \$402 million in combined state and local government revenues.
- C. At full development, New Port Covington is expected to generate (a) more than \$5.4 billion in economic activity; (b) more than 25,000 jobs supported or created; and (c) \$250 million in annual state and local government revenues.
- D. Development of New Port Covington cannot occur without the creation of the necessary infrastructure, such as streets, roads, sidewalks, water lines, sewerage systems, parks and conduits for communication (collectively, "Project Infrastructure"). The cost of Project Infrastructure is estimated at \$1.4 billion, a portion of which will be funding through the use of tax increment financing ("TIF") that will be funded by the future incremental tax revenues generated by New Port Covington.
- E. The Project Developer is committed to diversity and inclusion and espouses the following goals for New Port Covington:
- a) To contribute significantly to Baltimore's economic development by creating jobs and business opportunities for Baltimoreans;
 - b) To establish and maintain communication feedback loops that ensure transparency and build trust;

- c) To sponsor job-readiness and entrepreneurial bid-readiness to include more fully diverse groups of workers and community-based contractors;
- d) To facilitate participation among diverse and local vendors and suppliers;
- e) To develop sustainable partnerships with local community members, multilevel governmental agencies, non-profit organizations, service organizations, and other key stakeholders; and
- f) To engage all of New Port Covington's development partners and future tenants/owners.

NOW THEREFORE, the City and Project Developer agree as follows:

PURPOSE

The City and the Project Developer, have agreed on a process of implementing an inclusion strategy for minority and women-owned businesses ("M/WBE"). The goal is to provide access to business opportunities generated by the predevelopment and construction of the Project Infrastructure and all other projects developed by the Project Developer (together, the "Project") at the New Port Covington.

SCOPE OF SERVICES

1) **MWBD RESPONSIBILITIES**. MWBD will strive to ensure that M/WBEs have access to business and contracting opportunities made available through the Project.

2) To maximize the achievement of this goal, MWBD will:

a. The Project Developer and MWBD will collaborate and identify potential M/WBE protégé firms to (1) be assisted with building capacity and growth and (2) receive technical and management assistance through the Baltimore City Mentor/Protégé program. The goal is to develop meaningful business relationships that can lead to mutually beneficial business on future projects.

b. Market to M/WBEs for prime contracting and sub-contracting opportunities throughout the life of the Project. This service provides M/WBEs with stability in the Project.

c. Work with the Project Developer to ensure all contracting opportunities for the Project are coordinated with local M/WBEs in order to leverage the broad range of businesses and services available through M/WBEs.

d. Attend and provide presentations at vendor open house events, pre-bid meetings, and outreach events to subcontractors, consultants and on site subcontractor meetings to promote M/WBEs and to collect information on opportunities available from these entities.

e. Utilize a database of qualified M/WBEs to identify appropriate referrals for bid and contracting opportunities.

3) **PROJECT DEVELOPER RESPONSIBILITIES.** Project Developer is committed to promoting diversity to the greatest extent possible by including and recruiting M/WBEs for the Project.

4) The Project Developer will:

a. Adhere to the goals and guidelines set on the Project as developed by the Minority and Women's Business Opportunity Office ("MWBOO").

b. Advertise all contracting opportunities available during the Project through a website (or other publicly-available technology) by size of contract.

c. Participate in the City's Mentor/Protégé Program throughout the life of the project. This includes, but will not be limited to, the selection of a minimum of five (5) minority or women-owned companies to be mentored.

d. Size contracts to the greatest extent practicable so that M/WBEs can successfully compete to enlarge the pool of M/WBEs with the opportunity to bid on contracts.

e. Create an on-going outreach program to attract other companies at New Port Covington throughout the life of the Project to do business with M/WBEs and other local Baltimore-based companies. Encourage businesses located at New Port Covington to participate in "buy local" initiatives, joint ventures and M/WBE ownership.

f. Support small, minority and women-owned business access to technical training, access to capital and access to mentors.

g. Hire an independent, third-party consultant to monitor, measure, and evaluate the Project Developer's achievement of M/WBE inclusion goals throughout the duration of the Project.

h. Submit monthly reports to the Mayor and City Council, which report on the Project's M/WBE inclusion results unless a more infrequent schedule is agreed to by the Developer and MWBD. At minimum, the reports will include a description of what contracts were advertised, all bid awards, including total awards and M/WBE awards; M/WBE firms that were awarded contracts, and all award payments (including total payments and M/WBE payments).

i. Participate in a quarterly advisory group meeting of leaders in minority and women business representation, led by MWBD (such as: MWBOO, Maryland Washington Minority Contractors Association, Maryland Minority Contractors Association, Associated Builders and Contractors, Women's Business Enterprise National Council, local chambers of commerce) to: (a) monitor and discuss project status and outcomes, (b) identify best practices and strategies for maximizing opportunities for M/WBEs on the Project, (c) build capacity of

existing M/WBE firms, and (d) recruit new M/WBEs to Maryland and Baltimore. The Developer will collaborate with MWBD to establish advisory group participants and agenda.

j. Include "maker space" and innovation spaces at Port Covington, with the goal of achieving an advanced manufacturing ecosystem that attracts diverse high-tech manufacturing and technology companies and entrepreneurs including M/WBE's, focused on design and fabrication, fitness and nutrition, and energy.

k. Utilize MWBD as one of the primary points of contact throughout the life of the Project. Work with MWBD to actively promote the benefit of utilizing M/WBEs on this Project.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum on the date first above written.

ATTEST:

MAYOR AND CITY COUNCIL OF BALTIMORE

Jennifer A. Payne
Custodian of the City Seal

By: Stephanie Rawlings-Blake
Stephanie Rawlings-Blake, Mayor

WITNESS:

SAGAMORE DEVELOPMENT COMPANY, LLC

[Signature]

By: [Signature] (SEAL)
Marc Weller, President

Approved as to form and legal sufficiency:

Joselyn Levin
Chief Solicitor
[Signature]

Approved by the Board of Estimates

Bernice H Taylor
Clerk

Date APR 20 2016

**COMMITMENT TO COMPLY
WITH THE
MINORITY AND WOMEN'S BUSINESS ENTERPRISE PROGRAM
OF THE CITY OF BALTIMORE**

In consideration for receiving fiscal assistance from or through the City of Baltimore, the Developer covenants and agrees to comply with Article 5, Subtitle 28 of the Baltimore City Code (2014 Edition) regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in the development of the project infrastructure and all other projects developed in the New Port Covington by Developer. Developer covenants and agrees to use all reasonable good faith efforts to meet the following MBE and WBE participation goals for this project:

MBE GOAL 27%

WBE GOAL 10%

Prior to the commencement of construction, Developer agrees to submit to the City written documentation, including executed contracts, service agreements, or utilization commitment forms which shall identify the particular minority and women's business enterprises (i) contracting directly with the Developer, or (ii) subcontracting with prime contractors who have contracted directly with the Developer. The executed contracts, service agreements, or utilization commitment forms submitted to the City shall specify the dollar value of the participation, the type of work to be performed, and such other information as may be reasonably required by the City.

In the event that after reasonable and good faith efforts to meet the goals, Developer is able to demonstrate to the satisfaction of the City that sufficient qualified and willing MBE's and WBE's are unavailable in the market area of the project as defined by City law, then the Developer may request a waiver or reduction of the MBE and/or WBE goals.