

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented by _____

Referred To _____

Committee Date _____

**RESOLUTION ACCEPTING AND ADOPTING THE POLICY RECOMMENDATIONS OF THE
JOINT SAINT PAUL-MINNEAPOLIS LIVING WAGE POLICY TASK FORCE**

- 1 WHEREAS, according to the 1990 census, 17% of the City of Saint Paul's residents and 19% of Minneapolis's residents
2 poverty; and
3 WHEREAS, the City investment in local economic development provides many benefits for citizens of Saint Paul, one
4 which could be the availability of living wage jobs for the community; and
5 WHEREAS, the Saint Paul and Minneapolis City Councils established the Joint Saint Paul/Minneapolis Living Wage J
6 Task Force with the purpose of developing and recommending living wage jobs policy for the two cities; and
7 WHEREAS, the Task Force was comprised of members representing businesses, economic development specialists, lab
8 community organizations and was co-chaired by MaryAnn Sudieth, Vice President of Community Reinvestment at
9 FIRSTAR in downtown Saint Paul and Rebecca Yanisch, Executive Director of the Minneapolis Community Develop
10 Agency (MCDA); and
11 WHEREAS, the Joint Saint Paul/Minneapolis Living Wage Jobs Task Force met every two weeks from April through
12 November of this year, alternating meeting locations between Saint Paul and Minneapolis; and
13 WHEREAS, the Task Force dedicated itself to the develop of its policy recommendations by 1) hearing from the Cities
14 Minneapolis and Saint Paul, the Minneapolis Community Development Agency, and the Saint Paul Port Authority on
15 job and development policies in the two Cities; 2) conducting public hearings at the Minnehaha Recreation Center in S
16 Paul and the Peavey Neighborhood Center in Minneapolis in order to understand fully community concerns and ideas
17 living wage jobs policies for Minneapolis and Saint Paul; and 3) deliberating on specific policy recommendations to go
18 forward to the Saint Paul and Minneapolis City Councils—finalizing its policy recommendations on November 26, 199
19 therefore, be it
20 RESOLVED, that the Saint Paul City Council accepts the policy recommendations developed by the Joint Saint Paul
21 Minneapolis Living Wage Jobs Task Force and adopts the recommendations as policy; and be it finally resolved that the
22 Paul City Council forwards to the Saint Paul Housing and Redevelopment Authority (HRA) those policy
23 recommendations pertaining to HRA operations.

	Yes	No	Absent
Blakey	✓		
Bostrom	✓		
Guerin	✓		
Harris	✓		
Megard	✓		
Rettman	✓		
Thune	✓		
	2	0	10

Adopted by Council: Date Sept 2, 1997

Adoption Certified by Council Secretary

By: _____

Approved by Mayor: Date _____

By: _____

Requested by Department of: _____

By: _____

Form Approved by City Attorney

By: _____

Approved by Mayor for Submission to Council

By: _____

Approved without Mayor's Signature

1-10-97

**JOINT MINNEAPOLIS SAINT PAUL LIVING WAGE JOBS TASK FORCE
POLICY RECOMMENDATIONS TO THE
MINNEAPOLIS AND SAINT PAUL CITY COUNCILS**

~ As Adopted by the Saint Paul City Council January 2, 1997 ~

1. In any City economic development project in which jobs are created or retained, the City assistance should require the creation or retention of full time jobs with a living wage except when any of the following conditions are met:
 - a) the cumulative assistance package totals less than \$100,000 in any one fiscal year; or
 - b) the business receiving the assistance is a small business as defined by Minnesota Statute 645.445; or
 - c) the recipient is an intermediary, such as a community development corporation or community bank, which serves as a pass-through agency for the granting of assistance; or
 - d) the recipient is a business in its first year of existence in which case the exception will last for one year.

For purposes of this provision, assistance should be broadly defined as loans, bonds, grants and City tax incentives, excluding conduit bonds.

2. Redevelopment projects whose only public assistance is site remediation, investigation, and assembly will be exempt from monitoring and sanctions requirements.
3. A living wage must be paid by all businesses covered by this policy after an employee has been on the job for one year and a living wage will be defined and indexed as 110% of the federal poverty level for a family of four, or 100% of the federal poverty level for a family of four for businesses that provide employer-paid basic health insurance coverage. Any business unable to pay all or part of the living wage must provide a detailed explanation to the Department of Planning and Economic Development, which may recommend to the City Council and/or the Housing and Redevelopment Authority Board of Commissioners a waiver to this requirement which waiver may be granted by resolution.
4. 60% of new jobs created must be held by City residents. These jobs should be advertised to the entire community including low-income people through community-sponsored organizations or job linkage programs.
5. The City of Saint Paul will focus its job creation and retention assistance at businesses which demonstrate a commitment to the community by providing living wage jobs to their employees and to residents by giving priority to these businesses over businesses which have not traditionally paid living wages.
6. All other things being equal, and to the extent legally possible, the City of Saint Paul will give preferential status for job creation and retention assistance to businesses that engage in responsible labor relations.

7. The City of Saint Paul and the Saint Paul Port Authority will impose sanctions for non-compliance with these requirements.
8. The Saint Paul City Councils designate the Department of Planning and Economic Development to monitor and prepare an annual report on compliance with these requirements, possibly as a part of its annual report to the City Council on the job impacts of the previous year's projects.
9. The City of Saint Paul exempts organizations whose primary mission is to provide job readiness and training services, and whose sole purpose of requesting funding is to provide those services.
10. The City of Saint Paul will work with the Metropolitan Council and other appropriate state and regional agencies and the legislature to promote common standards consistent along these guidelines for job creation and retention assistance by public development agencies throughout the region.
11. The City of Saint Paul will commit to assist area businesses to obtain trained and work-ready employees and to facilitate access to child care and public transportation systems.
12. Administrative guidelines should be developed by the City's Department of Planning and Economic Development and HRA staff and brought before the City Council and HRA Board of Commissioners for review and adoption. These guidelines should explain in detail how each of the policy recommendations will be implemented.
13. Because job readiness is a primary challenge to the success of any wage initiative, and because it is of importance to the residents of Saint Paul as well as to business that develops here, the Saint Paul City Council and the Housing and Redevelopment Authority Board of Commissioners directs the City's Department of Planning and Economic Development and HRA staff to develop a job readiness, training and apprenticeship proposal for City residents. This proposal should include cost estimates and possible resources from public and private sources, and should be developed in partnership with local job training, placement and apprenticeship agencies. Funds for monitoring and compliance shall include funds for staff costs to work with other public and private entities to prepare City residents for jobs in new development.

JOINT MINNEAPOLIS SAINT PAUL LIVING WAGE JOBS TASK FORCE

POLICY RECOMMENDATIONS TO THE MINNEAPOLIS AND SAINT PAUL CITY COUNCILS

For Consideration as City, Minneapolis Community Development Agency and Saint Paul Housing and Redevelopment Authority Policy

Preamble: The following recommendations are made in order to assure that whenever Minneapolis and Saint Paul invest public funds in economic development projects, those projects create the greatest number of living wage jobs possible for Saint Paul and Minneapolis residents. In addition to these specific recommendations, we urge our City policy makers to keep the critical need for living wage jobs before them whenever they consider investing public dollars in development projects.

1. City economic development assistance should require the creation or retention of full time jobs with a living wage except when any of the following conditions are met:
 - a) the cumulative assistance package totals less than \$100,000 in any one fiscal year; or
 - b) the business receiving the assistance is a small business as defined by Minnesota Statute 645.445; or
 - c) the recipient is an intermediary, such as a community development corporation or community bank, which serves as a pass-through agency for the granting of assistance.

For purposes of this provision, assistance should be broadly defined as loans, bonds, grants and City tax incentives.

2. Redevelopment projects whose only public assistance is site remediation, investigation, and assembly, and that pay fair market value for the site will be reviewed according to Principle Number 6 of this report and will be exempt from monitoring and sanctions requirements.
3. Assistance packages above \$100,000 to non-exempted businesses will have to create or retain a fixed ratio of jobs per \$100,000.
4. A living wage will be defined and indexed as 110% of the federal poverty level for a family of four.
5. A goal of 60% of jobs created must be held by City residents. These jobs should be advertised to the entire community including low-income people through a community-sponsored organization and/or a job linkage program.
6. The Cities of Minneapolis and Saint Paul will focus their job creation and retention assistance at businesses that demonstrate a clear and ongoing commitment to providing living wage jobs to their employees and to residents when applicable.

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7. All other things being equal, the Cities of Minneapolis and Saint Paul will give preferential status for job creation and retention assistance to businesses that engage in responsible labor relations. Responsible labor relations are defined as neutrality on union organizing, providing a complete and accurate list of names and addresses of employees, reasonable access to employees and facilities during non-working periods, voluntary recognition based on a card check demonstrating that a union represents a majority of employees in a bargaining unit, and binding arbitration on the first contract.
8. The Cities and Port Authority will impose sanctions for non-compliance with these requirements.
9. Minneapolis and Saint Paul City Councils shall designate staff to monitor and prepare an annual report on compliance with these requirements.
10. Work presently being performed by City employees may not be contracted out unless the contractor pays employees performing that work a living wage or the current City wage, whichever is higher.
11. To the extent legally possible, City contracts awarded for services will, within four years, beginning in 1997, be awarded to contractors who pay, at a minimum, a living wage for employees performing that contract service.
12. Minneapolis and Saint Paul City Councils shall direct purchasing staff to develop by August 1997, policies and practices for contracting and purchasing of goods and services to encourage the creation of living wage jobs using the Cities of Baltimore and Milwaukee as references.
13. The Task Force acknowledges the need for job readiness services for some City residents who face serious social and economic barriers to employability. Many of these residents need to establish a stable work history before they are able to move on to living wage jobs. The Task Force policies exempt organizations whose primary mission is to provide job readiness and training services, and whose sole purpose of requesting funding is to provide those services.
14. Saint Paul and Minneapolis will work with the Metropolitan Council and other appropriate state and regional agencies and the legislature to promote common standards consistent along these guidelines for job creation and retention assistance by public development agencies throughout the region.
15. Although our primary focus is on the creation of living wage jobs where public assistance is received, the Twin Cities cannot achieve their economic development goals without a trained and work ready workforce and adequate day care. The Cities will commit to assist area businesses to obtain trained and work-ready employees and to facilitate access to child care.

96-1

**ADDENDUM TO THE
JOINT MINNEAPOLIS SAINT PAUL
LIVING WAGE TASK FORCE POLICY RECOMMENDATIONS**

The recommendations of the Living Wage Task Force establish the important principle that public subsidies should require the creation or retention of living wage jobs, but the recommendations cover only a portion of current public subsidies. We, the undersigned members of the Living Wage Task Force, believe that the recommendations must go further in order to realize the full value of public investments in our Cities. We are especially concerned with the conditions of public subsidy for sports facilities, convention facilities, and large-scale commercial and retail developments that consume enormous taxpayers subsidies. These investments are usually justified in terms of increasing the number of downtown visitors and improving retail business. However, given the large sums spent on these projects, we recommend that these investments be subject to living wage requirements as a condition of public finance. Such a policy would provide a better return for our public investment and, in fact, will more effectively develop a community where people have incomes sufficient to support retail businesses and will generate true and lasting community vitality.

We also believe that it is appropriate to make stronger provisions to ensure that an appropriate number of jobs created through taxpayers subsidy actually go to City residents.

We therefore make the following recommendations to extend the common ground recommendations of the Task Force:

- A. Living wage policy requirements, in addition to applying to economic development projects, should apply to all public financial assistance to businesses and to City financing of all development projects and facilities such as convention centers and stadiums. Exemptions to the policy should include, in addition to the three conditions listed in provision #1 of the Task Force recommendations, the following condition for exemption:

the recipient is a neighborhood-based community-development project (such as the Chicago Crossings Neighborhood Retail Project) that involves a non-profit community development group and would be eligible for Community Development Block Grant Assistance.
- B. For purposes of the provisions of living wage policies, assistance should be defined so as to include tax increment financing along with the other forms of assistance included in provision #1 of the Task Force report.
- C. 60% of the jobs created or retained must be held by City residents as a requirement of City subsidy.
- D. If and when an assisted business fails to comply with the terms of an assistance agreement, then the business shall return the assistance.

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Martin Goff

Bernie Hesse
Kristine Jacobs
Mary Jo Maynes
John McCarty

Dale Means
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Deborah Schlick
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